

**RECORD AND WHEN RECORDED
RETURN TO:**

County of Placer
Attn: Clerk of the Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE COUNTY OF PLACER

AND

ANGELO K. TSAKOPOULOS, WILLIAM C. CUMMINGS,

AND

PLACER 2780,
A CALIFORNIA LIMITED PARTNERSHIP

RELATIVE TO THE

REGIONAL UNIVERSITY SPECIFIC PLAN

DEVELOPMENT AGREEMENT RELATIVE TO THE REGIONAL UNIVERSITY SPECIFIC PLAN

This Development Agreement (“**Agreement**”) is entered into this [REDACTED] day of [REDACTED], 2008, by and between the COUNTY OF PLACER, a municipal corporation (“**County**”), and PLACER 2780, a California limited partnership; ANGELO K. TSAKOPOULOS, and WILLIAM C. CUMMINGS, or their successors in interest, (collectively, “**Donor**”) pursuant to the authority of Sections 65864 through 65869.5 of the Government Code of California.

RECITALS

A. 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 County of Placer 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.

B. Property. The subject of this Agreement is the development of those certain parcels of land described in Exhibits A-1 and A-2 and shown on Exhibit A-3 attached hereto (hereinafter the “**Property**”), comprising the Regional University Specific Plan area (“**Specific Plan**” or “**Plan Area**”). Placer 2780, a California limited partnership, owns that portion of the Property described in Exhibit A-1. Angelo K. Tsakopoulos and William C. Cummings own that portion of the Property described in Exhibit A-2. Donor owns the property and represents that all persons holding legal or equitable interests in the Property shall be bound by this Agreement. For purposes of identification of the Property within the Specific Plan, all references herein to a parcel number for any portion of the Property shall refer to the parcel number for such portion of the Property identified on Exhibit 2.2 of this Agreement.

C. Project Concept; Infrastructure Plan. The Specific Plan is designed as a mixed-use community, with two primary components, the University campus (the “**University Campus**”) and the adjoining mixed use community (the “**Community**”). For purposes of this Agreement, the term “**Community Property**” shall mean the Community portion of the Plan Area, and the term “**University Property**” shall mean the University Campus portion of the Plan Area. Any parcel within the Property may be developed when desired by the respective owner thereof provided that the required portions of infrastructure for the Specific Plan have been constructed in accordance with the infrastructure requirements as more particularly described in the Infrastructure Plan (“**Infrastructure Plan**”) dated [REDACTED], 2008 that was prepared by the Donor and

approved by the County in conjunction with the Entitlements as defined in Recital F, below. The Infrastructure Plan is described further in Article 3 hereof.

D. Hearings. On [REDACTED], 2008, the County Planning Commission, designated 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 County Board of Supervisors ("**Board**") approve this Agreement.

E. Environmental Impact Report. On [REDACTED], 2008, the Board, in Resolution No. [REDACTED], certified as adequate and complete the Final EIR (the "**EIR**") (State Clearinghouse #2005032026) for the Specific Plan, in accordance with the California Environmental Quality Act ("**CEQA**"). 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 Board concurrently with this Agreement.

F. Entitlements. Following consideration and certification of the aforementioned EIR and adoption of the CEQA related findings, the Board adopted a Statement of Overriding Considerations with respect to and approved the following land use entitlements for the Property, which entitlements are the subject of this Agreement:

1. The Placer County General Plan, as amended by Resolution No. [REDACTED] (the "**General Plan**");
2. The Specific Plan, as adopted by Resolution No. [REDACTED] ("**Specific Plan**");
3. The Zoning of the Property, as adopted by Ordinance No. [REDACTED];
4. The Development Standards and Design Guidelines, as adopted by Ordinance No. [REDACTED];
5. This Development Agreement, as adopted by Ordinance No. [REDACTED] (the "**Adopting Ordinance**").

The approvals described in paragraphs 1 through 5, inclusive are referred to herein collectively as the "**Entitlements**." Subsequent actions or approvals by County for development of the Property, such as tentative subdivision maps, conditional use permits or design approvals ("**Subsequent Entitlements**"), shall be deemed included as part of the Entitlements upon County action or approval thereof, provided, however, except as otherwise provided herein regarding the term of tentative maps, the inclusion of Subsequent Entitlements as part of the Entitlements vested hereunder shall not limit

the County's discretion to impose time periods within which such Subsequent Entitlements must be implemented. Development of the Property consistent with the Entitlements is referred to herein as the "**Project.**"

G. 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 Plan and the Specific Plan. For purposes of the vesting protection granted by this Agreement, except as otherwise provided herein, or by state or federal law, the applicable County laws, rules, regulations, ordinances and policies shall be as set forth in the Entitlements as of the Effective Date hereof.

H. Donation of the Property; Implementation of Agreement. It is Donor's objective that an institution of higher learning that confers bachelor's degrees, and potentially graduate and/or professional degrees, be established on the University Property. Any such university may include both teaching and research and other support facilities. To facilitate that objective, Donor intends to donate the Property to a private, nonprofit entity which has been established for charitable and educational purposes (the "**Master Owner**"). It is anticipated that the Master Owner will convey the Community Property to a subsequent transferee which will then be the primary developer of the Community Property (the "**Community Developer**"). The Master Owner may retain the University Property and establish a university on the University Property or may transfer the University Property to another private nonprofit entity with such owner establishing a university on the University Property (the "**University Property Owner**"). As is described in Section 1.2 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 Donor, including, without limitation, the Master Owner, Community Developer and any University Property Owner. Upon donation of the Property to the Master Owner, Donor and County recognize that the Master Owner will be implementing the provisions of this Agreement as set forth herein.

I. Substantial Costs to Master Owner. Master Owner, or its successors in interest, 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.

J. Need for Services and Facilities. Development of the Property will result in a need for urban services and facilities, which services and facilities will be provided by County and other public agencies to such development subject to the performance of Master Owner's obligations hereunder.

K. Contribution to Costs of Facilities and Services. The Master Owner shall provide for the costs of such public facilities and services as required herein to mitigate

impacts on the County of the development of the Property, and County agrees to accept such public facilities and provide such services, according to the terms of this Agreement and the EIR, to allow the Master Owner to proceed with and complete development of the Property in accordance with the terms of this Agreement. The Master Owner will provide as a part of such development a mix of housing meeting a range of housing needs for the County, public facilities such as open space, recreational amenities, and other services and amenities that will be of benefit to the future residents of the County. The parties hereto recognize and agree that but for the Project's contribution to mitigate the impacts arising as a result of development entitlements granted pursuant to this Agreement, County would not and could not approve the development of the Property as provided by this Agreement and that, but for County's covenants under this Agreement, the Project would not and could not commit to provide the mitigation as provided by this Agreement. County's vesting of the right to develop the Property as provided herein is in reliance upon and in consideration of the Project's obligation to bear the cost of public improvements and services as herein provided to mitigate the impacts of development of the Property as such development occurs.

The Master Owner shall fund the costs of construction and establish the ongoing financing mechanisms as provided in this Agreement to ensure that the public facilities and services as required herein are provided as required by County. To coordinate and implement the plan for financing the costs of providing such public facilities and services, and provide a guide for the County's establishment of programs related to the costs of such facilities and services, Donor has prepared and County has accepted the Regional University Specific Plan Public Facilities Financing Plan (the "**Financing Plan**") dated [REDACTED], 2008, and the Regional University Urban Services Plan (the "**Urban Services Plan**") dated [REDACTED], 2008.

L. Development Agreement Ordinance. All actions and requirements mandated by the Development Agreement Ordinance of the County have been taken by the parties hereto.

ARTICLE 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 and shown in Exhibit A-3. Upon satisfaction of the conditions to this Agreement becoming effective and recordation of this Agreement pursuant to 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 "**Donor**" shall mean and refer to the

persons or entities collectively described in the preamble above and the signature page to this Agreement below. For purposes of this Agreement: (a) the term “**Master Owner**” shall mean the private nonprofit entity that becomes the owner of record of the Property through donation from the Donor for charitable and educational purposes; (b) the term “**Community Developer**” shall mean the owner of the Community Property, including the Master Owner or any subsequent purchaser or transferee of the Community Property from the Master Owner; (c) the term “**Project Developer(s)**” shall mean any subsequent purchaser(s) or transferee(s) of a portion of the Community Property from Community Developer, and; (d) the term “**University Property Owner**” shall mean the owner of the University Property, including the Master Owner or any subsequent purchaser or transferee from the Master Owner of the University Property. Upon any transfer of the Community Property from Master Owner to Community Developer, Master Owner and Community Developer shall enter into a private acquisition agreement which shall set forth the parties’ relative rights and obligations related to such transfer (the “**Community Acquisition Agreement**”). The Community Acquisition Agreement shall allocate the responsibility for the construction and financing of the Developer Infrastructure (as defined in Section 3.2 herein) between the Community Developer and the University Property Owner on a fair share basis with the intent being that such allocation would be substantially consistent with the Financing Plan. Upon execution of the Community Acquisition Agreement, the Master Owner shall provide the County with written notice of execution of the Community Acquisition Agreement together with a written summary of the fair share basis allocation of the funding and construction obligations set forth therein. In the event of any transfer of any portion of the Property from Master Owner, the University Property Owner, the Community Developer, or a Project Developer, and an assignment of rights and obligations under this Agreement, the County shall be provided with a copy of an assignment and assumption agreement in compliance with Section 8.11 herein, which assignment and assumption agreement shall provide written notice to the County of any transfer or release of obligations under this Agreement between said parties so as to enable the County to track the proper party responsible to fulfill such obligations. Pursuant to Section 8.11 below, no assignment and assumption of the rights and obligations under this Agreement shall release the assigning party of any obligations hereunder unless the County has consented to such release, which consent shall not be unreasonably withheld, conditioned or delayed. The parties have delineated certain rights and obligations with respect to the University Property Owner and the University Property which are not applicable to the Community Property, which rights and obligations are set forth in Article 4 below.

1.3 Term.

1.3.1 Commencement; Expiration. The term of this Agreement (“**Term**”) shall commence upon the effective date of the Adopting Ordinance approving this Agreement (the “**Effective Date**”). This Agreement shall be recorded against the

Property at Donor's expense within ten (10) days after County enters into this Agreement, as required by California Government Code Section 65868.5.

The Term of this Agreement shall extend for an initial period of twenty (20) years after the Effective Date, unless said Term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the parties hereto. Unless prior to the expiration of the initial period the Board of Supervisors determines, in its sole discretion, that an extension is not in the best interests of the County, the initial twenty (20)-year period, as may be modified or extended, shall be extended automatically for one (1) period of ten (10) years. Following the expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect.

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 County of a final inspection for a dwelling unit upon such residential lot and conveyance of such improved residential lot by any Community Developer or Project Developer to a bona-fide good faith purchaser thereof. In connection with its issuance of a final inspection for such improved lot, County shall confirm that: (i) all improvements which are required to serve the lot, as determined by County, have been accepted by County; (ii) the lot is included within any community facilities district (CFD), county service area (CSA), or any zone thereof, or other financing mechanism acceptable to the County, to the extent required by the County to fund public facility maintenance obligations and services to the lot, in accordance with the provisions of Sections 3.23 and 3.24 below; (iii) if and to the extent applicable to such lot, an affordable purchase or rental housing agreement has been recorded on the lot; and (iv) all other conditions of approval applicable to said lot have been complied with. 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 affordable purchase or rental housing agreement or any CFD tax lien or CSA assessment, fee or charge affecting such lot at the time of termination.

1.3.3 Election to Terminate. This Agreement may, with respect to Parcel 14, as shown on Exhibit 2.2 only, also be terminated, at the election of the then property owner, with respect to any legally-subdivided parcel designated by the Specific Plan for a non-residential use (other than parcels designated for public use), after a final subdivision map creating such parcel has been recorded, by giving written notice to County of its election to terminate this Agreement for such parcel, provided that: (i) all improvements which are required to serve the parcel, as determined by County, have been accepted by County; (ii) the parcel is included within any CFD or CSA, or any zone thereof, or other financing mechanism acceptable to the County, to the extent required by the County to fund public facility maintenance obligations and services to the parcel, in accordance with the provisions of Sections 3.23 and 3.24 below; and (iii)

all other conditions of approval set forth in the tentative subdivision map and/or conditional use permit applicable to said parcel have been complied with. Master Owner, Community Developer, or University Property Owner, as applicable, shall cause any written notice of termination approved pursuant to this subsection to be recorded with the County Recorder against the applicable parcel at such party's expense. Termination of this Agreement for any such parcel as provided for in this Section 1.3.3 shall not in any way be construed to terminate or modify any CFD tax lien or CSA assessment, fee or charge affecting such parcel at the time of termination. If not paid or otherwise satisfied prior to the giving to County of written notice of election to terminate, any obligation by a property owner to pay a Development Mitigation Fee, a New Development Mitigation Fee, or a Project Development Fee as required by this Agreement shall survive the termination of this Agreement under this section.

1.3.4 Tolling and Extension During Legal Challenge or Moratoria. In the event that this Agreement or any of the Entitlements or the EIR or any subsequent approvals or permits required to implement the Entitlements (such as, any required Fill Permit or Environmental Impact Statement related thereto) are subjected to legal challenge by a third party, and Master Owner is unable to proceed with the Project due to such litigation (or Master Owner gives written notice to County that it is electing not to proceed with the Project until such litigation is resolved to Master Owner's satisfaction), the Term of this Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Donor or Master Owner, be extended and tolled during such litigation until the entry of final order or judgment upholding this Agreement and/or Entitlements, or the litigation is dismissed by stipulation of the parties; provided, however, that, notwithstanding the foregoing, Master Owner shall have the right to elect, in Master Owner's sole discretion, to proceed with the Project at any point by providing the County with written notice that it is electing to proceed with the Project in which event the tolling of the Term of this Agreement shall cease as of the date of such notice. Similarly, if Master Owner is unable to develop the Property due to the imposition by the County or other public agency of a development moratoria for a health or safety reason unrelated to the performance of Master Owner's obligations hereunder (including without limitation, moratoria imposed due to the unavailability of water or sewer to serve the Plan Area), then the Term of this Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Master Owner, be extended and tolled for the period of time that such moratoria prevents such development of the Property. Notwithstanding any extension or tolling of the Term of this Agreement as provided above in this Section 1.3.4, the County shall, at Master Owner's cost, process any preliminary plans submitted by Master Owner, including, without limitation, any applications for tentative parcel map or tentative subdivision approval, during such tolling period; provided, however, no such applications or plans shall be approved unless or until the tolling period has been terminated.

1.3.5 Termination of Agreement; Restriction on Use of University Property. Notwithstanding any other provision in this Agreement to the contrary, the

very low income affordable housing obligation applicable to the University Property contained in Section 2.6 below and the use restriction on the University Property contained in Section 4.6 below shall survive the expiration or earlier termination of this Agreement.

1.4 Amendment of Agreement. This Agreement may be amended from time to time by mutual written consent of County and Donor (and/or any successor owner of any portion of the Property to which the benefit or burden of the amendment would apply), in accordance with the provisions of the Development Agreement Statute. If the proposed amendment affects the approved Specific Plan land use designation or zoning of less than the entirety of the 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. If the proposed amendment or minor modification reduces the amount of revenue anticipated to be received by County to fund or maintain facilities and/or services, County may adjust or modify any fee or assessment to mitigate the impact. The parties acknowledge that under the County Zoning Ordinance and applicable rules, regulations and policies of the County, 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 Board of Supervisors. Accordingly, the approval by the Planning Director of any minor modifications to the Entitlements that are consistent with this Agreement shall not constitute nor require an amendment to this Agreement to be effective.

For purposes of this Section, minor modifications shall mean any modification to the Project that does not relate to (i) the Term of this Agreement; (ii) permitted uses of the Project; (iii) density or intensity of use, except as allowed pursuant to Section 2.3 of this Agreement; (iv) provisions for the reservation or dedication of land; (v) conditions, terms, restrictions or requirements for subsequent discretionary actions; or (vi) monetary contributions by Master Owner, and that may be processed under CEQA as exempt from CEQA, or with the preparation of a Negative Declaration or Mitigated Negative Declaration. For purposes of this Section, minor modifications shall also specifically include modifications to the scope or extent of any Developer Infrastructure, including the timing for the construction thereof, required under this Agreement which do not affect the functionality of such Developer Infrastructure.

1.5 Recordation Upon Amendment or Termination. Except when this Agreement is automatically terminated due to the expiration of the Term or the provisions of Section 1.3.2 above, the County shall cause any amendment hereto and any other termination hereof to be recorded, at Donor's expense, with the County Recorder within ten (10) days after County executes such amendment or termination. Any amendment or termination of this 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.

ARTICLE 2. DEVELOPMENT OF THE PROPERTY

2.1 Permitted Uses. The permitted uses of the Property, the density and intensity of use, 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, County agrees that County 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. County acknowledges that the Entitlements include the land uses and approximate acreages for the Property as shown and described in Exhibit 2.2 attached hereto.

Such uses shall be developed in accordance with the Entitlements, as such Entitlements provide on the Effective Date of this Agreement and/or as any Subsequent Entitlements provide on the date of approval thereof by County. Master Owner's vested right to proceed with the development of the Property shall be subject to a subsequent approval process as specified in the Specific Plan, provided that any conditions, terms, restrictions and requirements for such subsequent actions shall not prevent development of the Property for the uses set forth in the Entitlements, or reduce the density and intensity of development, or limit the rate or timing of development set forth in this Agreement, so long as Master Owner is not in default under this Agreement.

Notwithstanding anything to the contrary in this Section 2.2, the parties hereto agree, as a condition precedent to the scheduling of any hearing for approval of a tentative small lot subdivision map proposing to create individual buildable lots for less than the entirety of the Community Property, Master Owner shall have first recorded a final large lot subdivision or parcel map for the entirety of the Community Property (a "**Final Large Lot Map**"). The Final Large Lot Map shall delineate, describe and offer to dedicate the portions of the Community Property proposed to be used for any of the public facilities as set forth in the Specific Plan and Sections 3.4.1 or 3.15 herein to the reasonable satisfaction of the County.

The parties hereto acknowledge that the approval by the County of any large lot maps for the Property (or any portion thereof) shall not confer any right upon Master Owner or any successor-in-interest to develop the affected portion of the Property, it being anticipated that such large lot maps shall be utilized for financing and transaction purposes.

2.3 Density Transfer. The number of residential dwelling units planned for the different large lot parcels within the Community Property as designated in the Specific Plan may be transferred to other large lot parcels within the Community Property,

subject to compliance with the conditions for such transfer as set forth in the Specific Plan. Minor density adjustments, as defined in the Specific Plan, shall not require an amendment to this Agreement; provided, however, upon approval of any such minor density transfer, the change in units for the transferring and receiving parcels shall be noted by a recorded acknowledgment of such transfer in order to revise Exhibit 2.2 for this Agreement. The right to transfer any unused units from the Property shall be limited and shall only occur in compliance with the provisions for density transfer as set forth in the Specific Plan.

2.4 Rules, Regulations and Official Policies.

2.4.1 Conflicting Ordinances or Moratoria. Except as provided in this Article 2, Section 3.13 herein, and subject to applicable law relating to the vesting provisions of development agreements, so long as this Agreement remains in full force and effect, no future resolution, rule, ordinance or legislation adopted by the County or by initiative (whether initiated by the Board of Supervisors or by a voter petition, other than a referendum that specifically overturns the County's approval of the Entitlements) shall directly or indirectly limit the rate, timing, sequencing or otherwise impede development from occurring in accordance with the Entitlements and this Agreement. Provided, however, notwithstanding anything to the contrary above, Master Owner shall be subject to any growth limitation ordinance, resolution, rule or policy that is adopted by the County to eliminate placing residents of the development in a condition which is imminently dangerous to their health or safety, or both, in which case County shall treat development of the Property in a uniform, equitable and proportionate manner with all other properties that are affected by said dangerous condition. To the extent any future resolutions, rules, ordinances, fees, regulations or policies applicable to development of the Property are not inconsistent with the Entitlements or any other terms of this Agreement, such rules, ordinances, fees, regulations or policies shall be applicable. By way of example only, a growth limitation ordinance which would preclude the issuance of a building permit due to a lack of adequate sewage treatment capacity to meet additional demand adopted to eliminate placing residents in a condition dangerous to their health or safety, or both, would support a denial of a building permit within the Property or anywhere else in the County if such an approval would require additional sewage treatment capacity. However, an effort to limit the issuance of building permits because of a general increase in traffic congestion levels in the County would not be deemed to directly concern an imminent public health or safety issue under the terms of this paragraph.

2.4.2 Application of Changes. Nothing in this Section 2.4 shall preclude the application to development of the Property of changes in County laws, regulations, plans or policies, the terms of which are specifically mandated or required by changes in State or Federal laws or regulations. To the extent that such changes in County laws, regulations, plans or policies prevent, delay or preclude compliance with one or more

provisions of this Agreement, County and Master Owner shall take such action as may be required pursuant to Section 5.1 of this Agreement to comply therewith.

