ORDINANCE NO. 2009-003

Adopted by the Sacramento City Council

January 13, 2009

AN ORDINANCE RELATING TO THE APPROVAL OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND THE DELTA SHORES PROPERTY OWNERS FOR THE DELTA SHORES PROJECT (P06-197)

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

BACKGROUND

Section 1

A. This Ordinance incorporates, and by this reference makes part hereof, that certain Development Agreement, by and between the City of Sacramento and the Delta Shores Property Owners, a copy of which is attached hereto.

B. On December 11, 2008, the Planning Commission conducted a noticed public hearing on the application for the Delta Shores Development Agreement in accordance with Government Code Section 65867 and received and considered evidence, and forwarded to the City Council the Delta Shores PUD Project with no recommendation.

C. On January 13, 2009 the City Council conducted a noticed public hearing on the application for the Delta Shores Development Agreement in accordance with Government Code Section 65867, and received and considered evidence concerning the Delta Shores PUD Project and the Development Agreement.

Section 2

The City Council finds:

1. The agreement is consistent with the city general plan and the goals, policies, standards and objectives of any applicable specific or community plan;

2. The project should be encouraged in order to meet important economic, social, environmental or planning goals of any applicable specific or community plan;

3. The project would be unlikely to proceed in the manner proposed in the absence of a development agreement;

4. The landowner will incur substantial costs in order to provide public improvements, facilities or services from which the general public will benefit;

5. The landowner will participate in all programs established and/or required under the general plan or any applicable specific or community plan and all of its approving resolutions (including any mitigation monitoring plan), and has agreed to financial participation required under any applicable financing plan and its implementation measures, all of which will accrue to the benefit of the public;

6. The landowner has made commitments to a high standard of quality and has agreed to all applicable land use and development regulations.

Section 3

The Development Agreement attached hereto is hereby approved, and the Mayor is authorized to execute after the effective date of this Ordinance said Development Agreement on behalf of the City of Sacramento. This approval and authorization is based upon the Environmental Impact Report and Mitigation Monitoring Plan which is the subject of a separate resolution adopted by City Council prior to or concurrent with the adoption of this Ordinance.

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Exhibit A: Delta Shores Development Agreement

Adopted by the City of Sacramento City Council on January 13, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: Councilmember McCarty.

Abstain: None.

Absent: None.

Mayor Kevin Johnson

Attest:

Shirley Concolino, City Clerk

Passed for Publication: January 6, 2009
Published: January 9, 2009
Effective: February 9, 2009

DEVELOPMENT AGREEMENT

FOR

Delta Shores Project

Project # P06-197

Between

CITY OF SACRAMENTO

and

M&H Realty Partners VI, L.P.

DELTA SHORES
DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF SACRAMENTO
AND
M&H REALTY PARTNERS VI, L.P.

This Development Agreement (hereinafter "Agreement") is made and entered into this ___ day of _____, 2009, by and between the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"), and M&H REALTY PARTNERS VI, L.P., a California limited partnership(hereinafter the "LANDOWNER"). The CITY and LANDOWNER hereinafter may be referred to collectively as the "Parties" or in the singular as "Party", as the context requires.

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risks of development, the Legislature of the State of California adopted section 65864 et seq. of the Government Code which authorizes any city, county, or city and county to enter into a development agreement with an applicant for a development project, in order to establish certain rights and obligations of the parties relative to the Property.

B. LANDOWNER owns a legal or equitable interest in those certain parcels of real property (hereinafter the "Property"), described in Exhibit "A" attached hereto and incorporated herein by this reference, which are located within the CITY. The Property consists of lands designated as **Assessor Parcels Nos.** 119-0010-060; 119-0010-001; 119-0010-002; 119-0010-003; 119-0010-004; 119-0010-005; 119-0010-006; 119-0010-007; 119-0010-008; 119-0010-009; 119-0010-011; 119-0010-012; 119-0010-013; 119-0010-015; 119-0010-034; 119-0010-040; 119-0010-041; 119-0010-042; 119-0010-043; 119-0010-044; 119-0010-045; 119-0010-046; 119-0010-047; 119-0010-0048; 119-0010-049; 119-0010-051; 119-0010-052; 119-0010-053; 119-0190-026; 119-0190-028; 119-0090-011; 119-0190-024; 119-0190-025; 119-0090-001; 119-0190-030; 119-0090-005; 119-0090-013; 053-0010-051; 053-0010-059; 053-0010-0060; 053-0010-061; 119-0010-026; and 119-0010-050. LANDOWNER seeks to develop the Property consistent with CITY's General Plan, the Airport/Meadowview Community Plan (hereinafter "Community Plan"), the PUD Guidelines, and the Zoning Ordinance as they exist on the Effective Date.