2.4.3 Authority of County. This Agreement shall not be construed to limit the authority or obligation of County to hold necessary public hearings, or to limit discretion of County 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 County 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 Application and Project Development Fees.

2.5.1 Application, Processing and Other Fees and Charges. Master Owner shall pay those application, processing, inspection and plan checking fees and charges as may be required by County under then current regulations for processing applications and requests for Subsequent Entitlements, Final Development Entitlements (as defined in Section 3.2 below), 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 Master Owner hereunder.

2.5.2 Development Mitigation Fees. Consistent with the terms of this Agreement, County shall have the right to impose and the Master Owner shall pay such development fees, impact fees and other such fees levied or collected by County to offset or mitigate the impacts of development of the Property and which will be used to pay for public facilities attributable to development of the Property and the Specific Plan as have been adopted by County, or as have been adopted by a joint powers authority of which the County is a member, in effect on the Effective Date of this Agreement (“**Development Mitigation Fees**”).

2.5.2.1 Community Property Development Mitigation Fees. The Development Mitigation Fees applicable to the Community Property are:

Placer County Code Article 13.12: Sewer service system annexation and connection fees

Placer County Code Article 15.28: County road network capital improvement program traffic fee: Dry Creek Zone

Placer County Code Article 15.30: County public facilities fee

Placer County Code Article 15.34: Parks and recreation facilities fee

Placer County Ordinance No. 5321-B: County of Placer—City of Roseville joint traffic fee

South Placer Regional Transportation Authority: South Placer Regional Transportation and Air Quality Mitigation Fee

2.5.2.2 University Property Development Mitigation Fees. The Development Mitigation Fees applicable to the University Property are:

Placer County Code Article 13.12: Sewer service system annexation and connection fees

Placer County Code Article 15.28: County road network capital improvement program traffic fee: Dry Creek Zone

Placer County Code Article 15.30: County public facilities fee

Placer County Ordinance No. 5321-B: County of Placer—City of Roseville joint traffic fee

South Placer Regional Transportation Authority: South Placer Regional Transportation and Air Quality Mitigation Fee

2.5.3 New Development Mitigation Fees. In the event that after the Effective Date of the Agreement the County, or a joint powers authority or other agency of which the County currently is or during the term of the Agreement becomes a member, adopts a new development mitigation fee, other than those contemplated by the Financing Plan, in accordance with the Mitigation Fee Act (Government Code Section 66000 et seq.) or other applicable law (a “**New Development Mitigation Fee**”), and the New Development Mitigation Fee is applicable on a county-wide or an area-wide basis and said area includes all or any portion of the Property, the Project shall be subject to any such applicable New Development Mitigation Fee.

2.5.4 Project Development Fees. The requirement to comply with the Mitigation Fee Act shall only apply with respect to any New Development Mitigation Fee that may be adopted by the County or such joint powers authority or other agency. As partial consideration for this Agreement and to offset certain anticipated impacts of project approval, the costs of which may not otherwise be calculable at this time, the Project shall be subject to, and Donor, on behalf of itself and its successors in interest, specifically waives any objection to County’s lack of compliance with the Mitigation Fee Act or other applicable law in the calculation of, each of the following fees (a “**Project Development Fee**”):

2.5.4.1 Regional Traffic Fee (“County Tier II Fee”). The County is currently in the process of working with the Cities of Lincoln, Rocklin and Roseville (the “**Cities**”) to implement a program whereby projects in new development areas within southwestern Placer County will each pay a traffic fee to fund certain major regional traffic infrastructure projects that provide relief for traffic congestion to Placer County. The adoption of a comprehensive region-wide fee program by the County and the Cities is beyond the authority of the County. Notwithstanding, Master Owner shall pay a regional traffic fee (“**County Tier II Fee**”) of: (a) Five Thousand Four Hundred Seventy-

Three Dollars (\$5,473.00) per dwelling unit equivalent for each building permit issued for a residential dwelling within the Community Property; (b) Two Thousand Nine Hundred Sixty-Six Dollars (\$2,966.00) per dwelling unit equivalent for each building permit issued for a retail/commercial use building within the Community Property; (c) One Thousand Four Hundred Ninety-Three Dollars (\$1,493.00) per dwelling unit equivalent for each building permit issued for an industrial/office/other use building within the Community Property; and (d) within the University Property only, One Thousand Dollars (\$1,000.00) per dwelling unit equivalent for each building permit, based upon the identification and distribution of the number of dwelling unit equivalents per building type to be determined between the County and the University Property Owner as part of the Campus Master Plan approval required by Section 10.2.5 of the Specific Plan and Section 4.3 of this Agreement; provided, however, the payment of the County Tier II Fee shall be subject to the following qualifications:

(a) The County Tier II Fee amount set forth herein is the best estimate by the County of the amount of the fee as of the Effective Date. During the term of this Agreement, County and the Cities may enter into a multi-party agreement to implement a comprehensive region-wide Tier II Fee program and in the event such an agreement is entered into by the County, the amount of the County Tier II Fee shall be increased or decreased by County from time-to-time to be consistent the amount of the Tier II Fee agreed to by the County in accordance with the multi-party agreement between the County and the Cities; provided, however, the fee within the University Property shall not exceed One Thousand Dollars (\$1,000.00) per dwelling unit equivalent for each building permit, based upon the identification and distribution of the number of dwelling unit equivalents per building type to be determined between the County and the University Property Owner as part of the Campus Master Plan approval, subject only to adjustment for inflation in accordance with the formula utilized to adjust other fees for inflation under the Tier II fee program as adopted.

(b) It is possible the Cities may not agree to impose a regional traffic fee in an amount equivalent to the County Tier II Fee set forth above. Payment of the County Tier II Fee shall not be subject to imposition of a similar and equivalent fee by the Cities. In the event the Cities do not agree to impose a similar and equivalent fee on development projects within the Cities, Master Owner's obligation to pay a County Tier II Fee shall be limited to (a) Five Thousand Four Hundred Seventy-Three Dollars (\$5,473.00) per dwelling unit equivalent for each building permit issued for a residential dwelling within the Community Property; (b) Two Thousand Nine Hundred Sixty-Six Dollars (\$2,966.00) per dwelling unit equivalent for each building permit issued for a retail/commercial use building within the Community Property; (c) One Thousand Four Hundred Ninety-Three Dollars (\$1,493.00) per dwelling unit equivalent for each building permit issued for an industrial/office/other use building within the Community Property; and (d) within the University Property only, One Thousand Dollars (\$1,000.00) per dwelling unit equivalent for each building permit, based upon the identification and distribution of the number of dwelling unit equivalents per building type to be determined

between the County and the University Property Owner as part of the Campus Master Plan approval required by Section 10.2.5 of the Specific Plan and Section 4.3 of this Agreement, to be adjusted annually from the Effective Date by the percentage of change in the 20-Cities Construction Cost Index in the Engineering News Record. If County determines that it may not be feasible to construct any or all of the projects contemplated under the regional fee program because of the decision by the Cities to not impose a similar and equivalent fee, County shall identify the infrastructure project or projects that, in its sole discretion, provide the greatest benefit to County residents in southwestern Placer County and shall utilize the County Tier II Fee accordingly.

(c) County agrees that it shall use its best efforts to impose a fee similar and equivalent to the County Tier II Fee on future specific plans not currently contemplated within existing community plans within the unincorporated area of southwestern Placer County through the inclusion in the applicable development agreement of a provision comparable to this Section 2.5.4.1. In the event County, without good cause (as determined by County), does not include a requirement for the payment of a County Tier II Fee or equivalent, Master Owner shall have no further obligation to pay the County Tier II Fee as required by this Section 2.5.4.1. In the event County, without good cause (as determined by County), does not require payment of a County Tier II Fee or equivalent in an amount comparable to the fee amount required in this Section 2.5.4.1, Master Owner's fee obligation under this Section 2.5.4.1 shall then be reduced accordingly. In the event County, with good cause (as determined by County), either (1) does not require payment of a County Tier II Fee or equivalent, or (2) does not require payment of a County Tier II Fee or equivalent in an amount comparable to the fee amount required in this Section 2.5.4.1, then Master Owner's obligation under this Section 2.5.4.1 shall remain in full force and effect.

2.5.4.2 Highways 99/70--Riego Road Interchange Fee. Master Owner shall pay a fee of Three Hundred Dollars (\$300.00) per dwelling unit equivalent for each building permit issued within the Community Property to provide funding for the construction of an interchange at the intersection of State Highways 99/70 and Riego Road in Sutter County ("**99/70--Riego Interchange Fee**"). The 99/70--Riego Interchange Fee is not currently included within the County Tier II Fee. County agrees that in the event the Cities do not adopt a regional traffic fee in an amount equivalent to the County Tier II Fee, County shall allow credit for payment of the 99/70--Riego Interchange Fee as described above against the amount of the then applicable County Tier II Fee. Payment of the 99/70--Riego Interchange Fee shall not be subject to imposition of a similar and equivalent fee by the Cities or Sutter County. In the event Sutter County does not agree to impose a similar and equivalent fee on development projects within Sutter County and County determines that it may not be feasible to construct the Highways 99/70--Riego Road interchange, County shall identify the infrastructure project or projects that, in its sole discretion, provide the greatest benefit to County residents in southwestern Placer County and shall utilize the 99/70--Riego Interchange Fee accordingly. The 99/70--Riego Interchange Fee shall be adjusted

annually from the Effective Date by the percentage of change in the 20-Cities Construction Cost Index in the Engineering News Record.

2.5.4.3 Southwest Placer Fee (the “SW Placer Fee”). County shall establish and Master Owner shall pay the Southwest Placer Fee (“**SW Placer Fee**”) as set forth in the Financing Plan. The SW Placer Fee shall be comprised of the costs for a portion of the infrastructure and equipment that is necessary to support and facilitate the development of the Property and which is required and sized to serve the residents of the Specific Plan and adjacent properties or other specific plan or development projects that may occur in the general vicinity of southwest Placer County. The SW Placer Fee shall include components covering the costs of the following types of infrastructure and equipment which are more specifically described in the Financing Plan: County corporation yard and associated equipment, regional library facilities, regional fire center, fee program formation and administration and fee updates. In calculating the SW Placer Fee, the County shall take into account the fact that the University will be providing the following types of facilities, infrastructure or equipment:

(a) Initial Establishment of SW Placer Fee. County shall determine the initial amounts of the SW Placer Fee based upon estimated costs of construction of the included infrastructure and estimated purchase costs of the included equipment as described in the Finance Plan and the Completed Required Master Plans, as updated upon preparation of the Public Facilities Master Plan.

(b) Adjustment of SW Placer Fee. On an annual basis, subject to funding being available to the County through the administration portion of previously collected SW Placer Fees or from advances made by Master Owner, the University Property Owner, the Community Developer, and any Project Developer, County shall review the SW Placer Fee and adjust the Fee as necessary to account for actual and reasonable costs of facilities and equipment included within the SW Placer Fee as such facilities are constructed and equipment is acquired and for the projected change in the future cost of constructing facilities for which the Fee is being collected but which have not yet been constructed. County shall provide sixty (60) days’ advance written notice to the Master Owner, the University Property Owner, the Community Developer, and any Project Developer, of its intention to adjust the SW Placer Fee.

2.5.4.4 Urban Services - Lump Sum Payments. In addition to the obligation to include the Property in a Services CFD in accordance with Section 3.23 below and in a CSA in accordance with Section 3.24 below, and in addition to the obligation to pay an Urban Services Shortfall Fee as required by Section 2.5.4.5 below, in order to provide funding to County to ensure adequate financial resources are available to the County to provide public services to the residents of the Plan Area, especially in the early years of the development of the Project, Master Owner may provide lump sum payments in such amounts and at such times as Master Owner may

propose and as County may approve in accordance with this Section 2.5.4.4.(the “**Urban Services Lump Sum Payments**”):

No sooner than sixty (60) days prior to the approval for recordation of the first Final Large Lot Map, and no more frequently than once per year, the Master Owner may request in writing to pay Urban Services Lump Sum Payments, which request shall specify the amount of and the timing of payment for the proposed Urban Services Lump Sum Payments and the corresponding effect on the Urban Services Shortfall Fee in connection therewith. The amounts of any Urban Services Lump Sum Payments and the corresponding effect on the Urban Services Shortfall Fee shall be calculated utilizing the projected total shortfall as shown in an updated Urban Services Plan, which shall be prepared by the Master Owner and shall be submitted with the request, and the amount of the then-current Urban Services Shortfall Fee. The parties acknowledge and agree that there is a relationship between the amount of the Urban Services Lump Sum Payments and the Urban Services Shortfall Fee. Provided the Master Owner can demonstrate to the reasonable satisfaction of County that the amount of the total projected shortfall as shown in the updated Urban Services Plan will still be provided to the County through payment of the proposed Urban Services Lump Sum Payments and the Urban Services Shortfall Fee as proposed to be adjusted, the County shall approve and Master Owner shall pay the approved Urban Services Lump Sum Payments and the adjusted Urban Services Shortfall Fee.

2.5.4.5 Urban Services Shortfall Fee. In addition to the obligation to include the Property in a Services CFD in accordance with Section 3.23 below, and in a CSA in accordance with Section 3.24 below, and, subject to adjustment upon approval by County of the Urban Services Lump Sum Payments as provided in Section 2.5.4.4 above, in order to provide additional funding to ensure adequate financial resources are available to County to provide public services to the residents of the Plan Area beyond the initial years of development of the Plan Area, Master Owner shall pay a fee in accordance with this Section 2.5.4.5 (the “**Urban Services Shortfall Fee**”). The Urban Services Shortfall Fee shall be comprised of the two components as set forth below both of which shall be paid at the time of issuance of the building permit for each dwelling unit located within the Community Property. Both components of the Urban Services Shortfall Fee shall be adjusted annually from the Effective Date by the percentage increase in the State of California San Francisco/Oakland/San Jose Metropolitan Area Consumer Price Index for All Urban Consumers over the twelve-month period preceding each anniversary date of the Effective Date. As provided in Section 2.5.4.4 above, in the event that Master Owner proposes and County approves Urban Services Lump Sum Payments as provided in Section 2.5.4.4 above, the Urban Services Shortfall Fee shall be adjusted accordingly.

(A) The first component of the Urban Services Shortfall Fees is the Services Shortfall Component (the “**Services Shortfall Component**”) which, as of the Effective Date, is estimated to range from approximately One Thousand Three Hundred and

Twenty-Five Dollars (\$1,325.00) to approximately Two Thousand One Hundred and Twenty Dollars (\$2,120.00) per dwelling unit located within the Community Property. The purpose of the Services Shortfall Component is to build a services funding reserve that can be drawn upon beyond the initial years of development of the Plan Area if and when the pace of development lags behind the need for services to ensure that adequate financial resources are available to provide public services to the residents of the Plan Area and minimize the need to rely upon a levy of a special tax or an assessment on undeveloped property to fund such services. After the issuance of the 1600th building permit within the Plan Area and again upon the issuance of the 2400th building permit within the Plan Area, the County will review whether the funding reserve provided by payments of this Services Shortfall Component exceeds the amount required, as determined by the County, to fund a prudent services funding reserve. Excess funding may arise due to an accelerated pace of development or to actual costs of services being less than projected. If the County determines, in its sole discretion, that this Services Shortfall Component has generated excess revenues, then the County will allow such excess revenues to be used to pay for any remaining unpaid costs of improvements and facilities installed by the Master Owner under this Agreement, or to reduce the Services Shortfall Component or terminate the Services Shortfall Component as to future building permit issuance within the Plan Area to the extent such excess funding is sufficient for satisfaction of the purpose and intent of the Services Shortfall Component, consistent with prudent fiscal policies as determined by the County.

(B) The second component of the Urban Service Shortfall Fee is the Affordable Housing Component (the “**Affordable Housing Component**”) which, as of the Effective Date, is estimated to range from approximately Two Thousand One Hundred Dollars (\$2,100.00) to approximately Two Thousand Two Hundred and Eighty Dollars (\$2,280.00) per residential unit within the Community Property. The Affordable Housing Component is required to cover the shortfall created by limiting the total tax/assessment on affordable housing units until each affordable unit converts to market rate.

2.5.5 Adjustment of Development Mitigation Fees and New Development Mitigation Fees. County shall adjust Development Mitigation Fees and New Development Mitigation Fees from time-to-time when it deems it necessary and in the interests of the County to do so. All such adjustments shall be done in accordance with County policy governing the assumptions and methodology governing adjustments of County fees generally and in accordance with the Mitigation Fee Act or other applicable law.

2.5.6 Payment of Fees. Unless otherwise specifically provided in this Agreement, Development Mitigation Fees, New Development Mitigation Fees, and Project Development Fees shall be paid at the time of issuance of building permit and, unless otherwise provided herein, shall be paid in the amount in effect at the time of the issuance of the building permit for the applicable unit.

2.6 Affordable Housing. Consistent with the goals and policies contained in County's General Plan and the Specific Plan, and subject to the terms of this Agreement, except as may otherwise be provided by a subsequently adopted County affordable housing plan applicable to specific plans that is agreed to be implemented by Master Owner for the Property as provided herein, Master Owner shall work to provide the number of units equal to four percent (4%) of the total residential units in the Community Property as affordable to very low income households, the number of units equal to four percent (4%) of the total residential units in the Community Property as affordable to low income households, and the number of units equal to two percent (2%) of the total residential units in the Community Property as affordable to moderate income households.

The terms "very low income" means households earning fifty percent (50%) or less of the Placer County median income; "low income" means households earning fifty-one percent (51%) to eighty percent (80%) of the Placer County median income; and "moderate income" means households earning eighty-one percent (81%) to one hundred twenty percent (120%) of the Placer County median income. Median income and allowable assets shall be determined in accordance with County policy and applicable State and federal affordable housing laws and requirements.

2.6.1 Satisfaction of Affordable Obligation; Affordable Unit Allocation.

2.6.1.1 Very Low Income Units. The very low income affordable unit obligation shall be satisfied by the Master Owner paying to the University Property Owner an amount (the "**Very Low Income Donation**") in accordance with one of the following three (3) options, as selected by the Master Owner in its sole discretion:

(i) a lump sum fee of Five Million Forty Thousand Dollars (\$5,040,000.00), to be paid prior to the issuance of the first building permit within the Plan Area; provided, however, if the lump sum amount is not paid by the second anniversary of the Effective Date for any reason (including the tolling of this Agreement pursuant to Section 1.3.4 herein), this amount shall be adjusted by the percentage of change in the 20-Cities Construction Cost Index in the Engineering News Record from said second anniversary date up to the date of payment; or

(ii) a graduated in-lieu fee, paid in phases during development of the Community Property. This graduated in-lieu fee would be initially set at \$50,000 per required very low Income affordable housing unit, which amount shall be adjusted annually from the Effective Date by the percentage of change in the 20-Cities Construction Cost Index in the Engineering News Record. The graduated in-lieu fee shall be payable as follows, based on development within the Community Property:

1) Prior to issuance of the 500th building permit, the graduated in-lieu fee for 33 of the required 126 Very Low Income affordable housing units, based on the fee in place at the time of permit issuance.

2) Prior to issuance of the 1,000th building permit, the graduated in-lieu fee for 31 of the required 126 Very Low Income affordable housing units, based on the fee in place at the time of permit issuance.

3) Prior to issuance of the 1,500th building permit, the graduated in-lieu fee for 31 of the required 126 Very Low Income affordable housing units, based on the fee in place at the time of permit issuance.

4) Prior to issuance of the 2,000th building permit, the graduated in-lieu fee for 31 of the required 126 Very Low Income affordable housing units, based on the fee in place at the time of permit issuance; or

(iii) a per-unit building permit fee, initially equal to \$2,500 per residential unit, paid upon issuance of each building permit for residential units within the Community Property, excluding building permits for affordable housing units. This per-unit amount shall be adjusted annually from the Effective Date by the percentage of change in the 20-Cities Construction Cost Index in the Engineering News Record.

Payment of the Very Low Income Donation, in whichever manner elected by Master Owner, shall be documented as part of the Master Owner Certificate described in Section 3.3 below. Any failure to pay the applicable Very Low Income Donation when required shall be deemed a failure to fund required Major Development Costs and shall render any previously issued Master Owner Certificate void until such failure is cured. Prior to the issuance of the first building permit within either the University Property or Community Property, Master Owner shall notify the County of its election for payment of the Very Low Income Donation. If Master Owner elects to pay either the lump sum fee or the graduated in-lieu fees pursuant to Section 2.6.1.1(i) or 2.6.1.1(ii) above, Master Owner shall notify the County as and when it pays either the lump sum fee or graduated in-lieu fee. The failure of Master Owner to pay the Very Low Income Donation in the manner selected by Master Owner shall constitute an event of default under this Agreement.

The Very Low Income Donation shall be deposited by the University Property Owner into a segregated income-producing account and shall be held in trust to be used solely for the construction of very low income housing units as approved by County in the Campus Master Plan required by the Specific Plan and Section 4.3 below. The Campus Master Plan shall specify the location and timing of construction by the University Property Owner of one hundred twenty-six (126) units of housing on the

University Property which shall be available to qualifying very low income households. The University Property Owner shall be obligated to construct such very low income housing units and to operate and maintain such units as affordable to very low income households in accordance with the approved Campus Master Plan. This obligation to construct, operate and maintain these units as affordable to very low income households shall not be limited by the amount of the Very Low Income Donation received by the University Property Owner.

After receipt of the Very Low Income Donation (or first payment thereof) and until the required very low income units are completed, the University Property Owner shall provide County with annual fund status reports (to be delivered on or around March 1 of each calendar year), documenting the available balance of the Very Low Income Donation, the depository maintaining the funds, the investment earnings on such funds, and any deposits thereto or withdrawals therefrom to pay for the design, permitting and construction of the very low income units during the reporting period. After completion of the required very low income units, any funds remaining in the segregated account shall continue to be maintained therein and used solely by the University Property Owner to pay the ongoing costs of operation and maintenance of the units as affordable to very low income households.

For a period of thirty (30) years after completion of the very low income units, the University Property Owner shall provide County with an annual affordable housing status report (to be delivered on or around March 1 of each calendar year), documenting the marketing and occupancy of the affordable units to and by very low income households. Such reports shall be in a form acceptable to County and shall document the current tenancy and vacancy rates within the units, the qualification of tenants as very low income households, the marketing efforts to locate and house the very low income households, and other such information requested by County to confirm the University Property Owner's satisfaction of its obligation to maintain and operate the units as affordable to very low income households for said 30-year period.

2.6.1.2 Low Income Units. The low income affordable unit obligation shall be satisfied by the Master Owner recording a deed restriction in perpetuity on sufficient sites within the Community Property to accommodate four percent (4%) of the total residential units allocated within the Community Property. The deed restriction shall be recorded prior to the issuance of the first building permit on any property within the Community Property and shall limit the use of the subject portion of the Community Property to the provision of low income affordable housing only, with the form of such deed restriction being subject to the review and approval of County Counsel. The portion of the Community Property to be subject to the deed restriction shall be not less than 6.35 acres zoned for a minimum of twenty (20) units per acre so as to support one hundred twenty-seven (127) units of low income affordable housing. At the time Master Owner records the deed restriction, Master Owner shall also execute and record an irrevocable offer to dedicate the site(s) to County free and clear of the

deed restriction which, in the event an application for a low income project has not been received by the County within fifteen (15) years of the date of approval of this Agreement, the County may in its sole discretion at any time thereafter accept. Irrespective of whether the County has chosen to accept the offer of dedication, the Master Owner shall, prior to the issuance of the 2500th building permit within the Community Property, have caused all Frontage Improvements and stubs for utilities to be installed and operational to provide access to and service for the affordable housing site(s).

2.6.1.3 Moderate Income Units. The moderate affordable unit obligation shall be satisfied by construction of sixty-three (63) moderate affordable housing units within the Community Property by the Community Developer. As provided in the Specific Plan, the moderate affordable units may be provided as affordable for-sale housing units within Parcels 5, 18, and 24. The location for such moderate affordable units may be transferred to other parcels within the Plan Area, with Planning Director approval, in accordance with the transfer provisions of the Specific Plan. Any such transfer approved by the Planning Director in accordance with the Specific Plan shall not require an amendment to the Agreement.

2.6.2 Agreement Required. Prior to the approval of each final residential lot subdivision map within a parcel designated in this Agreement to provide affordable purchase opportunities, unless Master Owner elected at the time of approval of its tentative small-lot subdivision map to satisfy its affordable housing, the parties shall enter into County's then current form of Affordable Purchase Housing Agreement for the residential purchase units affordable to moderate-income households. Similarly, prior to the issuance of a building permit for a multifamily development designated in this Agreement to provide affordable rental opportunities, the parties shall enter into County's then current form of Affordable Rental Housing Agreement for the residential rental units affordable to low-income households. Both agreements shall require that the affordable housing be maintained as affordable units for a period of 30 years (from the initial occupancy of the affordable unit), unless a longer period is required by the type of financing utilized to construct the unit(s), and shall limit sales, resales and rentals of such units to qualified affordable households, subject to permissible hardship exceptions. Upon the expiration of the term of the affordable agreement, no further resale or rental restrictions shall apply with respect thereto; similarly, the deed restriction related to the provision of low income affordable housing units shall terminate upon expiration of the term of its affordable agreement.

The agreements shall include specific requirements for marketing of affordable purchase units, inclusion or modification of amenities, exterior materials and finishes, alternate methods of satisfying the affordable housing obligation and best efforts requirements. Such best efforts shall include, without limitation, special advertising prior to the release of the affordable units indicating the availability thereof to low- or moderate-income households, and maintenance of a waiting list and use of a

County maintained list of low- or moderate-income households seeking housing opportunities and notification of such persons prior to any release of affordable units.

Notwithstanding anything to the contrary above, no separate affordable housing agreement shall be required to be entered into with respect to the obligation of the University Property Owner to provide very low income affordable units within the University Property. The provisions of this Agreement, which shall survive any termination, are adequate to document the obligations of the University Property Owner with respect to the provision of affordable housing to very low income households.

2.6.3 Transfer/Satisfaction of Affordable Obligation. Master Owner's obligation to use its best efforts to provide affordable purchase units for moderate income households may, subject to the approval of the Planning Director, be moved and may be satisfied by the provision of affordable units elsewhere within the Community Property. No such transfer shall require an amendment to this Agreement, but County and Master Owner shall execute an instrument memorializing such transfer of obligation which shall be recorded against the affected parcels, with reference to this Agreement.

Master Owner, Community Developer, or any Project Developer, may also satisfy its obligation to provide affordable moderate income units through the purchase of affordable housing credits from one another, as such credits are described in Section 2.6.4 below. Also, County may, in its sole discretion and with the consent of Master Owner, transfer some or all of the Community Property's affordable moderate income housing obligation to a site or sites in the unincorporated County for construction of special needs housing.

2.6.4 Not a Limitation / Credits for Excess Affordable Housing. Nothing in the foregoing Section 2.6 shall be construed to limit Master Owner from offering affordable units for sale or rental in excess of the number of units specified. To the extent the number of affordable units produced on a parcel exceeds the number of affordable units allocated to such parcel as described above, the excess units may be credited towards meeting the Community Property affordable housing goal assigned to other parcels. Any excess affordable unit shall provide an affordable housing credit when (i) such unit is made subject to an Affordable Housing Agreement with the County; (ii) the unit becomes ready for occupancy; and (iii) all affordable units required under this Agreement for such parcel, based on the aggregate number of residential units then developed within the Community Property, have been completed and are ready for occupancy. The sale and transfer of any affordable housing credits shall be made pursuant to private transactions between Community Developer and any Project Developer(s), and County shall have no obligation to facilitate such transfers, except to acknowledge that such affordable housing credits are available to Community Developer, or such Project Developer(s), respectively. A transfer of an affordable moderate income housing credit shall be effective upon County's receipt of written

notice from Master Owner (a) stating the name of the Community Developer or Project Developer to whom the credit has been transferred; and (b) identifying the property against which the credit is to be applied. Such notice of transfer shall also be recorded against the Community Developer's and Project Developer's property to put subsequent parties on notice of the transfer of this credit.

2.7 Wetlands Fill Permits.

2.7.1 Master Owner Obligation. To the extent required to develop the Property, and to construct the Backbone Infrastructure (as defined in Section 3.7 below) and Public Facilities (as defined in Section 3.15 below), Master Owner shall obtain from the U.S. Army Corps of Engineers or other applicable permitting agency (the "**Permitting Agency**") a permit or permits (the "**Fill Permit**") to fill specific wetland resources prior to construction of the Backbone Infrastructure, the Public Facilities, and the development of the Property. Master Owner shall diligently pursue and obtain issuance of the Fill Permit and any amendment, modification or supplement thereto, or any additional Fill Permits if required, in order to implement the Project, including but not limited to off-site improvements. Such Fill Permit or Permits shall be obtained prior to the approval for recordation of the first Final Large Lot Map; provided, however, Master Owner may request County defer the foregoing requirement so that any such Fill Permit or Permits may be obtained at a later date; provided, however, no such deferral shall extend the time to obtain a Fill Permit or Permits beyond the approval by the County of a grading plan or improvements plans for any portion of the Project. Master Owner shall keep County apprised of the progress of its efforts to obtain any necessary Fill Permit or Permits, and any such request shall be made in writing and submitted with justification therefor to the County Executive Officer, who has sole discretion to decide to grant an extension of time for performance of this obligation. If the Fill Permit or Permits include conditions which impact or limit any public uses, operations or improvements to be conveyed pursuant to this Agreement, or which will result in any costs to County for monitoring, reporting, or maintenance under the Fill Permit after the conclusion of any monitoring period required of Master Owner by the Permitting Agency, any such conditions shall be subject to the prior review and approval by County. County is in the process of developing a comprehensive habitat conservation plan, commonly referred to as the Placer County Conservation Plan, and acknowledges that, upon approval of the Fill Permit, to the extent permitted by law, the County will not seek to impose any additional conditions or requirements on Master Owner to mitigate the impacts of development of the Project on wetlands, notwithstanding any additional conditions or requirements that may subsequently be contained within the Placer County Conservation Plan. The parties hereto anticipate that the Project will mitigate the impacts of such wetland fills through a combination of on-site preservation, off-site preservation and/or on-site and off-site creation of wetland resources.

2.7.2 Maintenance by Master Owner. Master Owner, and/or its successors, shall be solely responsible for satisfying all monitoring, reporting, and maintenance, requirements under the Fill Permit during the remaining and any extended monitoring period, as determined by the Permitting Agency. To the extent permitted by law, the costs of complying with such monitoring, reporting and maintenance requirements may be funded by the Services CFD or CSA to be formed pursuant to Section 3.23 or Section 3.24 below. County agrees to cooperate with Master Owner to facilitate the ability of the Services CFD and/or CSA to fund such monitoring and compliance. If such funding requires the County to assume ownership of the on-site and off-site mitigation and preserve areas, as a pre-condition to agreeing to utilize such funding, the County may require that Master Owner arrange for a non-profit land trust or other such entity to agree to contract with County to assume responsibility for the monitoring and maintenance obligations on behalf of the County. Furthermore, during said monitoring period, Master Owner shall indemnify, defend and hold County harmless from any and all costs, liabilities or damages for which the County is held responsible or alleged to be responsible under the Fill Permit, which arise out of or relate to any failure of Master Owner to satisfy such monitoring requirements, excluding any such failure caused by the active negligence of County or any employees, agents or contractors thereof.

2.7.3 Facilities Included in Fill Permit. Master Owner shall use its best efforts to ensure that the approval of its Fill Permit includes development of the bike paths, water quality structures and drainage and flood control facilities, and any other similar improvements described in the Specific Plan and this Agreement. In this regard, Master Owner shall consult with County and include to the extent known or planned the approximate location of proposed bike paths, passive recreation areas, water quality structures and drainage and flood control facilities on all maps and/or exhibits accompanying all Fill Permit applications to ensure all proposed open space improvements are disclosed and considered by the Permitting Agency during processing of the Fill Permit and drafting of permit conditions. If any significant modifications are proposed which conflict in any manner with the Entitlements related thereto and to the planned location and improvement of the improvements as a result of approval of the Fill Permit, the revised relocation of such improvements shall be resubmitted to the County for review. The County may approve or deny any request to relocate any of the improvements and the review of such modifications shall be made in accordance with CEQA, which may only require the County to determine, if supported by CEQA, that such relocation substantially conforms with the EIR and approvals related thereto.

2.7.4 Operation and Management Plans. Master Owner shall be responsible for the cost of preparation of any required operations and management plan required for the Fill Permit and to reimburse County for any costs incurred by its review thereof.

2.8 Acquisition of Necessary Real Property Interests. In any instance where Master Owner is required by this Agreement to construct any public improvement on land not owned by Master Owner, Master Owner at its sole cost and expense shall, in a timely fashion to allow it to construct the required improvements, acquire or cause to be acquired the real property interests necessary for the construction of such public improvements.

In the event Master Owner is unable after exercising all reasonable efforts, including but not limited to the rights under Sections 1001 and 1002 of the California Civil Code, to acquire the real property interests necessary for the construction of such public improvements as to property within Placer County, Master Owner shall request the County assist in the acquisition of the necessary real property interests. In the event the necessary real property interests are located outside of Placer County, Master Owner shall request assistance in the acquisition of such real property interests from the appropriate officials within that other jurisdiction. Master Owner shall provide adequate security for all costs the County or any other applicable jurisdiction may reasonably incur (including the costs of eminent domain proceedings and the value of the real property) and shall execute an agreement in association therewith acceptable to the County or such other jurisdiction. Upon receipt of the security and execution of the agreement, County shall commence negotiations to purchase the necessary real property interests to allow Master Owner to construct the public improvements as required by this Agreement and, if necessary, in accordance with the procedures established and to the extent allowed by law, may use its power of eminent domain to acquire such required real property interests. Any such acquisition by County shall be subject to County's discretion, which is expressly reserved by County, to make all necessary findings to acquire such interest, including a finding of public necessity.

In the event Master Owner is unable after exercising all reasonable efforts, including but not limited to the rights under Sections 1001 and 1002 of the California Civil Code, to acquire the real property interests necessary for the construction of such public improvements as to property within the City of Roseville or any other jurisdiction other than Placer County, Master Owner shall immediately notify the County and shall at the same time request assistance in the acquisition of the necessary real property interests from the appropriate officials within that other jurisdiction. Master Owner shall provide adequate security for all costs that jurisdiction may reasonably incur (including the costs of eminent domain proceedings and the value of the real property) and, subject to such other entity agreeing on commercially reasonable terms to proceed therewith, shall execute an agreement in association therewith acceptable to that jurisdiction.

In the event after notification by Master Owner, County or any of the other jurisdictions determines not to proceed with acquisition of the real property interests at that time and Master Owner is unable thereby to construct the required improvements, Master Owner shall deposit with County: (a) adequate funds or other security

acceptable to County for all costs that the jurisdiction may reasonably incur should it, at some future time, initiate eminent domain proceedings to acquire the real property, and; (b) adequate funds or other security acceptable to County for all costs of construction of the improvements required to be constructed by Master Owner that are not being constructed due to the lack of public ownership of the necessary real property.

In those circumstances where the County owns property in fee on or over an area for which development of the Property requires permanent and temporary construction easements, road rights-of-way and/or sites for public facilities, County shall grant, at no cost or expense to Master Owner, such permanent easements, temporary easements, rights-of-way, encroachment permits (as provided in Section 3.2.5 below) or sites as needed for the timely and efficient development of the Property, provided that such rights shall be granted by the County subject to Master Owner's indemnity obligations provided in Section 7.1 below.

This Section is not intended by the parties to impose upon the Master Owner an enforceable duty to acquire land or construct any public improvements on land not owned by Master Owner, except to the extent that the Master Owner elects to proceed with the development of the Property.

It is possible that at some time in the future the cost of acquiring some or all of the real property interests necessary for the construction of public improvements under this Section 2.8 may be included within a traffic fee program established or adopted by the County or a regional traffic fee program in which the County participates. Without obligating itself to include any such costs, County agrees to consider the feasibility of including the cost of acquiring real property as one of the cost components when it establishes or reviews any such traffic fee program. Should the Master Owner be required to acquire such real property interests or incur costs in association with the acquisition of such real property interests by the County or any other applicable jurisdiction as provided in this Section 2.8 above, to the extent the cost of such real property interests is included in said fee program, Master Owner will be entitled to fee credits for the amount of the Plan Area's fair share responsibility for such real property interests. If, for any reason, these fee programs do not fund the Master Owner's full cost of acquiring such real property interests, the County will, to the extent the County in its sole discretion determines monies are available within any such program, reimburse the Master Owner for any such costs and/or use its best efforts to require other benefitting parties to enter into reimbursement agreements with the County and/or Master Owner which will provide reimbursement to Master Owner, at the earliest possible opportunity, of the amount in excess of the Plan Area's fair share responsibility for the acquisition of such real property interests.

2.9 Abandonment of Right-of-Way Located Within Country Acres Road. Master Owner shall, concurrently with the submittal of an application for the first Final Large Lot Map for the Property, submit an application to the County for the

abandonment of the right-of-way of Country Acres Road located within the Property, as shown on Exhibit 2.9. Such right-of-way currently is not being used as a road. The County shall promptly process the application for abandonment. The abandonment shall be complete prior to the approval for recordation of the first Final Large Lot Map for the Property.

ARTICLE 3. MASTER OWNER OBLIGATIONS

3.1 Development, Connection and Mitigation Fees. Except as otherwise provided in Section 2.5 of this Agreement, any and all required payments of development, connection or mitigation fees by Master Owner shall be made at the time and in the amount specified by then applicable County ordinances.

3.2 Developer Infrastructure. The costs of the Backbone Infrastructure and Public Facilities, as defined in Sections 3.7 and 3.15, respectively, and as generally described in the Financing Plan, (collectively, “**Developer Infrastructure**”), will be financed by the Master Owner. All or a portion of the obligation to finance the design and construction of the Developer Infrastructure may be allocated to the Community Developer pursuant to the Community Acquisition Agreement or other agreements between Master Owner and Community Developer.

Because of the significant amount of Developer Infrastructure required to be installed for development within the Specific Plan, the Master Owner’s obligation to fund such costs and the potential for Master Owner to transfer portions of the Property to the University Property Owner and Community Developer, the Master Owner’s ability to implement this Project is dependent upon establishment of an effective funding mechanism that will require the University Property Owner, Community Developer, and any Project Developers to contribute their respective shares of the Major Development Costs which are defined in Section 3.3 below. The County’s agreement in Section 3.3 below to require, at the request of and for the benefit of Master Owner, receipt of a Master Owner Certificate prior to issuance of Final Development Entitlements for the University Property Owner’s, Community Developer’s, and any Project Developer’s portion of the Property shall serve as a means of assuring the equitable funding of the Major Development Costs as referenced above. For purposes of this Agreement, the Master Owner’s right to obtain (a) approval for recordation of final small lot subdivision maps for single family development (or to have such approval scheduled for hearing by the County); or (b) signed improvement plans and/or grading permits for development of multifamily residential or non-residential development; or (c) issuance of building permits for any development of the Property shall each be referenced herein as a “**Final Development Entitlement.**”

So long as the Master Owner Certificate process is operational, the costs of the Developer Infrastructure shall be excluded from any fee or reimbursement

program. If as a result of a determination by the final order of a court or of other legal adjudication the Master Owner Certificate process is invalidated or impaired such that the County is precluded by law from requiring the University Property Owner, Community Developer, or a Project Developer to provide such Certificate to proceed with its development, then the Master Owner may request County impose some alternative mechanism to provide that the University Property Owner, Community Developer, and each Project Developer pay their fair share for the costs of the Developer Infrastructure. The Master Owner and the County shall meet and review the options as may be legally available to County to impose reimbursement mechanisms. The Master Owner shall provide such financial information regarding the costs of construction of the Developer Infrastructure as the County may require to assist with its review. To the extent legally feasible and practicable, County agrees to use its best efforts to implement a reimbursement mechanism to provide that the University Property Owner, Community Developer, and each Project Developer be responsible for and bear its fair share of the costs of the Developer Infrastructure.

The invalidation of the Master Owner Certificate process shall not relieve Master Owner of any of its obligations to construct the Developer Infrastructure or create any new or additional financial liability to the County. County's sole obligation in such circumstances is to work in good faith with the Master Owner to establish a new reimbursement mechanism.

The foregoing provisions relate solely to Master Owner's agreement to internally finance the costs of the Developer Infrastructure with the University Property Owner, Community Developer, and any Project Developer, and shall not affect or reduce the County's commitment under Section 5.2.6 below to use its best efforts to impose and collect proportional share reimbursement payments from non-participating property owners who benefit from the construction of the Developer Infrastructure.

3.3 Developer Infrastructure to be Dedicated, Constructed or Financed by Master Owner: Requirement for Master Owner Certificate. Wherever this Agreement obligates Master Owner to design, construct or install any improvements, the cost thereof may be provided by Master Owner, Community Developer, and/or Project Developer(s), subject only to reimbursements or credits specified in this Agreement. Master Owner's right to obtain building permits for any development of the Property shall be contingent upon Master Owner's (i) preparation of and obtaining approval of the Public Facilities Master Plan; (ii) formation of the Services CFD and the CSA (collectively, the "**Services Districts**"), and authorization of the Services Districts to levy special taxes and assessments to fund the services authorized thereby and include the Community portion of the Property within the boundaries of the Services Districts; and (iii) designing and constructing the Developer Infrastructure, as and when such improvements are required to be installed pursuant to this Article 3.

For purposes of reference herein, the term “**Required Master Plans**” shall mean, collectively, the Public Facilities Master Plan (as defined in Section 3.15 below), the Sewer Master Study (as defined in Section 3.16 below), the Drainage Master Plan (as defined in Section 3.17 below), and the Landscape Plan (as defined in Section 3.18 below). The Sewer Master Study and the Landscape Plan, as described in this Article 3 below (collectively, the “**Completed Required Master Plans**”) have been completed. Updates to the Completed Required Master Plans will be necessary and shall be done as conditions of approval for small lot tentative subdivision maps for the Community Property.