C. The City Council has held duly noticed public hearings on the CITY's General Plan, the Community Plan and the Environmental Impact Reports prepared therefor. At the

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conclusion of these hearings, the City Council, on January 19, 1988, certified the Environmental Impact Report on the City General Plan Update as adequate and complete, and on April 10, 1984, certified the Environmental Impact Report on the Community Plan Update as being adequate and complete.

The City Council on January 19, 1988, after making specific findings and adopting a Statement of Overriding Considerations, approved a revised General Plan by Resolution No. 88-058 (hereinafter the "General Plan"). The City Council on April 17, 1984, after making specific findings and adopting a Statement of Overriding Considerations, approved the Community Plan by Resolution No. 84-317. The uses allowed under the General Plan, the Community Plan, the PUD Guidelines and the applicable zoning ordinances provide for a balanced mix of residential housing and employment opportunities as well as provide for the protection of major open space and recreational resources.

The City Council on January 13, 2009, after a duly noticed public hearing, approved the Delta Shores Finance Plan to provide a plan for the financing of the Infrastructure and public improvements needed for the development of the Property over time.

D. CITY and LANDOWNER desire to enter into a development agreement pursuant to the provisions of Government Code section 65865 et seq. in order to provide for the orderly development of the Property, in accordance with the goals set forth in Government Code section 65865, the General Plan, the Community Plan and the PUD Guidelines.

E. The coordinated and orderly development of the Property, and LANDOWNER's commitment to the implementation of the Delta Shores Finance Plan in order to assure the timely and properly-phased construction of all required Infrastructure and facilities, are essential to the proper implementation of the General Plan and the Community Plan.

F. LANDOWNER desires to facilitate implementation of the General Plan, the Community Plan and the Delta Shores Finance Plan, and LANDOWNER therefore agrees to develop the Property in a manner consistent with the policies of the General Plan, the Community Plan the Delta Shores Finance Plan and the Special Conditions, provided that LANDOWNER is assured that no subsequent changes in the General Plan, the Community Plan the Delta Shores Finance Plan, the PUD Guidelines, the Zoning Ordinance or the Special Conditions shall apply to the Property during the term of this Agreement.

G. The City Council, on September 10, 1996, adopted the Procedural Ordinance set forth

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at Chapter 18.16 of the City Code, by which CITY will, inter alia, consider, adopt, amend and subsequently review the development agreement by and between CITY and LANDOWNER.

H. Development of the Property, in accordance with the conditions of this Agreement, will provide orderly growth and development of the Property in accordance with the requirements, policies, goals, standards, and objectives of the General Plan and the Community Plan. At the same time, it will assure that LANDOWNER is committed to funding its appropriate share of the cost of Infrastructure and other facilities which are the subject of the Delta Shores Finance Plan, and that the funding for acquisition and construction of those facilities will be available to CITY as and when required under the Infrastructure phasing program.

I. This Agreement is voluntarily entered into by LANDOWNER in order to assure the implementation of the General Plan, the Community Plan and the Delta Shores Finance Plan, and is made in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by CITY in the exercise of its legislative discretion in order to assure the implementation of the General Plan, the Community Plan and the Delta Shores Finance Plan and in consideration of the agreements and undertakings of LANDOWNER hereunder. But for LANDOWNER's contribution to and participation in programs to mitigate the impacts of the development of the Property and the cumulative impacts of development in the Delta Shores Planning Area as shown on Exhibit "I" attached hereto and incorporated herein by reference (the "DSP Area"), and to the implementation of the Delta Shores Finance Plan, the CITY would not approve development of the Property.