The Required Master Plans provide for all required facilities addressed under each of the respective Required Master Plans on the Community Property, together with the Backbone Infrastructure for both the Community Property and the University Property. However, all required on-site facilities to be located on the University Property shall be addressed in the Campus Master Plan pursuant to Section 4.3 below.

The costs for the development of the Required Master Plans, formation of the Services Districts, and design and construction of the Developer Infrastructure (collectively, the “**Major Development Costs**”) will be coordinated and funded by the Master Owner.

Master Owner shall not be obligated by this Agreement to fund any of the foregoing costs, unless and until Master Owner elects to proceed with development of the Community Property and applies for any Final Development Entitlement for the Community Property.

In addition to the foregoing requirement, Master Owner acknowledges that, prior to obtaining approval for recordation of a Final Large Lot Map for the Community Property, Master Owner must: (1) obtain any required Fill Permit or Permits in accordance with Section 2.7 of this Agreement; (2) prepare substantially complete drafts of the Public Facilities Master Plan and the Drainage Master Plan and submit them to the County as required in Sections 3.15 and 3.17 of this Agreement; and (3) form the Services Districts and authorize the Services Districts to levy special taxes and assessments to fund the services authorized thereby or prepare substantially complete documentation for the formation of the Service Districts in accordance with Sections 3.23 and 3.24 of this Agreement.

When applying for approval of a Final Large Lot Map or a Final Development Entitlement for the Property or any portion thereof, other than for building permits or certificates of occupancy or final inspections, the University Property Owner, the Community Developer, or any Project Developer shall provide to the County a written certification signed by the Master Owner that the University Property Owner, the

Community Developer, or such Project Developer has provided its share of the Major Development Costs applicable to its portion of the Property (“**Master Owner Certificate**”). With respect to requests for building permits on any property where a Master Owner Certificate was previously issued, the University Property Owner, the Community Developer, or Project Developer shall not be obligated to provide a Master Owner Certificate to the County, unless, prior thereto, the Master Owner Certificate has expired or the Master Owner has notified the County in writing that the University Property Owner, the Community Developer, or any such Project Developer has failed to provide its share of the Major Development Costs. With respect to requests for certificates of occupancy or final inspections, once a building permit has been issued to the University Property Owner, the Community Developer, or a Project Developer, the County shall not deny issuance of certificates of occupancy or final inspections for the improvements covered by such building permit on the basis of the University Property Owner’s, the Community Developer’s, or such Project Developer’s failure to provide its share of funding of Major Development Costs, whether or not such failure occurred before or after issuance of the building permit.

The University Property Owner’s, the Community Developer’s, or any Project Developer’s right to obtain approval of a Final Large Lot Map or Final Development Entitlement to develop the Property or any portion thereof is contingent on the University Property Owner, the Community Developer, or such Project Developer advancing its share of the Major Development Costs. The County will rely solely on the University Property Owner, the Community Developer, or the Project Developer’s submittal of a Master Owner Certificate for purposes of approving a Final Large Lot Map or Final Development Entitlement for the Property or any portion thereof submitted by the University Property Owner, the Community Developer, or a Project Developer. Similarly, the County will rely solely on any written notice received from the Master Owner that the University Property Owner, the Community Developer, or any Project Developer has failed to provide its share of funding of the Major Development Costs. County shall have no obligation to independently determine or verify whether or not the University Property Owner, the Community Developer, or any Project Developer is funding its share of the Major Development Costs.

Pursuant to Section 5.2 below, Master Owner shall be entitled to transfer and allocate certain fee credits to the University Property Owner, the Community Developer, and any Project Developers provided such allocation is provided in writing to the County. The parties acknowledge that the Master Owner shall utilize the Master Owner Certificate process, in addition to confirming the respective parties’ contribution of their share of the Major Development Costs described above, to provide written notification to the County of any transfer or allocation of fee credits from Master Owner to the University Property Owner, the Community Developer, and any Project Developers.

Donor, and its successors and assigns, hereby waive and release the County from any and all rights, claims, actions or liabilities for damages, specific performance or any other relief or remedy otherwise available hereunder or in law or in equity if the County refuses to approve a Final Large Lot Map or a Final Development Entitlement submitted by the University Property Owner, the Community Developer, or a Project Developer on the basis of the University Property Owner's, the Community Developer's, or a Project Developer's failure to provide a Master Owner Certificate, whether or not the University Property Owner, the Community Developer, or such Project Developer is funding its share of Master Development Costs. Donor, its successors and assigns, also hereby waive and release the County from any and all rights, claims, actions or liabilities for damages, specific performance or any other relief or remedy otherwise available hereunder or in law or in equity if the County mistakenly approves a Final Large Lot Map or a Final Development Entitlement for the University Property Owner, the Community Developer, or any Project Developer who fails to provide a Master Owner Certificate evidencing the University Property Owner's, the Community Developer's, or such Project Developer's funding of the Major Development Costs when required hereunder, provided this waiver shall not prevent Master Owner from asking the County to enforce the provisions of this Section 3.3 against the University Property Owner, the Community Developer, or such Project Developer with respect to any subsequent requests for approvals of any Final Development Entitlements.

3.4. Offers of Dedication for Developer Infrastructure.

3.4.1. Dedications. The Final Large Lot Map for the Property shall describe all required irrevocable offers of dedication ("**IODs**") for any and all portions of the Property to be utilized for any Developer Infrastructure, as well as the public/quasi-public site designated as Parcel 11(b) on Exhibit 2.2 hereto. All final maps for the Property shall include the actual IODs required for the portions of the Property covered by such final maps. Except as otherwise approved by the County, the portions of the Property offered for dedication shall be consistent with the locations shown therefor in the Specific Plan. In addition to the portions of the Property to be offered for dedication, Master Owner shall be required, at Master Owner's cost, to acquire and dedicate to the County that certain property consisting of approximately 20 acres located West of Brewer, as more particularly described in Exhibit 3.4.1 for use as an offsite detention basin ("**Offsite Detention Basin**"). The approval of the first Final Large Lot Map for the Property shall include the actual IOD required for the Offsite Detention Basin.

3.4.2 County Acceptance of IODs. Except as expressly provided for by this Agreement, all dedicated areas and any other property to be conveyed in fee or by easement to County pursuant to this Agreement shall be with good and marketable title, free of any liens, financial encumbrances, special taxes, or other adverse interests of record, subject only to those exceptions approved by County in writing. The foregoing shall not preclude inclusion of such public property within a financing services district, so

long as the levy or assessment authorized thereby is zero (0) while the property is used for public purposes. Master Owner shall, for each such conveyance, provide to County, at Master Owner's expense, a current preliminary title report, a CLTA standard coverage title insurance policy in an amount specified by County, and a Phase 1 site assessment for hazardous waste approved by the County. In the event the Phase 1 site assessment indicates the potential presence of any hazardous waste or substance, County may require additional investigation be performed at Master Owner's expense. Master Owner shall bear all costs of providing good and marketable title and of providing the property free of hazardous wastes or substances.

County acknowledges that the drainage areas ("**Drainage Areas**") within which the Permanent Drainage Facilities described in Section 3.17 below will be located as generally described in the Drainage Master Plan, and any open space areas that may be preserved as habitat conservation areas may be subject to deed restrictions and easements for the benefit of the Permitting Agency for the Fill Permit or related approvals and County agrees to accept such areas subject to the deed restrictions and easements required thereby provided County had the prior opportunity to review and approve any such conditions in accordance with Section 2.7.1 above. If the County accepts any Drainage Areas or open space areas prior to recordation of such deed restrictions or easements, upon request of Master Owner, County shall convey and sign for recordation against such Drainage Areas any deed restrictions and/or easements that may be required by the Permitting Agency for the Fill Permit or related approvals.

3.4.3 Adjustments to Dedications. County acknowledges that, as the Master Owner processes large lot and small lot subdivision maps for the Property, minor adjustments to the boundaries of the dedicated areas may be required based on the final engineering for such maps and Master Owner may also propose to relocate certain roadways, Public Facilities or park sites. County and Master Owner agree to cooperate with any such proposed adjustments or relocations, provided the approval of such adjustments or relocations shall be subject to the County's sole discretion. Upon such approval, County and Master Owner will cooperate to effect such adjustments or relocations, subject to Master Owner offering to dedicate to the County any replacement area that may be required by such adjustment or relocation so long as any such replacement area has not then been developed by Master Owner.

The parties also acknowledge that the descriptions for the Public Facilities described in Section 3.15 below are based on preliminary planning information and that the boundaries of these dedicated areas may need to be revised when the final engineering for the roadways and the final plans for the facilities to be located on the Public Facility Sites are approved. As and when such engineering and plans are finalized, Master Owner shall prepare, execute and deliver to County for recordation amended irrevocable offers of dedication, in forms acceptable to the County, with the required amendments to the descriptions to conform with the final plans for the improvements, so long as (i) the total area dedicated by Master Owner is not

substantially increased, (ii) dedication of the additional area will not adversely impact in place improvements constructed by Master Owner pursuant to a County approval, and (iii) to the extent applicable and provided Master Owner applies for any necessary approvals and pays all costs of processing, County acknowledges that any area that may have been included as part of the original offer of dedication that is no longer required for the intended purpose may be abandoned back to Master Owner. Subject to the foregoing conditions, Master Owner shall provide the amended dedication when the final engineering for the roadways is completed and prior to approval of the final plans for the facilities to be located on these Public Facility Sites.

The boundaries for the Drainage Areas may also need to be modified once the Other Agency Approvals described in Section 3.17 below are obtained. Master Owner and County shall cooperate with each other and the Other Agencies to reach agreement on the final descriptions for the Drainage Areas, provided the final approval thereof shall be at the sole discretion of the County. Once the Other Agency Approvals are obtained for the Permanent Drainage Facilities within a drainage shed, subject to the County's approval of any changes, Master Owner and County shall take such actions as may be necessary to adjust the boundaries of the Drainage Areas in the Drainage IODs to be consistent with such Approvals.

3.5 Public Utilities Within Rights-of-Way. Except as otherwise set forth in the Specific Plan or otherwise required by County as provided below, public utilities shall be located within the rights-of-way to be granted by Master Owner to County for public utility and/or landscape easements or within rights-of-way granted by Master Owner to County for the arterials, collectors and other local streets within the Property. Accordingly, upon approval of any final parcel or subdivision map (or any phase of it), or demand of the County based upon service needs, whichever occurs first, in addition to the dedications to be provided pursuant to Section 3.4 above, Master Owner shall grant and convey to County, through a recorded irrevocable offer of dedication or other means acceptable to County, the rights-of-way for any additional arterials, collectors, local streets, or public utility 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), Master Owner shall grant a public utility easement that shall merge with the rights-of-way upon completion of the applicable street improvements. The width of the road rights-of-way and public utility and/or landscape easements shall be as shown in the Specific Plan.

Nothing in this Agreement shall be construed to limit or restrict the right of the County 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 County and is reasonably related to a requirement to serve the parcel or parcels adjacent to the easement. The County may also, in its sole discretion, approve alternative locations for utilities, such as through parks or open space areas.

3.6 Infrastructure Plan. Any parcel within the Project may be developed when desired by the respective owner thereof provided that the required infrastructure for such Parcel has been constructed in accordance with the Infrastructure Plan approved by the County in conjunction with the Entitlements. The Infrastructure Plan contains detailed information and specifications relating to the construction requirements and timing for the construction of the Backbone Infrastructure. The Infrastructure Plan is set forth in a separate document on file with the County. The parties acknowledge that on the date of approval of this Agreement it is difficult to predict with certainty which specific Parcel or combination of Parcels within the Property will be developed first or the order in which the development of the Parcels will subsequently occur. Consequently, there may be reason from time-to-time to modify the timing for construction of the required infrastructure as specified in the Infrastructure Plan depending upon the circumstances at the time of actual development. If Master Owner believes circumstances warrant any such modification to the Infrastructure Plan, Master Owner may submit a request in writing to the County Planning Director for a meeting and Master Owner and the appropriate County officials or employees shall meet and review the request. If Master Owner and County mutually agree that a modification of the phasing or sequencing of the required infrastructure is necessary and appropriate, the Infrastructure Plan shall be updated accordingly to reflect any such modifications and any such modification or update of the Infrastructure Plan shall not require any amendment to this Agreement.

3.7 Backbone Infrastructure. The term “**Backbone Infrastructure**” as set forth in this Agreement shall mean collectively the Common Infrastructure, Parcel Specific Infrastructure, and the Performance Driven Infrastructure, as described in Sections 3.8, 3.9 and 3.10 below.

3.8 Common Infrastructure. The Common Infrastructure, consisting of major on-site and off-site road, grading, sanitary sewer, potable and recycled water, drainage and erosion control and dry utility improvements that are generally described in the Financing Plan and that are more specifically described in Table 1 and schematically depicted on Exhibit B of the Infrastructure Plan (the “**Common Infrastructure**”). Master Owner shall be obligated to design, permit and construct the Common Infrastructure as described in the Infrastructure Plan. All or a portion of the obligation to design, permit and construct the Common Infrastructure may be allocated to Community Developer pursuant to the Community Acquisition Agreement or other agreements between Master Owner and Community Developer. The following conditions precedent shall be satisfied prior to issuance by the County to Community Developer or any Project Developer of the first building permit, excluding any building permit for model homes issued in accordance with applicable County Code requirements, on any parcel or lot within the Plan Area: (i) the design for the construction of the Common Infrastructure shall be completed and approved by the County or applicable public agency; (ii) all required permits, agreements and approvals

for the construction of the Common Infrastructure, including without limitation any Fill Permits or streambed alteration agreements, shall be obtained; (iii) adequate security (i.e., cash, letters of credit or other such security provided for under the County Code), to the satisfaction of the County securing the completion of the Common Infrastructure, shall be posted with the County or applicable public agency; (iv) construction contract(s) for all of the Common Infrastructure shall have been entered into by Master Owner; (v) construction of the Common Infrastructure shall be completed and accepted by County; and (vi) Master Owner shall have complied with all other conditions of the applicable small lot tentative subdivision map, County Code section(s), or conditional use permit(s).

In the event the Common Infrastructure is not completed and accepted by County and Master Owner (or Community Developer or a Project Developer) applies for a building permit for any portion of the Property, County may deny the issuance of the building permit until such time as the Common Infrastructure is accepted by County, or until Master Owner (or Community Developer or the Project Developer) enters into an agreement acceptable to County providing for the completion of the improvements to the full satisfaction of County. Master Owner shall be responsible for all costs of care and maintenance of the Common Infrastructure until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

During the design and permitting process for the Common Infrastructure, Master Owner shall have the right to submit and process for approval improvements plans and/or tentative and final small lot subdivision maps for the Property, or any portion thereof, consistent with the Entitlements and the requirements of the applicable small lot subdivision map(s), County Code sections, or conditional use permit(s). The County may withhold approval of any improvement plans and/or small lot final subdivision maps prior to the satisfaction of conditions 3.8(i)-(iv) above. Upon approval of any improvement plans and/or small lot final subdivision map for recordation, Master Owner may commence construction of improvements consistent therewith in combination with or subsequent to commencement of construction of the Common Infrastructure, provided such construction shall not interfere with the construction of the Common Infrastructure. Any construction of such subdivision improvements prior to completion and acceptance of the Common Infrastructure by County shall be at Master Owner's, Community Developer's, or Project Developer's own risk and that County reserves the right not to accept any such subdivision improvements prior to its acceptance of the Common Infrastructure.

3.9 Parcel Specific Infrastructure. In addition to the construction of the Common Infrastructure, Master Owner shall be obligated, in accordance with the timing requirements set forth in this Agreement and the Infrastructure Plan, to design, permit and construct a specific set of infrastructure improvements required in association with

the development of each Parcel within the Plan Area as those improvements are specifically described in Table 2 and schematically depicted on Exhibit C of the Infrastructure Plan (the “**Parcel Specific Infrastructure**”), in accordance with the Infrastructure Plan and the requirements of any applicable small lot subdivision map(s), County Code section(s), or conditional use permit(s). The Parcel Specific Infrastructure requirements for each Parcel are depicted in Exhibits 1-1 through 31-5, inclusive, of the Infrastructure Plan. During construction, Master Owner shall be responsible for all costs of care and maintenance of the Parcel Specific Infrastructure until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance. All or a portion of the obligation to design, permit and construct the Parcel Specific Infrastructure may be allocated to Community Developer pursuant to the Community Acquisition Agreement or other agreements between Master Owner and Community Developer.

The following conditions precedent shall be satisfied prior to issuance by the County to Community Developer or any Project Developer of the first building permit for each Parcel required to construct Parcel Specific Infrastructure, excluding any building permit for model homes issued in accordance with applicable County Code requirements: (i) the design for the construction of the Parcel Specific Infrastructure shall be completed and approved by the County or applicable public agency; (ii) all required permits, agreements and approvals for the construction of the Parcel Specific Infrastructure, including without limitation any Fill Permits or streambed alteration agreements, shall be obtained; (iii) adequate security (i.e., cash, letters of credit or other such security provided for under the County Code), to the satisfaction of the County securing the completion of the Parcel Specific Infrastructure, shall be posted with the County or applicable public agency; (iv) construction contract(s) for all of the Parcel Specific Infrastructure shall have been let and entered into by Master Owner; (v) construction of the Parcel Specific Infrastructure shall be completed and accepted by County; and (vi) Master Owner shall have complied with all other conditions of the applicable small lot tentative subdivision map, County Code section(s), or conditional use permit(s).

In the event the Parcel Specific Infrastructure is not completed and accepted by County and Master Owner (or Community Developer or a Project Developer)_applies for a building permit for any portion of the Parcel, County may deny the issuance of the building permit until such time as the Parcel Specific Infrastructure is accepted by County, or until Master Owner (or Community Developer or the Project Developer) enters into an agreement acceptable to County providing for the completion of the improvements to the full satisfaction of County. Master Owner shall be responsible for all costs of care and maintenance of the Parcel Specific Infrastructure until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

3.10 Performance Driven Infrastructure. In addition to the Common Infrastructure required prior to commencement of development of the Property and the Parcel Specific Infrastructure required pursuant to the timing requirements provided in Section 3.9 above, Master Owner shall be obligated, in accordance with the timing requirements set forth in this Agreement and the Infrastructure Plan, to design and construct specific sets of infrastructure improvements as those improvements are specifically described in Table 3 and schematically depicted on Exhibit D of the Infrastructure Plan (the “**Performance Driven Infrastructure**”), in accordance with the timing requirements set forth in Table 3 of the Infrastructure Plan and the requirements of any applicable small lot subdivision map(s), County Code section(s), and conditional use permit(s). In the event the required Performance Driven Infrastructure is not designed or is not completed and accepted by County in accordance with the timing requirements and Master Owner (or Community Developer or a Project Developer) applies for a building permit for any portion of the Property, County may deny the issuance of the building permit until such time as the required Performance Driven Infrastructure is accepted by County, or until Master Owner (or Community Developer or the Project Developer) enters into an agreement acceptable to County providing for the completion of the improvements to the full satisfaction of County. During construction, Master Owner shall be responsible for all costs of care and maintenance of the Performance Driven Infrastructure until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance. All or a portion of the obligation to design, permit and construct the Performance Driven Infrastructure may be allocated to Community Developer pursuant to the Community Acquisition Agreement or other agreements between Master Owner and Community Developer.

3.10.1 Traffic Signals. A portion of the Performance Driven Infrastructure consists of traffic signals as described in the Infrastructure Plan (the “**Traffic Signals**”). While the timing requirements for the construction of the Performance Driven Infrastructure is generally set forth in Table 3 of the Infrastructure Plan, the parties acknowledge the timing requirements for the construction of the Traffic Signals may require modification by means of the process described in this Section 3.10.1. Master Owner shall submit a report annually to the County prepared by a registered traffic engineer identifying any of the Traffic Signals that are warranted, or expected to be warranted in the next year. Based upon such annual report, Master Owner shall propose a schedule for approval by the County for the construction of the warranted Traffic Signals. Master Owner shall design, permit and construct the Traffic Signals pursuant to the timing requirements set forth on the schedule for construction of Traffic Signals approved by Master Owner and County, even if such timing requirements differ from those contained in the Infrastructure Plan.

3.10.2 Park Frontage Improvements. A portion of the Performance Driven Infrastructure consists of certain park frontage improvements described in the Infrastructure Plan (the “**Park Frontage Improvements**”). These Park Frontage Improvements shall be completed as and when required by the timing requirements set forth in Table 3 of the Infrastructure Plan, or an improvement agreement between the Community Developer or any Project Developer and County with timing acceptable to County for such construction shall be executed and adequate security therefore acceptable to County shall be posted.