J. The authority for this Agreement is contained in the City Charter of CITY, the Procedural Ordinance, other applicable CITY ordinances, resolutions and procedures and Government Code section 65864 et seq.

K. CITY and LANDOWNER have taken all actions mandated by and have fulfilled all requirements set forth in the Procedural Ordinance for the adoption of this Agreement by the City Council.

L. The City Council has reviewed and approved this Agreement. Pursuant to section 18.16.110A of the Sacramento City Code, it finds the following: (i) the Agreement is consistent with the General Plan, the Community Plan, and the goals, policies, standards and objectives of the DSP Area the Delta Shores Finance Plan, the PUD Guidelines and all other applicable CITY ordinances, rules and regulations; (ii) the subject project should be encouraged in order to meet important economic, social,

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environmental or planning goals of the City for the DSP Area; (iii) the project would be unlikely to proceed in the manner proposed in the absence of a development agreement; (iv) LANDOWNER will incur substantial costs in order to provide public improvements, facilities or services from which the general public will benefit; (v) LANDOWNER will participate in all programs established and /or required under the General Plan and all of its approving resolutions (including any mitigation monitoring plan), and has agreed to financial participation required under any applicable financing plan and its implementation measures, all which accrue to the benefit of the public; (vi) LANDOWNER has made commitments to a high standard of quality and has agreed to all applicable land use and development regulations. The City Council further finds that the implementation of this Agreement is in the best interest of CITY and the health, safety and welfare of its residents. The environmental impacts of the development contemplated herein were adequately considered in the environmental documentation prepared by CITY and adoption of the ordinance and approval of this Agreement complies in all respects with the California Environmental Quality Act.

AGREEMENT

NOW, THEREFORE, in further consideration of the above recitals, all of which are expressly incorporated into this Agreement, and the mutual promises and covenants of the Parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

I

DEFINITIONS

The terms set forth below, unless the context otherwise requires, shall have the meanings prescribed, for purposes of this Agreement.

- **Adopting Ordinance**: the ordinance pursuant to which the City Council approves this Agreement.

- **Allocation Procedures**: those procedures set forth in section 5H of this Agreement, whereunder the various uses and densities are distributed to and among the various parcels, or portions of them, comprising the Property.

- **Annual Review**: the process, and procedures therefor, whereby CITY reviews, pursuant to Government Code section 65865.1, the nature and extent of compliance

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by LANDOWNER with all of the terms and conditions of this Agreement, which process and procedures are as specified in section 17 of this Agreement.

- **Assessment**: a special assessment levied on real property within the DSP Area, for the purpose of financing Infrastructure and/or public facilities, or maintenance thereof, in accordance with the California Streets and Highways Code, the California Government Code, and/or the Sacramento City Code.

- **Assessment District Policy Manual**: the document entitled "City of Sacramento Policy and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities," as adopted by the City Council on June 29, 1993 (Resolution 93-381), as said document may be amended from time to time.

- **Assignee**: a third Person executing an Assumption Agreement prepared in accordance with the format prescribed in Exhibit D.

- **Assignment**: the sale or other transfer by LANDOWNER of all or part of its right, title and interest in the Property and in this Agreement to another Person, in accordance with the terms and conditions of this Agreement.

- **Assumption Agreement**: the agreement prescribed in Exhibit D or such other form as shall be proposed by LANDOWNER or Assignee and approved by the City Attorney.

- **Building Permit**: a permit issued pursuant to Title 15 of the City Code that allows for construction of improvements on the Property as specified in the permit.

- **CEQA**: the California Environmental Quality Act, set forth at California Public Resources Code section 21000 et seq., as amended from time to time.

- **CITY**: the City of Sacramento.

- **City Agency**: the Redevelopment Agency of the City of Sacramento, and the Housing Agency of the City of Sacramento.

- **City Council**: the Council of the City of Sacramento.

- **Community Plan**: the Airport/Meadowview Community Plan as adopted by the City Council on April 17, 1984, as said plan may be amended from time to time.

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- **Comprehensive Flood Management Plan**: that plan required to be prepared, and to be adopted by the City Council, pursuant to the CITY's floodplain policy adopted by Resolution No. 93-696.

- **Days**: as used in this Agreement, "days" means calendar days.

- **Dedication**: the transfer of real property, or a defined interest therein, to CITY or another public agency, free of all encumbrances and other matters affecting the title except as may otherwise be agreed to by CITY or such other public agency, and at no cost to CITY or such other public agency, unless otherwise provided in the Delta Shores Finance Plan or in this Agreement.

- **Deed of Trust**: a real property security device whereby the debtor (trustor) conveys title to real property to a trustee as security for a debt owed to the creditor (beneficiary).

- **Default**: a failure of performance, or unreasonable delay in performance, by either Party to this Agreement, of any of its terms, conditions, obligations or covenants. Default shall include but not be limited to failure to comply with all provisions of the Delta Shores Finance Plan and/or failure to pay any fee, tax or assessment enacted pursuant to that Plan.

- **Delta Shores Finance Plan:** the plan, as it may be amended from time to time, which establishes methods for financing required Infrastructure through a combination of land transfers, dedications, contributions, fees, assessment districts, community facilities districts, and other measures. As to development fees, the Delta Shores Finance Plan will provide for adjustment of fee amounts in accordance with the principles in the procedure set forth in Exhibit H, and incorporated herein by reference.

- **Development (or Develop)**: the use(s) to which the Property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements in accordance with the Land Use and Development Regulations, Building Permits, and all other Land Use Entitlements.

- **Development Agreement**: this Agreement.

- **Development Fee**: all fees now or in the future collected by the CITY from LANDOWNER or Assignees as a condition of Development of the Property for the funding of Public Facilities. Development Fees also include any lawfully imposed fees

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imposed by another public agency having jurisdiction and which CITY is required or authorized to collect pursuant to State law or local ordinance.

- **Development Plan**: LANDOWNER's plan for development of the Property, including, but not limited to, the PUD Guidelines, the PUD Schematic Land Use Plan and all other land use entitlements for the Property, as set forth in Exhibit B of this Agreement, as they may be amended or modified from time to time.

- **Discretionary Action**: a discretionary approval or disapproval and means an action that requires exercise of judgment, deliberation or a decision, and that contemplates and authorizes the imposition of revisions or conditions by CITY, including any board, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity. Any such approval, disapproval or exercise of judgment, deliberation or a decision shall be subject to a standard of "reasonableness".

- **Drainage Master Plan:** the Drainage System for Delta Shores, prepared by a consulting firm and approved by the Department of Utilities, as it may be amended from time to time.

- **Drainage Phasing Plan:** that portion of the Drainage Master Plan which identifies the sequence of construction of the Drainage System.

- **Drainage System:** that drainage system set forth in the Drainage Master Plan, as that plan may exist from time to time.

- **Drainage Sub-basin:** the individual drainage sub-areas identified in the Drainage Master Plan.

- **DSP Area:** the area including the Property and other real property in close proximity thereto as shown on Exhibit "I" attached hereto and incorporated herein by reference.

- **Effective Date**: the date upon which the Adopting Ordinance becomes effective (not the date on which this Agreement has been approved by the City Council).

- **Finance Plan**: the Delta Shores Finance Plan that encompasses the Property and the Project as approved by the City Council, as it may be amended from time to time.

- **Finance Plan Area:** the lands within the area covered by the Delta Shores Finance Plan, and which are obligated thereby, as that area may exist from time to time.

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- **General Plan**: the General Plan of the City of Sacramento, as adopted by the City Council on January 19, 1988, as said plan may be amended from time to time.

- **Inclusionary Housing Agreement**: the agreement between CITY or City Agency and LANDOWNER that specifies the terms and conditions for LANDOWNER's implementation of the Inclusionary Housing Plan.

- **Inclusionary Housing Ordinance**: Title 17, Chapter 17.190 of the City Code, entitled the "Mixed Income Housing Ordinance," and as said ordinance may be amended from time to time.