3.10.3 Widening of Watt Avenue. A portion of the Performance Driven Infrastructure consists of widening Watt Avenue from Baseline Road to University Boulevard to accommodate two additional lanes of travel. Master Owner shall design, permit and construct the additional lane width to Watt Avenue as and when required by the timing requirements set forth in Table 3 of the Infrastructure Plan in accordance with such design parameters as the County determines to be reasonable and appropriate in the context of the then-current status of development in the vicinity of the Regional University Specific Plan.

3.11 Construction of Baseline Road Intersection Improvements. In addition to the construction of the Common Infrastructure, Master Owner shall be obligated to design, permit and construct improvements involving the following four (4) intersections on Baseline Road: Baseline/Watt Intersection, Baseline/Locust Intersection, Baseline/Brewer Intersection, and Baseline/Pleasant Grove Road South Intersection (the “**Baseline Road Intersection Improvements**”) in accordance with the requirements set forth in this Section 3.11. The County and Master Owner agree that the priority for the construction of the Baseline Road Intersection Improvements is as follows: (i) Baseline/Watt Intersection, (ii) Baseline/Locust Intersection, (iii) Baseline/Brewer Intersection, and (iv) Baseline/Pleasant Grove Road South Intersection. Master Owner and County agree that Master Owner’s obligation to design, permit and construct the Baseline Road Intersection Improvements should be roughly equal to Master Owner’s total fee amount which would be paid for full development of the Community Property in accordance with the County of Placer--City of Roseville joint traffic fee program (as defined in Section 2.5.2.1, above) as determined by the fees as adopted and in effect upon the issuance of the first building permit for the Community Property. For purposes hereof, Master Owner’s obligation above shall be deemed to be “roughly equal” to Master Owner’s total fee amount if the estimated cost of Master Owner’s construction obligation at the time of such calculation, including reasonable contingencies therefor, is within, and does not exceed, the amount equal to one hundred and ten percent (110%) of such total fee amount.

3.11.1 Baseline/Watt Intersection. Master Owner shall be required to design, permit and construct the Baseline/Watt Intersection in accordance with the schematic design for a six-lane intersection as shown in Exhibit 3.11.1(a), subject to

final design approval by the County. In the event Master Owner and County agree that Master Owner's cost to design, permit and construct the six-lane intersection as shown in Exhibit 3.11.1(a) is not roughly equal to and exceeds by more than ten percent (10%) Master Owner's total fee amount, Master Owner shall design, permit and construct the Baseline/Watt Intersection in accordance with the schematic design for a four-lane intersection as shown in Exhibit 3.11.1(b), subject to final design approval by the County; provided, however, if County desires to provide funding for the additional cost to construct the six-lane intersection as opposed to the four-lane intersection, upon request of County, Master Owner shall design, permit and construct the six-lane intersection as shown in Exhibit 3.11.1(a) and County shall provide to Master Owner the additional funding based upon the amount that the actual costs exceed Master Owner's total fee amount, to be paid on a payment schedule as agreed upon by the parties. Pursuant to the terms of Section 5.2 below, Master Owner shall be entitled to fee credits and/or reimbursements from the County of Placer--City of Roseville joint traffic fee. The amount of the credit/reimbursements shall be determined in accordance with the fee program guidelines for the costs of construction of the Baseline/Watt Intersection.

The construction of the Baseline/Watt Intersection shall be complete and accepted by the County prior to the issuance of the first building permit on a residential lot within the Plan Area. In the event the Baseline/Watt Intersection is not yet complete and accepted by County when Master Owner applies for such first building permit, County may deny the building permit until such time as the Master Owner enters into an agreement acceptable to County providing for the completion of the Baseline/Watt Intersection to the full satisfaction of County. Master Owner shall be responsible for all costs of care and maintenance of the Baseline/Watt Intersection until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

3.11.2 Other Baseline Road Intersection Improvement Obligations. If the Baseline/Watt Intersection is constructed by a party other than Master Owner or it becomes apparent that it will be constructed by a party other than Master Owner prior to issuance by the County to Community Developer or any Project Developer of the first building permit for the Property, then Master Owner will be required to build the remainder of the Baseline Road Intersection Improvements in accordance with this Section 3.11.2, subject, however, to the aforementioned limitation that Master Owner's total obligation to design, permit and construct the Baseline Road Intersection Improvements shall be roughly equal to Master Owner's total fee amount which would be paid for full development of the Community Property in accordance with the County of Placer--City of Roseville joint traffic fee program.

3.11.2.1 Baseline/Locust Intersection. Master Owner shall first be required to design, permit and construct the Baseline/Locust Intersection in accordance

with the schematic design as shown in Exhibit 3.11.2.1, subject to final design review by the County.

The construction of the Baseline/Locust Intersection shall be complete and accepted by the County prior to the issuance of the first building permit on a residential lot within the Plan Area. In the event the Baseline/Locust Intersection is not yet complete and accepted by County when Master Owner applies for such first building permit, County may deny the building permit until such time as the Master Owner enters into an agreement acceptable to County providing for the completion of the Baseline/Locust Intersection to the full satisfaction of County. Master Owner shall be responsible for all costs of care and maintenance of the Baseline/Locust Intersection until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

3.11.2.2 Baseline/Brewer Intersection. Master Owner shall next be required to design, permit and construct the Baseline/Brewer Intersection in accordance with the schematic design as shown in Exhibit 3.11.2.2, subject to final design review by the County.

The construction of the Baseline/Brewer Intersection shall be complete and accepted by the County prior to the approval of the small lot final map creating the 500th residential lot within the Plan Area. In the event the Baseline/Brewer Intersection is not yet complete and accepted by County when Master Owner applies for the small lot final map creating the 500th residential lot within the Plan Area, County may deny the final map until such time as Master Owner enters into an agreement acceptable to County providing for the completion of the Baseline/Brewer Intersection to the full satisfaction of County. Master Owner shall be responsible for all costs of care and maintenance of the Baseline/Brewer Intersection until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

3.11.2.3 Baseline/Pleasant Grove Road South Intersection. Master Owner shall next be required to design, permit and construct the Baseline/Pleasant Grove Road South Intersection in accordance with such design parameters as the County determines to be reasonable and appropriate in the context of the then-current status of development in southwestern Placer County.

The construction of the Baseline/Pleasant Grove Road South Intersection shall be complete and accepted by the County prior to the approval of the small lot final map creating the 1000th residential lot within the Plan Area. In the event the Baseline/Pleasant Grove Road South Intersection is not yet complete and accepted by County when Master Owner applies for the small lot final map creating the 1000th residential lot

within the Plan Area, County may deny the final map until such time as Master Owner enters into an agreement acceptable to County providing for the completion of the Baseline/ Pleasant Grove Road South Intersection to the full satisfaction of County. Master Owner shall be responsible for all costs of care and maintenance of the Baseline/ Pleasant Grove Road South Intersection until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

3.11.3 Payment of Fee Balance/Right-of-Way Costs. In the event Master Owner's total costs for the design, permitting and construction of the Baseline Road Intersection Improvements are less than Master Owner's fee obligation under the County of Placer--City of Roseville joint traffic fee, Master Owner shall be obligated to pay the balance of such fee pursuant to Section 2.5.2. The costs associated with right-of-way acquisition in conjunction with the construction of the Baseline Road Intersection Improvements shall not qualify for fee credit or reimbursement unless included as one of the cost components in the calculation of the County of Placer--City of Roseville joint traffic fee.

3.12 Frontage Improvements; Subdivision/Discretionary Permit Infrastructure.

3.12.1 Frontage Improvements. All Frontage Improvements (including those along Public Facilities and Public Facility Sites) are contained within the Backbone Infrastructure and shall be installed by the Master Owner pursuant to the phasing plan and timing trigger requirements for the Backbone Infrastructure described above, as appropriate. For the purposes of this Agreement, the term "**Frontage Improvements**" shall include, without limitation, curb, gutter, utilities, streetlights, two lanes of pavement (including, but not limited to, asphalt, concrete, aggregate base and aggregate sub-base), underground water, sewer and drainage improvements. Such Frontage Improvements shall also include any additional pavement widening at intersections within or adjacent to the Property to accommodate turn lanes and bus turnouts (including the approaches to intersections and separate lanes for each turning movement).

3.12.2 Timing of Sidewalks and Landscaping. Required sidewalks/trails and landscaping shall be installed in accordance with the timing requirements and sequencing set forth in the Infrastructure Plan.

3.12.3 Road Improvement Standards. All improvements to be installed by Master Owner shall comply with the Specific Plan Roadway Section Standards. Unless the Specific Plan provides otherwise, the design and construction of all improvements shall be in accordance with County's Land Development Manual, as amended and updated from time-to-time. 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 County's Land Development Manual and General Specifications. As to any road improvements to be constructed by Master Owner hereunder, Master Owner shall have the responsibility of securing any and all local, state and federal permits necessary for such construction. Any and all road improvements to be constructed within the University Property shall comply with the Campus Master Plan.

3.12.4 Landscape Setbacks. For the roadways within and/or adjacent to the Property, Master Owner shall establish the applicable landscape setbacks provided therefor by the Specific Plan. Such setbacks shall be measured generally from back of curb, except along intersections, bus turnouts, turn lanes, etc., which facilities may encroach into the landscape setback to the extent permitted by the Specific Plan. Such landscape setbacks shall be limited to landscaping, streetlights, utilities, sidewalks and related uses. All landscape setbacks within the University Property shall comply with the Campus Master Plan.

3.12.5 Subdivision/Discretionary Permit Infrastructure. In addition to the construction of the Common Infrastructure, and, if and when required, the Parcel Specific Infrastructure and the Performance Driven Infrastructure development of the Property shall be subject to completion of the additional improvements described in the Financing Plan as the Subdivision/Discretionary Permit Infrastructure (the "**Subdivision DP Infrastructure**"). The Subdivision DP Infrastructure shall be completed as and when required by the conditions of any Small Lot Tentative Map for any portion of the Property.

3.13 County Discretion to Defer Timing of Improvements. The County, in its sole discretion (acting through the County Executive Officer or designee), may elect to defer the timing for the installation of, or advance funding for, any component of: the Common Infrastructure, the Parcel Specific Infrastructure, the Performance Driven Infrastructure, the Subdivision DP Infrastructure or the Public Facilities, as specified in the Public Facilities Master Plan required by Section 3.15.1 herein, so long as such deferral does not impair Master Owner's right to develop or continue development of the Property as if such deferred improvement were then completed. Any such deferral shall not require an amendment to this Agreement to be effective. Such deferral may be unlimited or may require Master Owner to commence and diligently proceed with construction of the deferred improvement at a later time, or upon development of another portion of the Property, or upon development of other property within the Specific Plan.

3.14 Water Facilities. The water transmission and storage facilities to be installed by Master Owner as part of the Common Infrastructure, the Parcel Specific Infrastructure, and the Performance Driven Infrastructure will be owned and operated by

the Placer County Water Agency (“**PCWA**”). Accordingly, the design of these water facilities shall be subject to approval by PCWA and any reimbursements or credits associated with these water facilities shall be subject to and dependent upon Master Owner entering into a separate agreement with PCWA. The costs of these water facilities shall not be included within the SW Placer Fee or any other County fees.

3.15 Public Facilities. Consistent with the Specific Plan, Master Owner shall dedicate to the County any lands located within the Community Property that are planned for public facilities to be owned and operated by the County and construct or cause to be constructed the applicable public facilities thereon (the “**Public Facilities**”), all as set forth herein. The sites planned for the Public Facilities to be owned and operated by the County (the “**Public Facility Sites**”) are designated in the Specific Plan for uses, such as Fire Station, Sheriff’s Substation, and the pocket parks, neighborhood park, community park and recreation center.

3.15.1 Public Facilities Master Plan. Master Owner shall prepare a Public Facilities Master Plan which shall be (i) substantially complete (as determined by the County) and submitted to the County Executive Officer for review and approval in concept prior to the approval for recordation of the first Final Large Lot Map for the Property; and (ii) approved by the Board of Supervisors prior to the approval of a small lot tentative map for the entirety or any portion of the Community Property, or of any Final Development Entitlement. The Public Facilities Master Plan shall set forth detailed specifications and standards for the Public Facilities to be provided on the Public Facility Sites, utilizing the conceptual plans therefor in the Specific Plan, the generalized description of facilities, equipment and furnishings set forth in the Finance Plan and the information from Exhibit 3.15.2.2. In connection with the approval of the Public Facilities Master Plan, parties hereto acknowledge that cost estimates will be included in the Public Facilities Master Plan. Until all of the Public Facilities have been constructed, no less often than once every three (3) years after the approval of the Public Facilities Master Plan, Master Owner shall undertake a review of the Plan in conjunction with County and, if deemed necessary by County in its sole discretion, Master Owner shall prepare or cause to be prepared an update of the Public Facilities Master Plan to be approved by County, which shall review County’s current and prospective County facilities needs to take into account any change in County’s general standards or requirements that are then being applied by County in its design, equipping and furnishing of similar County facilities serving residents of southwestern Placer County for inclusion in Public Facilities then remaining to be constructed, equipped and furnished hereunder. Once the Public Facilities Master Plan or update is approved by the County, any additions or modifications to the Public Facilities, equipment or furnishings that are requested to be included by County (except as may be required by changes in local, state or federal requirements) and that would cause a material increase the cost of design, construction and equipping of such Public Facilities above

the cost based upon the approved or updated Plan, after such costs are adjusted for increases in actual construction costs, shall be at the cost and expense of County.

3.15.2 Design, Construction and Equipping of Public Facilities. Except as otherwise agreed by County and Master Owner, Master Owner shall design and construct the Public Facilities and upon completion of each Public Facility shall install the equipment and furnishings required therefor. All or a portion of the obligation to design and construct the Public Facilities may be allocated to Community Developer pursuant to the Community Acquisition Agreement or other agreements between Master Owner and Community Developer. The design and construction of the Public Facilities and installation of equipment and furnishings referenced above shall be performed in accordance with the following provisions:

3.15.2.1 The Public Facilities for the respective Public Facility Sites shall be constructed and improved according to a plan for each site to be approved by the County. These Public Facilities shall be designed by the Master Owner in accordance with the design and equipping standards for such facilities and improvements described in the Public Facilities Master Plan. The improvement plan for each Public Facility shall include detailed construction plans, specifications and drawings for the site provided by the Master Owner. So long as the plans and specifications are substantially consistent with the Public Facilities Master Plan, Master Owner shall be responsible for all costs associated with the design, construction and equipping of the Public Facilities, including the costs of preparing the required plans and drawings and, if necessary, obtaining any and all other required permits and any required supplemental environmental analysis. Once approved, the construction, equipping and furnishing of each Public Facility shall be in accordance with the approved plans and specifications therefor.

3.15.2.2 The timing by which construction of each of the Public Facilities, or phases thereof, must be completed or commenced is set forth in Exhibit 3.15.2.2.

(A) For the purposes of this Agreement, "commenced" shall mean: (i) the design of the facility shall have been approved by the County, (ii) any and all required permits therefor shall have been obtained, (iii) a contract for the construction of the facility shall have been bid and let, (iv) adequate security assuring completion of the facility to the satisfaction of the County shall have been posted with the County, and (v) construction of the facility (to the extent not then already constructed or under construction) shall have begun. From and after such commencement, and subject to any Permitted Delay pursuant to Section 6.4 below, Master Owner will diligently proceed with the construction of the applicable Public Facilities until completion; provided, however, if County determines that construction is not being diligently pursued, County may, in its sole discretion, subject to the provisions of Section 6.1 below, suspend issuance

of building permits for residential units to Master Owner until either (1) completion of construction, or (2) County is satisfied that construction is being diligently pursued.

(B) For the purposes of this Agreement, “completed” shall mean (i) the design of such facility shall have been approved by the County; (ii) any and all required permits therefor shall have been obtained; and (iii) construction, equipping and furnishing of such facility shall be complete and a certificate of occupancy issued for such facility, or County and Master Owner shall have entered into an agreement acceptable to County providing security for the completion of the facility to the full satisfaction of County.

3.15.2.3. The infrastructure improvements to be constructed for each Public Facility shall include any adjacent Frontage Improvements. Consistent with the provisions of Section 3.12.1, when installing road improvements adjacent to a Public Facility Site, Master Owner shall construct the Frontage Improvements therefor (excluding landscaping and sidewalks, unless the Public Facility Site is developed at the same time as such Frontage Improvements are being installed) and stub utilities for the Public Facility Site, subject to direction from the County on the location of such utility stubs.

3.15.2.4. Master Owner shall be responsible for all costs of care and maintenance of each Public Facility until such time as County accepts it as provided herein. Upon satisfactory completion of each Public Facility, or phase thereof, Master Owner shall cause such Facility to be equipped and furnished in accordance with the specifications therefor in the Public Facilities Master Plan. Upon such completion, equipping and furnishing of the Public Facility, County shall accept the dedication of the applicable improved Public Facility Site and assume the ownership and maintenance thereof, as improved, equipped and furnished. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

3.15.3 Financing Construction of Public Facilities. Master Owner shall be solely responsible to fund the design and construction of the Public Facilities and, except as otherwise expressly provided herein for increased costs due to requests by County for inclusion of upgrades that are not within an approved or updated Public Facilities Master Plan, County shall have no obligation to fund such costs. Upon request of the Master Owner, the County will consider including the costs of design and construction, equipping and furnishing of the Public Facilities as a component of an Infrastructure CFD.

3.15.4 Parks and Open Space. The park facilities described in this Section 3.15.4 are included with the definition of Public Facilities as provided in Section 3.15 above. The terms and conditions of Section 3.15.1 through 3.15.3 above apply to

the parties' respective obligations concerning the park facilities as do the additional provisions contained in this Section 3.15.4.

3.15.4.1 Parks & Recreation. Park facilities to be provided to serve the needs of the residents of the Community Property shall be described with detailed standards and specifications for development of each park or facility in the Public Facilities Master Plan. Such park facilities shall be provided as described in this Section 3.15.4.

3.15.4.2 Construction of Pocket and Neighborhood Park Improvements. Master Owner shall design and install park improvements for any and all pocket and neighborhood park site(s) consistent with the acreage as shown in the Specific Plan for the Property in accordance with the timing requirements specified in Exhibit 3.15.2.2, and in accordance with the following provisions:

(a) Master Owner shall design and construct pocket parks located on Parcels 2, 6, 16, and 25 and the neighborhood park located on Parcel 27 as shown on Exhibit 3.15.4.2(a).

(b) The park facilities for the pocket parks and the neighborhood parks shall generally consist of the following facilities which shall be described with more particularity in the Public Facilities Master Plan.

(c) Park improvements constructed by Master Owner for each park shall include all utilities and all landscaping and irrigation necessary to serve the park. When installing road improvements adjacent to a pocket or neighborhood park site, Master Owner shall construct the necessary Frontage Improvements therefor as provided in Section 3.15.2.3 above.

(d) Upon satisfactory completion of the pocket or neighborhood park improvements by Master Owner, County shall accept the dedication of the improved park site and assume the ownership and maintenance thereof, provided the cost of such maintenance shall be funded by either the Services CFD or County Services Area described in Sections 3.23 and 3.24 below.

3.15.4.3 Construction of Pedestrian and Bike Trail Improvements. Master Owner shall design and construct any pedestrian and/or bike trail improvements, including signage, as shown in the Specific Plan within any portion of the Property and/or adjacent open space (collectively, the "**Trail Improvements**") to be located within the Community Property, subject to and in accordance with the following provisions:

(a) Except for Trail Improvements to be located within

pocket, neighborhood or community parks, which shall be installed as part of the park improvements therefor, Master Owner shall commence installation of the sections of any Trail Improvements within its Property as and when it installs the subdivision improvements within the applicable Community Property and/or adjacent to open space contained within the Community Property, but in no event later than the issuance of building permits for more than 75% of the number of residential units approved for the Community Property. The Trail Improvements to be installed upon development of the Property are generally shown in the Specific Plan. Connections to the Trail Improvements from the Property shall be installed at the same time as the Performance Driven Infrastructure and/or Subdivision DP Infrastructure for the adjacent parcel(s) are installed.

(b) The Trails shall be designed in accordance with the County's design standards for such Trails. Master Owner shall be responsible for all costs associated with the design and construction of the Trail Improvements, including the costs of preparing the required plans and drawings and, if necessary, obtaining any and all other required permits and any required supplemental environmental analysis.

(c) As provided in Section 3.15.2.4 above, upon completion of any Trail Improvements by Master Owner, County shall accept the dedication of the applicable Trail Improvements and open space area within which such Trail Improvements are located and assume the ownership and maintenance thereof, provided the cost of such maintenance shall be funded by the Services CFD and/or the County Services Area described in Sections 3.23 and 3.24 below.

3.15.4.4 Community Park and Community Recreation Center. Master Owner shall construct, or cause to be constructed, the Community Park and Community Recreation Center facilities, as more particularly described in the Public Facilities Master Plan and in accordance with the timing as specified in Exhibit 3.15.2.2 and the Infrastructure Plan.

3.15.4.5 Satisfaction of Park Obligations. The County acknowledges that Master Owner's covenants to construct the park and trails improvements pursuant to this Section 3.15.4 fully satisfy the County's development mitigation fee requirements for parks and recreation facilities as set forth in Placer County Code Article 15.34.

3.16 Sewer Master Study. A Sewer Master Study for providing sewer service to the developed properties within the Plan Area has been completed and approved by the County. The Sewer Master Study includes information on wastewater generation rates, peaking factors, location, placement and sizing of gravity pipelines, force mains, lift stations, and other necessary infrastructure. Updates to the Sewer Master Study will be necessary and shall be done as required by conditions of approval for small lot tentative subdivision maps for the Property.

3.17 Drainage Facilities. Master Owner shall dedicate land for and provide drainage improvements as provided in this Section.

3.17.1 Drainage Master Plan. As part of the approval of the EIR, the County approved a master drainage study. Master Developer shall, when required as indicated below, further refine the master drainage study with such refined master drainage study to be referenced herein as the “**Drainage Master Plan.**” The purpose of refining the master drainage study shall be to define, as much as is reasonably possible, the parcels within the Property to be used for drainage channels. The Drainage Master Plan shall be substantially complete (as determined by the County) and submitted to the County Director of Public Works for review and approval prior to the approval for recordation of the first Final Large Lot Map for the Property. The Drainage Master Plan shall identify the drainage sheds and any sub-sheds within and adjacent to the Plan Area and the drainage facilities, channels, culverts and conduits required to convey the design storm water flows through each drainage shed and any sub-sheds in the Plan Area. Updates to the Drainage Master Plan will be necessary and shall be done as required by conditions of approval for small lot tentative subdivision maps for the Property.

3.17.2 Other Agency Approvals. Prior to the issuance of any grading permit, or approval of any improvement plans, or recordation of a final small lot subdivision map for any development within an affected drainage shed of the Community Property, Master Owner shall obtain, at its expense, all permits and agreements as required by other agencies having jurisdiction over drainage, water quality or wetlands issues (the “**Other Agency Approvals**”), 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 for all the Permanent Drainage Facilities planned to be located within or serving such drainage shed.

Prior to the approval of any improvement plans or grading plans, Master Owner shall prepare and implement a Storm Water Pollution and Prevention Plan (SWPPP), and shall, concurrently with construction of any improvements, construct and maintain Best Management Practices (BMPs) as required by law, the SWPPP and as approved by the RWQCB and County.

3.17.3 Construction of Permanent Drainage Facilities. Master Owner shall design and construct the drainage facilities, channels, culverts and conduits required to convey the design storm water flows through each drainage shed and any sub-sheds in the Plan Area consistent with the Drainage Master Plan, any conditions of approval for small lot tentative maps and the Other Agency Approvals and in conjunction with the requirements set forth in the Infrastructure Plan.

3.17.4 Storm Drains. Master Owner shall construct storm drain mains and laterals as required by the Drainage Master Plan and in accordance with the County's then current improvement standards and shall provide laterals to serve all parcels in the Community Property and off-site areas draining into the Plan Area, including, but not limited to, commercial, multifamily, fire station, schools, park and other public sites. Storm drain laterals shall be constructed to the property line concurrently with the construction of connecting open channels or storm drain mains. Any and all storm drain mains and laterals to be constructed within the University Property shall comply with the Campus Master Plan and the County's then current improvement standards.

3.17.5 Maintenance of Drainage Facilities. The construction of the Permanent Drainage Facilities and related facilities will require on-going funding for long-term maintenance and repair. The maintenance of the Permanent Drainage Facilities is anticipated to be funded by either the Services CFD described in Section 3.23 below or the County Service Area described in Section 3.24 below. Master Owner and County acknowledge that the maintenance of these Permanent Drainage Facilities will benefit the entire Plan Area. Therefore, the funding for such maintenance shall be shared on a per acre basis by all developable property within the Specific Plan, as determined by the County in connection with the formation of the Services CFD and CSA, and shall not be separately allocated or divided between the drainage sub-sheds.

3.18 Landscape Plan. The Landscape Plan for landscaping along and within roads in the Community Property is described within the Specific Plan. The Landscape Plan includes preliminary design of streetscapes, entry features, landscaping materials and other image features that define the public landscape areas of the Community Property. Final design and specifications for such landscape improvements shall be addressed in conditions of approval for the applicable small lot tentative subdivision maps for the Property.

3.19 Other Public Facilities. Master Owner shall reserve for acquisition by the applicable public agency any lands located within the Property that are planned for school sites, water tanks, electrical utility substations and other such facilities to be acquired by a public agency other than the County. The terms and conditions for the sale of such reserved sites to the applicable entities, including the payment of any reimbursements or provision of any credits for the value of such sites and any improvements by Master Owner thereto, shall be subject to separate agreements with the applicable entities.

3.20 School Sites and Fee Agreements. The Plan Area falls within three school districts. Center Joint Unified School District (CJUSD) is located in the east portion of the Plan Area, and the Elverta Joint Elementary School District (EJESD) and the Twin Rivers Unified School District (TRUSD) are located in the west portion of the Plan Area. A site for a possible private high school, accommodating approximately 1,200 students,

is provided within the University Property. The existing school district boundaries fall in the middle of the Community Property, near proposed 8th Street. A slight boundary adjustment is proposed to create an even swap of territory between the school districts and allow the attendance boundary to fall along the proposed street and parcel boundaries. The above described boundary adjustment is depicted on Exhibit 3.20 and shall occur prior to recordation of the first small lot subdivision map.

Master Owner shall enter into agreements with the applicable school districts to establish the terms and conditions for the purchase of the improved school sites and the amounts for the value of the sites, the phasing of such school sites, and the costs of the improvements thereto (collectively, the “**School Agreements**”). Pursuant to and in accordance with the terms of the School Agreements, Master Owner or Community Developer shall rough grade and cause streets, including all Frontage Improvements and stubs for utilities to be installed and operational to provide access to and service for at least two (2) elementary school sites (one located on Parcel 9 within the CJUSD service boundaries and one located on Parcel 31 within the EJESD and TRUSD service boundaries) within the Specific Plan in accordance with the Infrastructure Plan. As set forth below, additional demand for school facilities will be met by schools outside of the Plan Area for which school mitigation fees will be paid.

Master Owner and the University Property Owner will enter into separate written agreements with the elementary and high school districts that serve the Property (collectively, the “**Districts**”), prior to approval of any small lot residential final subdivision map for recordation or issuance of any residential building permit (excluding permits for model homes), to mitigate the impacts of development of the Property on said Districts. Such agreements shall be subject to the mutual agreement of the Master Owner or the University Property Owner, respectively, and District(s) which include the Property within its/their jurisdiction; provided, however, it is Master Owner’s position that non-residential uses should only be obligated to pay the amount of the authorized statutory fee that may be imposed against such uses. With the execution thereof, County agrees that so long as neither Master Owner nor the University Property Owner is in default of said agreements, County shall process and approve any subdivision maps or other such entitlements for the Property and issue any building permits for development thereof consistent with the Entitlements. Master Owner agrees that a default under any of these school agreements shall also constitute a default under this Agreement.

3.21 Community Facilities District – Project Infrastructure.

3.21.1 Formation. Subject to Section 4.4 below, if Master Owner so requests, County shall in good faith consider the formation of one or more community facilities districts for the purpose of financing the construction and/or acquisition of a portion or portions of the public infrastructure and facilities within the Plan Area (an

“Infrastructure CFD”). The infrastructure and facilities that may be constructed and/or acquired with Infrastructure CFD funds include, without limitation, Developer Infrastructure and other such public facilities of the County located within the Plan Area and/or required to serve development of the Plan Area (**“CFD Improvements”**). Formation of an Infrastructure CFD shall be pursuant to and consistent with the requirements of this Agreement, applicable County policies and the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.).

3.21.1.1 Nothing in this Section 3.21 shall be construed to require Master Owner to form an Infrastructure CFD nor, if formed, to preclude the payment by an owner of any of the parcels within the Property to be included within the Infrastructure CFD of a cash amount equivalent to its proportionate share of costs for the CFD Improvements, or any portion thereof, prior to the issuance of bonds. Nothing in this Section shall be construed to require County to form an Infrastructure CFD if County determines, in its sole discretion, formation would not be consistent with applicable County policies or with prudent public fiscal practice, provided any County policy adopted after the Effective Date prohibiting consideration or formation of any new infrastructure community facilities districts shall not be applied to prevent the County’s good faith consideration of formation of an Infrastructure CFD requested by Master Owner. In determining whether to form an Infrastructure CFD, County shall first consider the need for and fiscal impact of the creation of a Services CFD and/or CSA as provided below, and then the need for and fiscal impact of this financing tool to provide funding for the CFD Improvements.

3.21.1.2 Concurrent with any formation of an Infrastructure CFD, the Master Owner and County shall enter into a shortfall and acquisition agreement, in form and substance acceptable to County, whereby the Master Owner shall covenant to finance the costs of the CFD Improvements then required to be installed pursuant to the terms of this Agreement and the Entitlements, to the extent that the bonds issued by the CFD do not provide sufficient funding for the completion of such improvements. To the extent permitted by and consistent with statute, including without limitation, Government Code Section 53313.51, the acquisition agreement may, if agreed to by County in its sole discretion, include provisions to permit payments for discrete portions of improvements during construction of any CFD Improvements that have been accepted by County and are capable of serviceable use and to permit payments for discrete phases of the partially completed improvement, as the costs thereof are incurred by the Master Developer and confirmed by County.

3.21.1.3 Nothing herein shall be construed to limit Master Owner's option to install the CFD Improvements through the use of traditional assessment districts or private financing.

3.21.1.4 Notwithstanding the inclusion of the Property in an Infrastructure CFD, unless Master Owner elects to include undeveloped portions of the Property into the Infrastructure CFD, only developed portions of the Property, defined as those portions for which a Final Development Entitlement (as defined in Section 3.2 above) has been approved, shall be subject to the levy of special tax by an Infrastructure CFD. In other words, unless otherwise elected by Master Owner, undeveloped portions of the Property for which a Final Development Entitlement has not been approved shall be exempt from the levy of any Infrastructure CFD special taxes until a Final Development Entitlement is approved therefor. Once an Infrastructure CFD is formed, bonds shall not be issued or sold for such Infrastructure CFD without the Master Owner's consent.

3.21.2 Effect of CFD Financing on Credits and Reimbursements. Wherever the terms of this Agreement provide for (a) credits or (b) reimbursements to Master Owner for construction of certain improvements, and such improvements are financed by the Infrastructure CFD, at the request of Master Owner, either (i) the Master Owner shall receive credits against the applicable Development Mitigation Fee, New Development Mitigation Fee, SW Placer Fee, or Project Development Fee, based on the amount of financing provided for the improvements by the Infrastructure CFD that would otherwise have been funded by such fee up to, but not in excess of, the amount that will be funded by such fees by the properties within the Infrastructure CFD; or (ii) the amount of the fee otherwise applicable to such improvements for the Property within the Infrastructure CFD shall be adjusted as necessary to reflect the funding of such improvements by the Infrastructure CFD. Alternatively, Master Owner may request that Infrastructure CFD funds be used to acquire facilities not included for financing by any fee program. To preserve Master Owner's right to receive reimbursement for the share of any costs of improvements that benefit properties outside of the Infrastructure CFD, Master Owner may request that acquisition by CFD funds of any facilities included for financing by a fee program not exceed the amount of such fees that would otherwise be payable by Master Owner's Property within the Infrastructure CFD.

3.21.3 Effect of CFD Financing on Required Security. If and to the extent proceeds from CFD special taxes and/or bond sales are available to fund the acquisition and/or construction of the Common Infrastructure, Parcel Specific Infrastructure, Performance Driven Infrastructure or Public Facilities, then, upon request of the Master Owner, the County shall consider reserving and sequestering the available CFD funds for the acquisition and construction of the foregoing improvements in the amount and for the improvements as designated by the Master Owner in such request, and said funds may then be credited against Master Owner's obligation to post security acceptable to the County to assure completion of such designated improvements.

3.22 Section Not Used

3.23 Community Facilities District – Services

3.23.1 Formation. Prior to the approval for recordation of the first Final Large Lot Map, a community facilities district shall be formed that includes the Community Property for the purposes of funding the services identified in the Urban Services Plan dated _____, 2008, (“**Services CFD**”); provided, however, Master Owner may request County defer the foregoing requirement so that any such Services CFD may be formed at a later date. Any such request shall be made in writing and submitted to the County Executive Officer, who has sole discretion to decide to grant an extension of time for performance of this obligation. Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), consents to and shall cooperate in such formation and the imposition of any special tax necessary to fund the services identified in the Urban Services Plan dated _____, 2008. Upon formation, Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), hereby consents to the levy of such special taxes as are necessary to fund the services obligations in amounts consistent with Section 3.23.4 and hereby acknowledges that any such special tax is necessary to provide services in addition to those provided by County to the Community Property before the Specific Plan was approved. In the event Master Owner submits a request to defer the formation of the Services CFD and the imposition of any necessary special taxes, such request shall include substantially complete (as determined by County Executive Officer) drafts of proposed rates and method of apportionment of special taxes to fund the required services in accordance with an updated Urban Services Plan, and all necessary written waivers and consents for the formation of the Services CFD and for the imposition of any special tax, executed by Master Owner in a form approved by County. In the event County agrees to defer formation of the Services CFD, Master Owner shall require as a condition of sale of the Community Property that Community Developer and any Project Developer, as applicable, execute written waivers and consents for the formation of the Services CFD and imposition of any special tax in a form approved by County and shall provide the same to County upon close of escrow.

3.23.2 Additional Service CFDs/Tax Zones. The County may require the formation of more than one Services CFD, and a Services CFD may be divided as necessary into zones, among which the amount of the special tax may vary.

3.23.3 Services. The Services CFD shall provide the funding required for new and/or enhanced services to be provided by County to the Community Property and within the Plan Area which would not have been necessary but for the approval of the Entitlements. The funds shall be utilized for some or all of the following purposes:

- 1) Sheriff and criminal justice services;
- 2) Fire protection and suppression services, including ambulance and paramedic services;

- 3) Recreation program services;
- 4) Library services;
- 5) Maintenance and lighting of parks, streets, roads, landscaping, and open space, including off-site open space and habitat mitigation lands;
- 6) Maintenance of storm drainage systems; and
- 7) Any other service to be provided by the County to the Property that has been identified in the Urban Services Plan dated _____, 2008, and that is allowed by law to be funded through a community facilities district.

3.23.4 Special Tax Levy. The Placer County General Plan requires that new development must pay the cost of providing public services that are needed to serve new development, and that but for the Project's obligation to fund the necessary levels of service to the Project, County would not have approved the Entitlements. The County has limited resources to fund such services from existing and future ad valorem property tax revenues and that additional funding as set forth in the Urban Services Plan will be required to maintain levels of service acceptable to County. It is County's objective that new services required by approval of the Specific Plan will not adversely impact the County's general fund obligations or fiscal revenues from existing and future ad valorem property taxes. Although the exact amount of such additional funding is not certain at this time, the Urban Services Plan dated _____, 2008, estimates special tax/assessment rates for development within the Community Property (in the aggregate with the assessments to be levied by the CSA described in Section 3.24 below) at \$_____ per year for single-family market rate units, at \$_____ for multi-family market-rate units, and at \$_____ for affordable units. In association with the formation of the Services CFD, Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), agrees to a special tax levy that is sufficient to provide funding for the levels of service as ultimately required by County based upon an updated Urban Services Plan.

It is County's intention to maintain a comparable level of service for other specific areas proposed for development within the County. In the event the County subsequently elects not to maintain a comparable level of service in any new specific plan area approved by the County, the County shall review the levels of service being funded by the special tax levy and may, if it determines in its sole discretion that the public's interests are best served thereby, adjust the level of service for the Specific Plan to reduce the amount of special taxes authorized to be levied by the Services CFD by an appropriate amount to be consistent with any such reduced level of services in such other specific plan areas.

3.23.5 Public Parcel Exclusion. Any lot or parcel conveyed or to be conveyed to the County or to a School District shall be excluded from any tax levy

imposed by the Services CFD so long as such parcels remain in the County's or School District's ownership.

3.23.6 Undeveloped Property Exemption. County expressly agrees that, notwithstanding the inclusion of the Community Property in the Services CFD, in consideration that Master Owner is not obligated by this Agreement to develop the Community Property, only those portions of the Community Property for which a Final Large Lot Map Final Development Entitlement, or a small lot tentative subdivision map has been approved, shall be subject to the levy of special tax by the Services CFD. With respect to portions of the Community Property for which a Final Large Lot Map has been approved or a small lot tentative subdivision map has been approved but which has not then received a Final Development Entitlement, such portions of the Community Property shall only be subject to the levy of the special tax for up to the amount of the special tax imposed for maintenance of roads, maintenance of parks, landscaping, and open space, including off-site open space and habitat mitigation lands, maintenance of sewer/storm drainage systems, and sheriff and fire/emergency services. Such tax on such property may be levied only if the County determines, in its sole discretion, that the special taxes allocable to such services generated by properties with Final Development Entitlements are insufficient to fund the level of such services then required to serve the Specific Plan.

3.23.7 University Property Obligation to Participate in Services CFD. The obligation of the University Property to participate in a Services CFD is addressed in Section 4.4 below.

3.24 County Service Area - Services.

3.24.1 Formation. If required by the County, in addition or as an alternative to a Services CFD, prior to either the approval for recordation of the first Final Large Lot Map or the approval of a small lot tentative map for any portion of the property within the Community Property, whichever may occur first, a county service area ("**CSA**") shall be formed that includes the Community Property for the purposes of funding the services identified in the Urban Services Plan dated _____, 2008,; provided, however, Master Owner may request County defer the foregoing requirement so that any such CSA may be formed at a later date. Any such request shall be made in writing and submitted to the County Executive Officer, who has sole discretion to decide to grant an extension of time for performance of this obligation. Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), consents to and agrees to petition to the Placer County Local Agency Formation Commission ("**LAFCO**"), for the formation of a CSA to include the Community Property. Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), consents to

the imposition of such assessments, fees and charges as may be necessary in order to provide the funds for the services identified in the Urban Services Plan dated _____, 2008, to the extent such services are not funded or are under funded in a Services CFD, and/or to provide funds for services for which funding is not available through a Services CFD that may be allowed by law to be funded through a county service area, in amounts consistent with Section 3.24.4, below. For the purposes of Article XIID of the California Constitution, all the services described herein to be provided by the CSA will provide a “special benefit” to the Property as defined by said Article. In the event Master Owner submits a request to defer the formation of the CSA and the imposition of any necessary special taxes, such request shall include substantially complete (as determined by County Executive Officer) drafts of proposed rates and method of apportionment of assessments, fees and charges to fund the required services in accordance with an updated Urban Services Plan, and all necessary written waivers and consents for the formation of the CSA and for the imposition of any assessment, fee and charge, executed by the Master Owner, the University Property Owner, and any Community Developers in a form approved by County. In the event County agrees to defer formation of the CSA, Master Owner shall require as a condition of sale or transfer of any portion of its Property that the Community Developer and any Project Developer each execute written waivers and consents for the formation of the CSA and imposition of any assessment, fee and charge in a form approved by County and shall provide the same to County upon close of escrow.

3.24.2 Additional CSAs/Zones of Benefit. The County may require the formation of more than one CSA, and a CSA may be divided as necessary into zones of benefit among which the amount of assessment, fee or charge may vary.

3.24.3 Waiver of Protest. Subject to Section 4.4, Donor agrees, on behalf of itself and its successors in interest, the Master Owner, the University Property Owner, the Community Developer, and any Project Developer, and subsequent homeowners’ or similar associations, that Donor’s successors will participate in and will not protest the formation of a CSA or another similar such financing mechanism as may be required by the County to establish and collect funds through assessment or other means for the described services, and that they waive any and all rights to protest formation and continued assessment pursuant to the Majority Protest Act of 1931 (Streets and Highways Code §2800 et seq.) or any similar statute or constitutional provision whether currently existing or hereafter adopted, including but not limited to any provisions of California Constitution Article XIIC; provided, however, such participation and waiver shall apply only as to the individual property owner’s fair share of the services costs to be shared by all developers within the Specific Plan.

3.24.4 Amount of Assessment, Charge or Fee. The Placer County General Plan requires that new development must pay the cost of providing public services that are needed to serve new development, and that but for the Project’s

obligation to fund the necessary levels of service to the Project, County would not have approved the Entitlements. The County has limited resources to fund such services from existing and future ad valorem property tax revenues and that additional funding as set forth in the Urban Services Plan will be required to maintain levels of service acceptable to County. It is County's objective that new services required by approval of the Specific Plan will not adversely impact the County's general fund obligations or fiscal revenues from existing and future ad valorem property taxes. Although the exact amount of such additional funding is not certain at this time, the Urban Services Plan dated [REDACTED], 2008, estimates special tax/assessment rates for development within the Community Property (in the aggregate with the special taxes to be levied by the Services CFD described in Section 3.23 above) at \$ [REDACTED] per year for single-family market rate units, \$ [REDACTED] for multi-family market-rate units, and \$ [REDACTED] for affordable units. In association with the formation of a CSA, Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), agrees to an assessment amount that is sufficient to provide funding for the levels of service as ultimately required by County based upon an updated Urban Services Plan.