- **Inclusionary Housing Plan:** the plan prepared by LANDOWNER and approved by the City Council by its resolution as part of the Land Use Entitlements, that specifies the percentage, number, type, location and phasing of development of housing affordable to very low and low income households for compliance with the Inclusionary Housing Ordinance, as more particularly described in Exhibit C and Exhibit C-1.

- **Infrastructure**: all public facilities and improvements needed to serve urban development, as identified in subdivision maps or parcel maps, master plans, improvement plans, or as may otherwise be constructed and conveyed to CITY or another public agency, including but not limited to street improvements, drainage improvements, sanitary sewer improvements and water storage and transmission facilities.

- **Irrevocable Offer of Dedication**: an unconditional and irrevocable offer by LANDOWNER to transfer real property to CITY in accordance with the provisions of the Delta Shores Finance Plan, this Agreement and/or any condition of approval of any Land Use Entitlement applicable to the Property, in the form specified in Exhibit F.

- **Land Acquisition Fee (LAF)**: the fee/reimbursement program if made a part of the Delta Shores Finance Plan, and which is designed to equalize the cost of land acquisition for infrastructure among the various landowners within the Delta Shores Finance Plan Area.

- **Land Acquisition Program**: the plan, if made a part of the Delta Shores Finance Plan, designed to provide a means for transfer to or acquisition by CITY, or such other public agency as is appropriate, of all lands within the DSP Area which are designated to be held publicly, at no cost to CITY.

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- **Land Use and Development Regulations**: the Zoning Ordinance, Subdivision Ordinance, and the other provisions of the City Code (including the Sign Code) applicable to Development of the Property, together with the PUD Guidelines approved by City and any other City ordinances, resolutions, rules, regulations and official policies of the City as they exist on the Effective Date, which govern or regulate land use and/or development in the Community Plan area which encompasses the Property.

- **Land Use Entitlement**: the plans, ordinances, resolutions, maps, plan review, design review, preservation review, and permits and approvals which have been approved by CITY for the Project based on the Development Plan as of the Effective Date, which is set out in Exhibit B. The Land Use Entitlements include the Plans, this Agreement, the Tentative Maps and their conditions of approval, Zoning Map, the Inclusionary Housing Plan, the Mitigation Measures, Design Guidelines and all other official actions in furtherance of Project approval, including modifications to the City Code as set out in this Agreement, as well as modifications and amendments to the Plans and Land Use Entitlements subsequent to the Effective Date as set out in any Subsequent Approval.

- **Lender**: a Person (or a successor in interest to such person) who has advanced funds to, or who is otherwise owed money by a debtor, where the obligation is embodied in a promissory note or other evidence of indebtedness, and where such note or other evidence of indebtedness is secured by a Mortgage or Deed of Trust.

- **Ministerial Action**: a ministerial approval or disapproval and means an action that merely requires a determination whether there has been compliance with applicable statues, ordinances, resolutions, regulations or conditions of approval including, without limitation, the Plans, Land Use Entitlements and Special Conditions.

- **Mitigation Measures**: the measures adopted by the Planning Commission and/or by the City Council as part of the certification of the Final Environmental Impact Report as of the Effective Date which apply to Development of the Property for the Project and as may be referenced in the Land Use Entitlements.

- **Mitigation Monitoring Program (Plan)**: the plan for implementation of the Mitigation Measures as of the Effective Date and as may be referenced in the Land Use Entitlements.

- **Mortgage**: a contract by which the mortgagor (debtor) as owner hypothecates or pledges real property, or otherwise grants a security interest therein to a Lender

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(mortgagee), to secure performance under a promissory note or other evidence of indebtedness, and where the holder of the mortgage is granted a power of sale.

- **Person**: any person, firm, association, organization, partnership, business trust, corporation or company.

- **Plans**: The General Plan, Community Plan, Specific Plan, and Financing Plan. The reference to "Plans" may also include the Development Plan as the context indicates.

- **Procedural Ordinance**: Chapter 18.16 of the City Code, which sets forth procedures for application, review, approval, implementation, amendment, recordation, compliance review and related matters with respect to development agreements for lands outside of the North Natomas Community Plan area (which is governed by Ordinance No. 95-012).