It is County's desire to maintain a comparable level of service for other specific areas proposed for development within the County. In the event the County subsequently elects not to maintain a comparable level of service in any new specific plan area approved by the County, the County shall review the levels of service being funded by the assessment and, if it determines in its sole discretion the public's interests are best served thereby, adjust the level of service for the Specific Plan to reduce the assessment amount authorized to be levied by the CSA by an appropriate amount to be consistent with any such reduced level of services in such other specific plan areas.

3.24.5 Public Parcel Exclusion. Any lot or parcel conveyed or to be conveyed to the County or to a School District shall be excluded from any assessment imposed by the CSA so long as such parcels remain in the County's or School District's ownership, and acknowledges that such parcels do not and will not receive a special benefit from the CSA.

3.24.6 Undeveloped Property Exemption. County expressly agrees that, notwithstanding the inclusion of the Community Property in the CSA, in consideration that Master Owner is not obligated by this Agreement to develop the Community Property, only those portions of the Community Property for which a Final Large Lot Map Final Development Entitlement, or a small lot tentative subdivision map has been approved, shall be subject to assessment by the CSA. With respect to the Community Property for which a Final Large Lot Map is approved, or a small lot tentative subdivision map has been approved but which has not then received a Final Development Entitlement, such tentatively-mapped Community Property shall only be subject to an assessment of up to the amount of the assessment imposed for

maintenance of roads, maintenance of parks, landscaping, and open space, including off-site open space and habitat mitigation lands, maintenance of sewer and/or storm drainage systems, and sheriff and fire/emergency services. Such assessments on such property may be levied only if the County determines, in its sole discretion, the assessments allocable to such services generated by properties with Final Development Entitlements are insufficient to fund the level of such services then required to serve the Specific Plan.

3.24.7 University Property Obligation to Participate in CSA. The obligation of the University Property to participate in the CSA is addressed in Section 4.4 below.

3.25 Encroachment Permits, Landscape Maintenance Easements. Master Owner and County shall grant encroachment permit(s) or maintenance easements to the Master Owner or County, or their agents, employees, successors, assigns, agents and employees, for the purpose of entry into the landscape easement and setback areas or County property (including streets and rights-of-way) to perform the maintenance obligations described herein.

3.26 Advance Funding for County Administration. In order for County to implement the Specific Plan and to assist Master Owner with its development of the Property, County will incur substantial costs for administration, staff, and consultants for such tasks as reviewing offers of dedication for roads and other County facilities, reviewing master plans, checking plans for the Backbone Infrastructure, establishing the SW Placer Fee program and the financing mechanisms required to fund the costs of providing services to the Property, administering compliance with this Agreement, and preparing for the submission of applications for Subsequent Entitlements, including large lot and small lot tentative maps. Donor acknowledges that, but for the Project's obligation to fund such costs in advance, County would not and could not approve the development of the Property as provided by this Agreement.

No later than thirty (30) days after written request from County (or such other date as County and Master Owner may agree) and periodically as requested by County thereafter until County costs of Specific Plan implementation activities have become self-supporting through the payment of application fees or the collection of SW Placer Fee and other revenues, Master Owner shall deposit with the County a sum identified by County, at any one time, to provide advance funding for County to pay for County administration and staff for tasks required to be performed by County to facilitate development of the Property by Master Owner under this Agreement as generally described above. Master Owner shall also deposit such funds from time to time as may be necessary to pay for any consultants retained by the County that are needed to assist County with such tasks. County shall provide a regular accounting of the utilization of said funds and shall not utilize such funds when otherwise not necessary

because of the receipt of sufficient fee revenues in association with an application by Master Owner for which a processing fee is otherwise required.

3.27 Disclosures to Subsequent Purchasers. This Agreement shall constitute notice to all successors to Donor hereunder, and to all subsequent purchasers of any lots, parcels and/or residential units within the Property, of all of the matters set forth herein. If Donor or its successor(s) in interest records any Property CC&Rs, such CC&Rs shall include disclosure of the existence of this Agreement and a summary of the material obligations contained herein.

3.28 Construction Waste. Master Owner shall require construction contractors and subcontractors to reduce construction waste by recycling a minimum of 50% of construction materials or require that all construction debris be delivered to the Placer County Western Regional Materials Recovery Facility where recyclable material will be removed. Master Owner shall require that contractors and subcontractors submit records annually of waste diversion and disposal to the County's Facilities Services Department, Solid Waste Division, in order to verify compliance with this requirement.

3.29 EIR Mitigation Measures. Notwithstanding any other provision in this Agreement to the contrary, as and when Master Owner elects to develop the Property, Master Owner shall be bound by, and shall perform, all mitigation measures contained in the Plan EIR related to such development which are adopted by County and are identified in the Mitigation Monitoring Plan as being a responsibility of Master Owner.

3.30 Waiver. In consideration of the benefits received pursuant to this Agreement, Donor, on behalf of itself and its respective heirs, successors in interests and assigns, waives any and all causes of action which it might have under the ordinances of the County of Placer or the laws of the State of California or the United States with regard to any otherwise uncompensated or under-compensated conveyance or dedication of land or easements over the Property or improvements that are specifically provided for in this Agreement, that are required in conjunction with changes to this Agreement or the Specific Plan that are requested by Master Owner, or that are logically implied by this Agreement.

ARTICLE 4. THE UNIVERSITY PROPERTY

4.1 University Property Owner Share of Developer Infrastructure. The University Property Owner is assigned a proportionate cost share in the Financing Plan, based on projected usage of Developer Infrastructure. The University Property Owner has no cost obligation for parks, streetscapes, or any contribution to library services or structures, as the University Property Owner will provide these services internally.

4.2 Payment of University Property Owner Share of Developer Infrastructure Costs. The Master Owner shall be obligated to pay the University Property Owner's

share of the costs referenced in Section 4.1 above. As described above, Donor intends to donate the Property to Master Owner for charitable and educational purposes. Master Owner will either retain the University Property itself and establish the university on the University Property in which event Master Owner shall assume the position of University Property Owner, or transfer the University Property to another private nonprofit entity, with such entity then becoming the University Property Owner hereunder. The Community Acquisition Agreement between Master Owner and Community Developer shall provide for an internal allocation of the costs referenced in Section 4.1 between the parties. In the event the Master Owner conveys the Community Property to Community Developer, University Property Owner may elect to use the proceeds from any sale of the Community Property to Community Developer to fund the University Property Owner's share of the costs referenced in Section 4.1, with the balance of any proceeds to be used by the University Property Owner as an endowment to be used by the University Property Owner for any purpose it deems advisable.

4.3 Campus Master Plan; Transit Center. As described in the Specific Plan, the University Property Owner shall prepare a Campus Master Plan (the "**Campus Master Plan**") which shall set forth detailed specifications for the facilities to be constructed on the University Property, including, without limitation, the transit center and the very low income affordable housing, utilizing the conceptual plans therefore in the Specific Plan, and the generalized description of such facilities, equipment and furnishings as set forth in the Financing Plan. The Campus Master Plan shall be submitted to the County Planning Director and approved by the Board of Supervisors prior to the issuance of the first building permit for any portion of the University Property. The University Property shall fund and construct or cause to be constructed the transit center and any additional facilities proposed by the Campus Master Plan to be included within the University Property. The transit center and additional facilities shall be constructed and improved according to the Campus Master Plan. The University Property Owner shall be responsible for all costs associated with the design and construction of the above referenced facilities, including the costs of preparing the required plans and drawings and, if necessary, obtaining any and all other required permits and any required supplemental environmental analysis.

4.4 University Property Owner's Participation in the Infrastructure CFD and Services Districts. Notwithstanding Section 3.21 above, the University Property Owner may, in the University Property Owner's sole discretion, elect to have the University Property included within or excluded from the Infrastructure CFD formed pursuant to Section 3.21 hereinabove and/or a newly-formed community facilities district for the purpose of financing the acquisition of a portion or portions of the infrastructure facilities within the University Property. Unless the University Property Owner and the County enter into a University Property In Lieu Services Agreement (as defined below), the University Property shall be included within existing or newly-formed Services Districts

pursuant to Sections 4.4.1 and 4.4.2 below. Notwithstanding the foregoing, the University Property Owner and the County may elect to enter into a separate agreement to implement a plan consistent with the Urban Services Plan to address funding necessary for the required services in accordance with the Urban Services Plan attributable to the University Property, which required County services may be adjusted based on the level of comparable services provided internally by the University Property Owner as identified in the Campus Master Plan (a “**University Property In Lieu Services Agreement**”).

4.4.1 University Property Services CFD.

4.4.1.1 Formation of University Property Services CFD; Inclusion Within Existing Services CFD. In the event the University Property has elected not to enter into a University Property In Lieu Services Agreement as provided in Section 4.4 above, prior to the issuance of a building permit for any building located on the University Property, the University Property shall either be included within the existing Services CFD formed pursuant to Section 3.23 above, or a new Services CFD shall be formed that includes the University Property for the purposes of funding services for the University Property as identified in the Urban Services Plan dated _____, 2008. In the event the University Property Owner elects to have the University Property included within an existing Services CFD formed pursuant to Section 3.23 above, the University Property will be a separate improvement area within such existing Services CFD, designed to allow such Services CFD to levy the special taxes necessary to address funding necessary for the required services in accordance with the Urban Services Plan attributable to the University Property, as may be adjusted based on the level of comparable services provided internally by the University Property Owner under the Campus Master Plan. In either case, the University Property Owner shall consent to and cooperate in such formation and the imposition of any special tax necessary to fund the services. Upon formation, the University Property Owner shall consent to the levy of such special taxes as are necessary to fund the services obligations for the University Property as identified in the Urban Services Plan dated _____, 2008, in amounts consistent with Section 4.4.1.4 and hereby acknowledges that any such special tax is necessary to provide services in addition to those provided by County to the University Property before the Specific Plan was approved. Sections 4.4.1.2, 4.4.1.3, 4.4.1.4 and 4.4.1.5 shall only be applicable in the event (i) the University Property Owner has elected not to enter into a University Property In Lieu Services Agreement, and (ii) the University Property Owner elects to either have the University Property annexed to an existing Services CFD (as a separate improvement area) or be included within a newly-formed Services CFD.

4.4.1.2 Additional Service CFDs/Tax Zones. The County may require the formation of more than one Services CFD including the University Property,

and a Services CFD including the University Property may be divided as necessary into zones, among which the amount of the special tax may vary.

4.4.1.3 Services. The Services CFD shall provide the funding required for new and/or enhanced services to be provided by County to the University Property and within the Plan Area which would not have been necessary but for the approval of the Entitlements, but which services may be adjusted based on the level of comparable services provided internally by the University Property Owner under the Campus Master Plan. The funds may be utilized for some or all of the following purposes:

- 1) Sheriff and criminal justice services;
- 2) Fire protection and suppression services, including ambulance and paramedic services;
- 3) Maintenance of storm drainage systems; and
- 4) Any other service provided by the County to the University Property as identified in the Urban Services Plan dated _____, 2008, that may be allowed by law to be funded through a community facilities district.

4.4.1.4 Special Tax Levy. The Placer County General Plan requires that new development must pay the cost of providing public services that are needed to serve new development and that, but for the Project's obligation to fund the necessary levels of service to the Project, County would not have approved the Entitlements. The County has limited resources to fund such services from existing and future ad valorem property tax revenues and additional funding as set forth in the Urban Services Plan will be required to maintain levels of service acceptable to County. It is County's objective that new services required by approval of the Specific Plan will not adversely impact the County's general fund obligations or fiscal revenues from existing and future ad valorem property taxes. The exact amount of such additional funding is not certain at this time. In association with the formation of the Services CFD, Donor, on behalf of itself and its successors in interest (including the Master Owner and University Property Owner), agrees to a special tax levy that is sufficient to provide funding for the levels of service as ultimately required by County based upon an updated Urban Services Plan and based on the level of comparable services provided internally by the University Property Owner as identified in the Campus Master Plan.

4.4.1.5 Undeveloped Property Exemption. County expressly agrees that, notwithstanding the inclusion of the University Property in either an existing or newly-formed Services CFD, in consideration that Master Owner is not obligated by this Agreement to develop the University Property, only those portions of the University Property for which a building permit has been issued shall be subject to the levy of a special tax by the Services CFD with the amount of the special tax imposed being proportional to the level of services required by the buildings/uses for which such building permits have been issued.

4.4.2 University Property CSA.

4.4.2.1 Formation of University Property CSA; Inclusion Within Existing CSA. In the event the University Property has elected not to enter into a University Property In Lieu Services Agreement, if required by the County, in addition or as an alternative to a Services CFD which includes the University Property, prior to the issuance of a building permit for any building located on the University Property, the University Property shall either be included within the existing CSA formed pursuant to Section 3.24 above, or a new CSA shall be formed that includes the University Property for the purposes of funding the services identified in the Urban Services Plan dated _____, 2008. In the event the University Property Owner elects to have the University Property included within the existing CSA formed pursuant to Section 3.24 above, the University Property will be a separate improvement area within the existing CSA designed to allow the existing CSA to levy the assessments, fees or charges necessary to address funding necessary for the required services in accordance with the Urban Services Plan attributable to the University Property, as may be adjusted based on the level of comparable services provided internally by the University Property Owner as identified in the Campus Master Plan. In either case, the University Property Owner shall consent to and agree to petition to LAFCO, for annexation to or the formation of such a CSA to include the University Property. The University Property Owner shall consent to the imposition of such assessments, fees and charges as may be necessary in order to provide the funds for the services identified in the Urban Services Plan dated _____, 2008, above, to the extent such services are not funded or are under funded in a Services CFD, or to provide funds for services for which funding is not available through a Services CFD, including but not limited to the maintenance and repair of roads, trails, bikeways, sewers or other public infrastructure, transit, or any other service that may be allowed by law to be funded through a county service area, in amounts consistent with Section 4.4.2.4, below. For the purposes of Article XIID of the California Constitution, all the services described herein to be provided by the CSA will provide a "special benefit" to the University Property as defined by said Article. Sections 4.4.2.2, 4.4.2.3, 4.4.2.4 and 4.4.2.5 shall only be applicable in the event (i) the University Property Owner has elected not to enter into a University Property In Lieu Services Agreement, and (ii) the University Property Owner elects either to have the University Property annexed to an existing CSA (with a separate improvement area) or included within a newly-formed CSA.

4.4.2.2 Additional CSAs/Zones of Benefit. The County may require the formation of more than one CSA including the University Property, and a CSA may be divided as necessary into zones of benefit among which the amount of assessment, fee or charge may vary.

4.4.2.3 Waiver of Protest. Donor agrees, on behalf of itself and its successors in interest, the Master Owner, and the University Property Owner, that

Donor's successors will participate in and will not protest the annexation to, or the formation of, a CSA or another similar such financing mechanism as may be required by the County to establish and collect funds through assessment or other means for the described services, and that they waive any and all rights to protest formation and continued assessment pursuant to the Majority Protest Act of 1931 (Streets and Highways Code §2800 et seq.) or any similar statute or constitutional provision whether currently existing or hereafter adopted, including but not limited to any provisions of California Constitution Article XIII C; provided, however, such participation and waiver shall apply only as to the individual property owner's fair share of the services' costs to be shared by all developers within the Specific Plan, as may be adjusted based on the level of comparable services provided internally by the University Property Owner as identified in the Campus Master Plan.

4.4.2.4 Amount of Assessment, Charge or Fee. The Placer County General Plan requires that new development must pay the cost of providing public services that are needed to serve new development, and that but for the Project's obligation to fund the necessary levels of service to the Project, County would not have approved the Entitlements. The County has limited resources to fund such services from existing and future ad valorem property tax revenues and additional funding as set forth in the Urban Services Plan will be required to maintain levels of service acceptable to County. It is County's objective that new services required by approval of the Specific Plan will not adversely impact the County's general fund obligations or fiscal revenues from existing and future ad valorem property taxes. The exact amount of such additional funding is not certain at this time. In association with the formation of a CSA, Donor, on behalf of itself and its successors in interest (including the Master Owner and the University Property Owner), agrees to an assessment amount that is sufficient to provide funding for the levels of service as ultimately required by County based upon an updated Urban Services Plan and based on the level of comparable services provided internally by the University Property Owner as identified in the Campus Master Plan.

4.4.2.5 Undeveloped Property Exemption. County expressly agrees that, notwithstanding the inclusion of the University Property in either an existing or newly-formed CSA, in consideration that Master Owner is not obligated by this Agreement to develop the University Property, only those portions of the University Property for which a building permit has been issued shall be subject to assessment by the CSA with the amount of the assessments imposed proportional to services required by the buildings/uses for which such building permits have been issued.

4.5 University Property Owner's Obligation For Mitigation Costs. University Property Owner shall be responsible for any and all costs for offsite habitat mitigation, loss of open space, wetlands, or endangered species resulting from the development of the University Property.

4.6 Use Restriction on University Property. Donor, on behalf of itself and its successors in interest (including the Master Owner and the University Owner), covenants and agrees that for a period of fifty (50) years from the Effective Date, the use of the University Property shall be limited to the operation of a 4-year accredited undergraduate and graduate institution. Notwithstanding the foregoing, nothing contained in this Section 4.6 shall limit the use of the University Property for facilities which support and further the operation of the permitted institution, including, by way of example but not limitation, research and business parks to house entities which do business with, or on behalf of, the permitted institution (such as the Stanford Business Park / University), sport facilities and complexes, medical centers or complexes, retail facilities, a hotel/conference center, and other lodging facilities. As provided in Section 1.3.5 above, the use restriction contained in this Section 4.6 shall survive the expiration or earlier termination of this Agreement.

4.7 Annual University Report. During the term of this Agreement, the Master Owner, or University Property Owner, as applicable, shall provide the County with an annual report describing the progress of the development of the university on the University Property (the “**Annual University Report**”). The Annual University Report shall include a summary of the progress on the funding, financing and construction of infrastructure on the University Property, the status of student enrollment for the university, as well as the status of milestones related thereto. The Master Owner or University Property Owner shall provide an Annual University Report to the County each year on the anniversary date of the Effective Date.

ARTICLE 5. COUNTY OBLIGATIONS

5.1 County Cooperation. County agrees to work in good faith with Donor or Master Owner, the University Property Owner, the Community Developer, or any Project Developer, as they apply to County for permits that may be required by County and, to the extent applicable, other public, state and federal agencies. In the event State or Federal laws or regulations enacted after the Effective Date of this Agreement or action of any governmental jurisdiction other than the County prevents or precludes compliance with one or more provisions of this Agreement, or requires material modification of the Entitlements or a Subsequent Entitlement approved by County, Donor or Master Owner shall notify County in writing of the anticipated duration of any delay caused thereby, and, provided any such delay is not the fault of Donor or Master Owner, the parties agree that the provisions of this Agreement shall be extended as may be reasonably necessary to comply with such new State and Federal laws or regulations or the regulations of the other governmental jurisdictions.

5.2 Credits and Reimbursements. Master Owner will, pursuant to this Agreement, dedicate certain lands and construct certain improvements, including but not limited to the Public Facilities, and other public facilities which might otherwise be

paid for by the County or other parties, and which may serve other properties or which could be financed by Development Mitigation Fees, Project Development Fees, SW Placer Fees, New Development Mitigation Fees, or any other fees applicable to the Project. Master Owner's rights to credits and reimbursements for any obligations set forth in this Agreement to dedicate land and construct improvements are defined in this Section 5.2. The County shall have the right to review and approve all construction contracts and change orders (as provided in Section 5.2.3 below) prior to agreeing to include such associated costs in any fee program. This approval shall be limited only to the decision to include the costs in the fee program and shall not be construed to allow or require County approval of any contract between Master Owner and any contractor. Nothing herein shall be construed to constitute any guarantee that Master Owner will receive full reimbursement for its costs incurred to dedicate land and/or construct improvements as required by this Agreement. The parties hereto agree that, in consideration of the dedication of such lands and construction of such improvements by Master Owner and, upon County's acceptance of such improvements, Master Owner shall be entitled to credits and reimbursement only as follows:

5.2.1 Credits Generally. To the extent Master Owner advances the cost, either in cash or through its participation in the Infrastructure CFD, for the siting and construction of infrastructure that is included within existing, or will be included in future, Development Mitigation Fees, Project Development Fees, SW Placer Fees, New Development Mitigation Fees, or any other fees applicable to the Project, County shall grant to the Master Owner a credit for the amount of such costs advanced or deemed advanced to be applied against the applicable fee obligations for the Project to the extent such costs advanced have been included as one of the cost components in the calculation of the applicable fee program. With respect to the credits granted to the Master Owner, the credits shall be personal to the Master Owner and Master Owner shall have the right to allocate such credits between the Master Owner, the University Property Owner, the Community Developer, and any Project Developers, which allocations shall be provided in writing to the County via the Master Owner Certificate and which allocations may be revised and/or reallocated between the Master Owner, the University Property Owner, the Community Developer, and any Project Developers, from time to time. The parties acknowledge that the County shall be entitled to apply the credits granted to Master Owner pursuant to this Section 5.2 in the manner set forth in any applicable Master Owner Certificates or any subsequent reallocation confirmed in writing by the Master Owner that is provided to the County.