- **Project**: part or all of the elements set forth in LANDOWNER's Development Plan.

- **Project Review**: CITY's actions in reviewing any project proposed by LANDOWNER with respect to the Property, including but not limited to review of all required Land Use Entitlement applications.

- **Property**: the real property owned by LANDOWNER, as set forth in Exhibit A.

- **Protest Waiver**: the agreement set forth in Exhibit E, executed by LANDOWNER pursuant to this Agreement, or in connection with the conditions of any required Land Use Entitlement.

- **Public Facilities**: all public infrastructure, facilities, improvements and amenities needed to serve the Project as identified in the Plans, the Development Plan, the Drainage, Water and Sewer Master Plans, the Land Use Entitlements, the Finance Plan or Subsequent Approvals; or as may otherwise be constructed or owned by, or conveyed to, CITY, City Agency or other public agency, including, without limitation: (i) streets, alleys, bridges, pedestrian and bicycle paths, parking lots and freeway improvements; (ii) heavy and light rail and trolley lines, stations, and passenger facilities; (iii) bus rapid transit lanes and bus transfer facilities, turnouts and stops; (iv) surface and storm drainage improvements; (v) sanitary sewer improvements; (vi) water storage and transmission facilities; (vii) flood control improvements; (viii) solid waste facilities; (ix) electrical and gas utilities; (x) street lighting; (xi) police and fire stations; (xii) parks, plazas, open space, greenbelts, trails, and landscaping; (xiii) habitat conservation areas; (xiv) drainage retention and flood control basins; (xv)

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schools and educational facilities; (xvi) public community centers, performing arts centers, and museums; and (xvii) publicly owned artwork.

- **Public Financing Mechanism**: an assessment district, a community facilities district, a fee district, area of benefit district, or any similar financing mechanism imposed on real property or as a condition of development approval, excluding Development Fees.

- **PUD Guidelines**: the Delta Shores Design Guidelines adopted by the Sacramento City Council for the Delta Shores Planned Unit Development (PUD).

- **Purchaser**: an assignee.

- **Reconfiguration**: the reconfiguration, adjustment or alteration of property lines through parcel or subdivision mapping, or lot line adjustment.

- **Reimbursement**: the reimbursement of monies to a Person who has advanced funds for Infrastructure required for development of the Property, or who has advanced funding for Infrastructure or other improvements which are required in the DSP Area by the Finance Plan, the PUD Guidelines or other document, and which have benefit to land beyond the Property, in accordance with a reimbursement agreement approved by CITY. Any such agreement will be limited to the portion of the funding advanced which is in excess of the allocable share of the cost of the Infrastructure or improvement attributable to the Property.

- **Reimbursable Infrastructure Costs**: those costs paid by LANDOWNER, and which are identified as reimbursable pursuant to CITY's Assessment District Policy Manual (as set forth in section 8D(1) of this Agreement).

- **Sewer Master Plan:** the Sewer System for Delta Shores, prepared by a consulting firm and approved by the Department of Utilities, as it may be amended from time to time.

- **Sewer System**: that sewer system set forth in the Sewer Master Plan, as that plan may exist from time to time.

- **Special Conditions**: those conditions, terms and requirements specified in Exhibit C.

- **Special Permit**: any discretionary permit required pursuant to the Land Use and Development Regulations, and issued by CITY for development of the Property, upon proper application therefor by LANDOWNER.

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- **Subsequent Approvals**: any Ministerial or Discretionary Action of approval or other action by CITY to implement the Development Plan after the Effective Date that is necessary or desirable to implement LANDOWNER's Vested Rights under this Agreement, including Discretionary and Ministerial Actions, that are not set out as a Land Use Entitlement.

- **Term**: the length of this Agreement in terms of time, as specified in section 3, or as that time may be extended pursuant to any applicable provision of this Agreement.

- **Transfer**: an assignment.

- **Transferee**: an assignee.

- **Vested Right**: a property right conferred by this Agreement, pursuant to Government Code Section 65865.4, to develop the Property for the Project in accordance with the Development Plan and consistent with the Plans and Land Use Entitlements, that may not be cancelled or revoked by CITY after the Effective Date, except as expressly provided in this Agreement.