County acknowledges that any such CFD Improvements financed by the Infrastructure CFD may generate fee credits against a Development Mitigation Fee, New Development Mitigation Fee, Project Development Fees, SW Placer Fee, or any other fee applicable to the Project, to finance the costs of such CFD Improvements. To the extent any such fee includes categories for different improvements, the credits for construction or financing of a CFD Improvement shall apply only with respect to the corresponding category of such fee and not against any other portion of such fee.

Credits shall become available to the Master Owner as and when the applicable improvements or discrete portions or phases thereof are completed and accepted by the County or improvement bonds assuring the completion of such improvements acceptable to the County have been posted with and to the County. Donor, on behalf of its successors in interest, hereby acknowledges and assumes the risk that the granting of any credits based on the posting of improvement bonds prior to completion and acceptance of an improvement by the County may result in a loss of fee revenues that would otherwise be available to reimburse Master Owner for these costs and hereby waives and releases County from any loss, responsibility or liability with respect to the granting of such credits. Notwithstanding the issuance of credits pursuant to this Section 5.2, the parties acknowledge that the right to occupy any building to be located within the Property shall still be subject to all other obligations expressly set forth elsewhere in this Agreement, as well as any other applicable County requirements.

5.2.2 Credits for Duplicative Fees. If and to the extent any existing fee applicable to the Project includes amounts to finance construction of facilities that are also included within any other fee required by this Agreement, the County will provide appropriate credit against and reduce the amount of the applicable fee or other fee to account for the amount to be funded hereunder by Master Owner for the same facility.

5.2.3 Credits and Change Orders. Any costs advanced or deemed to be advanced by Master Owner that are the subject of a change order must be approved in writing by the County in order for the Master Owner to be entitled to credits for such amounts pursuant to this Section 5.2. When time permits, Master Owner shall submit change orders to the County for review and approval prior to such corresponding work being performed provided that the County shall approve or provide comment to such change order within seventy-two (72) hours after County's receipt of such change order. The parties acknowledge that there may be circumstances—for example, site conditions, safety concerns or weather conditions—where time does not permit prior approval of a change order by County before the corresponding work is performed. In such circumstances, as soon as time permits, Master Owner shall submit such change orders to the County for approval. If the County fails to timely approve such a change order, the parties agree to meet and confer to determine if the change order can be subsequently amended to the County's reasonable satisfaction.

5.2.4 Reimbursements Generally. Master Owner shall construct or cause the construction of improvements which may be financed in whole or in part by an Infrastructure CFD or which may be included in a fee program applicable to the Project. For ease of administration, any and all such reimbursements shall be paid to Master Owner, and Master Owner shall be solely responsible for any allocations of such reimbursements between Master Owner, Community Developer and/or any Project Developer. With respect to improvements constructed by the Master Owner,

Community Developer, or any Project Developer which are financed by an Infrastructure CFD, any and all reimbursements to be paid for such improvements from the proceeds of an Infrastructure CFD shall be paid by the County to the Master Owner. With respect to improvements constructed by the Master Owner, Community Developer, or any Project Developer for improvements which may be included in a fee program, any and all such reimbursements shall be paid by the County to the Master Owner, but shall be limited to those amounts exceeding the total fee credits available to Master Owner under the fee program in which the infrastructure is included and for which funds are available for those purposes in the applicable fee program. Similarly, any reimbursements payable by the County from payments received by third parties pursuant to Section 5.2.6 below shall be payable to the Master Owner. Community Developer's right to receive any portion of such reimbursements shall be addressed in the Community Acquisition Agreement or other agreements between Master Owner and Community Developer, and County shall have no liability to Master Owner, Community Developer, or any Project Developer with respect to the amount of such reimbursement, if any, that may be allocated and paid to Community Developer or such Project Developer from the Master Owner.

All payments required by this Agreement shall be made to the Master Owner by sending the payment to the address provided for the Master Owner by Donor pursuant to Section 8.5 below.

5.2.5 Credits and Reimbursements for Watt Avenue Construction. The cost of constructing Watt Avenue outside of the Plan Area is not currently, but may in the future be, included within the County road network capital improvement program traffic fee—Dry Creek zone, or in a regional road fee program such as the County of Placer—City of Roseville joint traffic fee. If Master Owner constructs all or a portion of Watt Avenue outside of the Plan Area, Master Owner shall be entitled to fee credits from any such applicable road fee program for the amount included in such fee program, not to exceed Three Million Dollars (\$3,000,000.00), unless the County in its sole discretion includes in a road fee program costs for the construction of Watt Avenue in excess of said amount. The County agree(s) to use its best efforts to condition other benefitting parties to provide reimbursement to Master Owner, at the earliest possible opportunity, for that party's proportionate share of the cost of constructing Watt Avenue not included within the amount credited by this Section 5.2.5, pursuant to the terms described in Section 5.2.6 below.

5.2.6 Reimbursement by Third Parties. The Master Owner shall be entitled to receive reimbursement from any other benefited property owner(s) whose properties are located outside of the Specific Plan, for the pro rata share of planning costs, land dedications, and improvements and facilities, including, without limitation, the construction of Watt Avenue as described in Section 5.2.5 above, constructed by Master Owner, which benefit such benefited property. The Master Owner will also be

entitled to receive reimbursement with respect to any Permanent Drainage Facilities installed by Master Owner that benefit property owned by any other property owner.

In the case of Common Infrastructure, Parcel Specific Infrastructure, Performance Driven Infrastructure, drainage improvements, Public Facilities, and any other public improvements or facilities installed by Master Owner pursuant to this Agreement, the Master Owner shall be entitled to receive reimbursement from any other benefiting property owner outside of the Plan Area for its fair share of the cost of such improvements and facilities installed by the Master Owner, based on the fair share benefit of such improvements and facilities to such property.

County shall use its best efforts, to the extent County has the authority to do so, at the earliest opportunity in the approval process, to impose the foregoing obligation to pay said reimbursement, as a condition of development of such benefited property, at the time such property owner requests a discretionary approval or other such entitlement from County for development of the benefited property whereby such condition can be imposed. County shall have no obligation to make any payments to Master Owner unless and until it receives any such reimbursement amount from a third-party source. Upon receipt of any such reimbursement for improvements financed by Development Mitigation Fees, or new Development Mitigation Fees, the amount of such reimbursement shall not exceed the amount of credits then held by Master Owner with respect to such improvement. Master Owner shall relinquish and the reimbursing owner shall receive an equivalent amount of fee credits allocable, if any, to the improvements for which such reimbursement was paid.

5.2.7 Reimbursable Hard Costs. The "hard costs" of construction shall be credited to Master Owner by the County as part of any fee credit in accordance with the terms of this Agreement only if such costs have been included as one of the cost components in the calculation of the applicable fee program. The "hard costs" of construction to be reimbursed to Master Owner by a third party, or to be paid by Master Owner to any third party in accordance with the terms of this Agreement, shall consist of the cost of any unrelated third-party land acquisition and the identifiable and commercially reasonable costs of the design, engineering, construction, construction management, environmental mitigation requirements and plan check and inspection fees as actually incurred by Master Owner or such third party provided to and reviewed by County for the reimbursable or credited work, and any other costs included by County as one of the cost components in the calculation of any fee program related to such construction.

5.2.8 Increased Amount of Reimbursements and Credits. In each case in which this Agreement provides that Master Owner is entitled to receive reimbursement for improvements from third parties other than the County, Master Owner shall be entitled to receive, or be obligated to pay, the reimbursement amount as approved by County, adjusted according to the 20-Cities Construction Cost Index in the

Engineering News Record from the date that Master Owner incurred the reimbursable cost to the date of reimbursement.

5.2.9 Term for Credits and Reimbursements. Notwithstanding any earlier termination of this Agreement, County's obligation to provide any credits or to pay or assist in obtaining any reimbursements to Master Owner that accrues hereunder shall survive such termination of this Agreement and shall terminate upon the later of (i) twenty (20) years from the Effective Date, or (ii) ten (10) years from the date of completion and acceptance of the improvement generating such reimbursement.

5.2.10 Not a Limitation. Nothing in the foregoing Section 5.2 shall be construed to limit Master Owner from receiving, in consideration of the improvements to be constructed by Master Owner hereunder, any other credits or reimbursements from County otherwise provided under then existing County policy, rule, regulation or ordinance.

5.3 Applications for Permits and Entitlements.

5.3.1 Action by County. County 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 exercise its best efforts to act upon such applications in an expeditious manner. Accordingly, to the extent that the applications and submittals are in conformity with the Entitlements, Applicable Law and this Agreement and adequate funding by Master Owner exists therefor, County agrees to diligently and promptly accept, review and take action on all subsequent applications and submittals made to County by Master Owner in furtherance of the Project. Similarly, County shall promptly and diligently review and approve improvement plans, conduct construction inspections and accept completed facilities. In the event County does not have adequate personnel resources or otherwise cannot meet its obligations under this Section 5.3, and Master Owner enters into an agreement with County to pay all costs of County in conjunction therewith, County will utilize, consistent with County policy, outside consultants for inspection and plan review purposes at the sole expense of Master Owner. Notwithstanding the ability to hire such outside consultants, County may need to retain adequate staff to supervise the work of the consultants, which may require additional lead time and expense in order for the County to effectively and efficiently use the consultants to assist in this work. County will consult with Master Owner concerning the selection of the most knowledgeable, efficient and available consultants for purposes of providing inspection and plan review duties for the County and the Project.

5.3.2 Review and Approval of Improvement Plans, Final Subdivision Maps and Inspections. Timely review and approval of Master Plans required hereunder, improvement plans, tentative and final subdivision maps, design review, and building permits, and inspection of constructed facilities and residential and non-

residential dwellings is important in achieving the success of the Project. To assure these services will be provided to the Project on a timely basis, if Master Owner so requests, Master Owner and County may enter into a separate agreement on mutually agreeable terms that will establish the time periods for timely review, approval and inspections by County and the commitment of the Master Owner to pay all costs incurred by County to provide such timely review, approval and inspections. Unless such an agreement is entered into, nothing in this Agreement shall be construed to otherwise require County 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 County.

5.3.3 Maps and Permits. Provided that the necessary Services CFD and/or CSA has been or will at the time of the requested final approval be formed and authorized to levy the special taxes against the applicable portion of the Property in accordance with Sections 3.23 and 3.24 hereof, and provided that Master Owner or, if applicable pursuant to Section 4.4, the University Property Owner, is in full compliance with the conditions of approval of any Subsequent Entitlement and the terms of this Agreement, County 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 and applicable County ordinances and provisions of the Subdivision Map Act. Prior to such formation, County shall accept, for review, processing and approval, consistent with the Entitlements, applications for tentative residential lot and non-residential subdivision and parcel maps and for tentative and final large lot subdivision or parcel maps consistent with the parcels described by the Specific Plan for the Property.

A subdivision, as defined in Government Code Section 66473.7, shall not be approved unless any tentative map prepared for the subdivision complies with the provisions of said Section 66473.7; this provision is included in this Agreement to comply with Section 65867.5 of the Government Code. Pursuant to the provisions of Government Code Section 66452.6(a), the term of any tentative subdivision map approved by the County for the Property is hereby extended to be co-terminus with the Term of this Agreement.

5.4 Acceptance of Public Facilities. County shall not unreasonably condition, withhold or delay its acceptance of completed Public Facilities, including Public Facilities which require the completion or correction of punch-list items by Master Owner, provided Master Owner has posted adequate financial security to the reasonable satisfaction of County securing the completion of such punch-list items. Notwithstanding the foregoing, County may withhold or condition its acceptance of completed Public Facilities where any required completion or correction of punch-list

items by Master Owner is deemed necessary by County to address public health or safety risks.

5.5 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, Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), waives herewith any right to protest that it may have.

5.6 Essence of Agreement. Articles 2, 3, 4, 5, 6 and 7 are the essence of this Agreement.

ARTICLE 6. DEFAULT, REMEDIES, TERMINATION

6.1 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 or for purposes of cessation of processing, approving and/or issuing any Subsequent Entitlements or building permits.

After notice and expiration of the thirty (30)-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 this Agreement pursuant to California Government Code Section 65868 and regulations of County implementing said Government Code Section. Following notice of intent to terminate, the matter shall be scheduled for consideration and review by the Board of Supervisors within thirty (30) calendar days in the manner set forth in Government Code Sections 65865, 65867 and 65868 and County regulations implementing such Sections.

Following consideration of the evidence presented in said review before the Board of Supervisors, 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.

6.2 Annual Review. County shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith substantial compliance by Master Owner 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 Master Owner as set forth in this Agreement may result in termination of this Agreement. A finding by County of good faith compliance by Master Owner with the terms of this Agreement shall be conclusive with respect to the performance of Master Owner during the period preceding the review. Master Owner shall be responsible for the cost reasonably and directly incurred by the County 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 County of the bill for such costs.

Upon not less than thirty (30) days' written notice by the County, Master Owner 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 Article 8, the County shall deposit in the mail to Master Owner 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. Master Owner shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before the Board of Supervisors, or if the matter is referred to the Planning Commission, before the Planning Commission.

If County takes no action within thirty (30) days following the hearing required under this Section 6.2, Master Owner shall be deemed to have complied in good faith with the provisions of this Agreement.

6.3 Remedies Upon Default by Master Owner. No Subsequent Entitlements or building permits shall be approved or issued or applications for Subsequent Entitlements or building permits accepted for any improvement to or structure on the Property if the 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.

6.4 Permitted 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, acts of terrorism, 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 (“**Permitted Delay**”). If written notice of such delay is given to County 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 Permitted Delay, or longer as may be mutually agreed upon.

6.4.1 Permitted Extensions by County. In addition to any extensions to the time for performance of any obligation due to a Permitted Delay, the County, in its sole discretion (acting through the County Executive Officer or designee) may extend the time for performance by Master Owner of any obligation hereunder. Any such extension shall not require an amendment to this Agreement, so long as such extension only involves the time for performance thereof and does not change the obligations to be performed by Master Owner as a condition of such extension.

6.5 Legal Action; No Obligation to Develop; Specific Enforcement. 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, that the Donor, its successors and assigns hereby waive any and all claims for monetary damages against County arising out of this Agreement at any time, except for monetary claims for any refunds of any credits or payments of any reimbursements otherwise payable to Master Owner hereunder. All legal actions shall be initiated in either the Superior Court of the County of Placer or County of Sacramento, State of California, or in the Federal District Court in the Eastern District of California.

By entering this Agreement, Master Owner shall not be obligated to develop the Property, and, unless Master Owner seeks to develop the Property, Master Owner shall not be obligated to install or pay for the costs to install any Common Infrastructure, Parcel Specific Infrastructure, any Performance Driven Infrastructure, or Public Facilities, or to otherwise perform any obligation under this Agreement.

6.6 Effect of Termination. If this Agreement is terminated following any event of default of Master Owner 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 County. Furthermore, no termination of this Agreement shall prevent Master Owner from completing and occupying any building or other improvement authorized pursuant to a valid building

permit previously issued by the County 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.

6.7 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.

ARTICLE 7. HOLD HARMLESS AND COOPERATION

7.1 Hold Harmless. Donor and its successors-in-interest and assigns, hereby agrees to, and shall defend and hold County, its elective and appointive boards, commissions, officers, agents, and employees harmless from any costs, expenses, damages, liability for damages or claims of damage for personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of Master Owner, or of Master Owner's contractors, subcontractors, agents, or employees under this Agreement, whether such operations be by Master Owner, or by any of Master Owner's contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Master Owner or Master Owner's contractors or subcontractors, unless such damage or claim arises from the negligence or willful misconduct of County. The foregoing indemnity obligation of Donor 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 County.

In addition to the foregoing indemnity obligation, Donor agrees to and shall defend, indemnify and hold County, its elective and appointive boards, commissions, officers, agents and employees harmless from any and all lawsuits, claims, challenges, damages, expenses, costs, including attorneys fees that may be awarded by a court, or in any actions at law or in equity arising out of or related to the processing, approval, execution, adoption or implementation of the Project, the Entitlements, this Agreement, or the environmental documentation and process associated with the same, exclusive of any such actions brought by Master Owner, its successors-in-interests or assigns. The County shall retain the right to appear in and defend any such action or lawsuit on its own behalf regardless of any tender under this provision. Upon request of County, Donor shall execute an indemnification agreement in a form approved by County Counsel.

7.2 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.

ARTICLE 8. GENERAL

8.1 Enforceability. The County 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 according to its terms by any party hereto notwithstanding any change hereafter in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance or building regulation adopted by County, 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.

8.2 County Finding. The County 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.

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

8.4 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.

8.5 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 County shall be addressed as follows:

Planning Director
County of Placer
3091 County Center Drive
Auburn, CA 95603

With a copy to:

County Executive Officer
County of Placer
175 Fulweiler Ave.
Auburn, CA 95603

Notice required to be given to the Donor shall be addressed as set forth as follows:

KT Communities
Attn: Kyriakos Tsakopoulos
2251 Douglas Blvd., Suite 110
Roseville, CA 95661

With a copy to: Hefner, Stark & Marois, LLP
Attn: Timothy D. Taron
2150 River Park Drive, Suite 450
Sacramento, CA 95833

Any of the parties may change the address stated herein by giving notice in writing to the other parties, and, thereafter, notices shall be addressed and delivered to the new address.

8.6 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.

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

8.8 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.

8.9 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. County acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees of Master Owner.

8.10 Mortgagee Protection. The parties hereto agree that this Agreement shall not prevent or limit Master Owner, in any manner, at Master Owner's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property, except as limited by the provisions of this Section. County acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Master Owner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. County will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any lender or other such entity (a "**Mortgagee**") that obtains a mortgage or deed of trust against the Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee has submitted a request in writing to County in the manner specified herein for giving notices, may request to receive written notification from County of any default by Master Owner in the performance of Master Owner's obligations under this Agreement.

(c) If County receives a timely request from a Mortgagee requesting a copy of any notice of default given to Master Owner under the terms of this Agreement, County shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Master Owner. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed to Master Owner under this Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, by any means, whether pursuant to foreclosure of the mortgage deed of trust, or deed in lieu of such foreclosure or otherwise, shall take the Property, or part thereof, subject to the terms of this Agreement. Provided, however, notwithstanding anything to the contrary above, any Mortgagee, or the successors or assigns of such Mortgagee, who becomes an owner of the Property through foreclosure shall not be obligated to pay any fees or construct or complete the construction of any improvements, unless such owner desires to continue development of the Property consistent with this Agreement and the

Land Use Entitlements, in which case the owner by foreclosure shall assume the obligations of Master Owner hereunder in a form acceptable to the County.

(e) The foregoing limitation on Mortgagees and owners by foreclosure shall not restrict County's ability pursuant to Section 6.5 of this Agreement to specifically enforce against such Mortgagees or owners any dedication requirements under this Agreement or under any conditions of any other Entitlements.

8.11 Assignment. From and after recordation of this Agreement against the Property, Donor, and Donor's successors in interest, 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 Donor, or its successors in interest, as applicable, and assumption by the assignee of such assignment in the form attached hereto as Exhibit 8.11, and the conveyance of Donor's interest in the Property related thereto, Donor shall, subject to the County's approval not to be unreasonably withheld, conditioned, or delayed, 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 (i) "Master Owner," if the portion of the Property being transferred is the entire Property; (ii) a "Community Developer," if the portion of the Property being transferred is the Community Property or a portion thereof; or (iii) the "University Property Owner," if the portion of the Property being transferred is the University Property; with all rights and obligations related thereto, with respect to such conveyed property.

8.12 Entire Agreement. This Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Agreement, inclusive of its Recitals and Exhibits, constitutes the entire understanding and agreement of the parties. This Agreement may be signed in identical counterparts, and the signature pages and consents, together with appropriate acknowledgments, may be removed from the counterparts and attached to a single counterpart, which shall all be considered a fully-executed original for all persons and for purposes of recordation hereof.

IN WITNESS WHEREOF, the County of Placer, a political subdivision of the State of California, has authorized the execution of this Agreement in duplicate by its Chair, and attested to by the Board Clerk under the authority of Ordinance No. _____, adopted by the Board of Supervisors on the ____ day of _____, 2008.

COUNTY OF PLACER,
a political subdivision

By: _____
Bruce Kranz
Chair, Board of Supervisors

ATTEST:

By: _____
Ann Holman
Board Clerk

APPROVED AS TO FORM:

By: _____
Scott H. Finley
Supervising Deputy County Counsel

APPROVED AS TO SUBSTANCE:

By: _____
Michael Johnson
Planning Director

DONOR SIGNATURE PAGE:

DONOR:

PLACER 2780,
a California limited partnership

By: AKT Development Corporation,
a California corporation,
General Partner

By: _____
Its: _____

ANGELO K. TSAKOPOULOS

WILLIAM C. CUMMINGS