- **Water Master Plan:** the Water System for Delta Shores, prepared by a consulting firm and approved by the Department of Utilities, as it may be amended from time to time.

- **Water System**: that water system set forth in the Water Master Plan, as that plan may exist from time to time.

- **Zoning**: the division of the City of Sacramento into districts, and the application of zoning regulations and the PUD Guidelines thereto, which include (without limitation) regulation of the height or bulk of buildings (structural and architectural design) and the use to which the land and buildings within prescribed districts may be put, all as specified in the Zoning Ordinance, as modified by the PUD Guidelines.

- **Zoning Ordinance**: the Comprehensive Zoning Plan of the City of Sacramento, which is set out in Title 17 of the City Code, as that ordinance exists on the Effective Date.

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II

TERMS AND CONDITIONS OF AGREEMENT

1. **Property Description and Binding Covenants**. The Property is that certain real property owned by LANDOWNER and described in Exhibit "A." The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to the benefit of, the parties and, subject to section 4 below, to their successors-in-interest.

2. **Interests of Landowner**. LANDOWNER represents that LANDOWNER owns a legal or equitable interest in the Property and that all other Persons holding legal or equitable interests in the Property have executed and are bound by this Agreement.

3. **Term**.

   A. **Initial Term.** The term of this Agreement shall commence on the Effective Date and shall extend for a period of twenty (20) years thereafter, unless it is sooner terminated or modified by the mutual consent of the parties.

   B. **Renewal Options.** Subject to the provisions of this subsection, LANDOWNER shall have the right to renew this Agreement on its same terms and conditions, taking into account any amendments hereto mutually agreed upon after the Effective Date. The term of this Agreement shall mean and include the initial term, plus any renewal periods. The specific conditions for exercise of the renewal options are as follows:

   (1) On the Exercise Date, LANDOWNER shall not be in default (as defined in Section 16 hereof) in any material respect under this Agreement, including any amendments hereto, beyond any applicable cure periods. For purposes of this subsection, "Exercise Date" shall mean the date that LANDOWNER or LANDOWNER's successor in interest gives written notice of intention to exercise the option to renew this Agreement, in accordance with the provisions of section 20 hereof.

   (2) The option to renew shall be exercisable by giving CITY written notice of LANDOWNER's intention to exercise the option on or before the Exercise Date, which notice shall be given not later than one hundred eighty (180) days prior to expiration of the initial term or any renewal term.

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(3) LANDOWNER shall be limited to two (2) renewal periods of five (5) years each; the parties specifically intend that under no circumstances shall the term of this Agreement extend beyond thirty (30) years, unless this Agreement is amended in accordance with the procedures set forth herein for Agreement amendments.

4. **Assignment**.

4.1 **Right to Assign.** LANDOWNER shall have the right to freely sell, alienate, transfer, assign, lease, license and otherwise convey all or any portion of the Property and improvements thereon, and as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided that no partial transfer shall be permitted to cause a violation of the Subdivision Map Act (Government Code Section 66410 et seq.). LANDOWNER shall notify CITY of any sale, transfer or assignment of all of LANDOWNER's interests in all or any portion of the Property by providing written notice thereof to CITY in the manner provided for notices hereunder not later than thirty (30) days before the effective date of such sale, transfer or assignment; provided, however, that LANDOWNER's failure to provide such notice shall not invalidate such sale, transfer or assignment and provided further that any successor in interest in ownership of all or a portion of the Property shall not benefit from the Vested Rights conferred herein without entering into an Assignment and Assumption Agreement with CITY.

4.2 **Release of LANDOWNER.** Such purchaser, assignee or transferee shall execute and deliver to CITY an Assignment and Assumption Agreement whereby such purchaser, assignee or transferee assumes all obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. Upon such execution and delivery, CITY shall release LANDOWNER from all duties, liabilities and obligations under the Development Agreement with respect to the interest(s) sold, assigned or transferred only if LANDOWNER is not in default under this Agreement as of the effective date of the Assignment.

4.3 **Assignees.** The Assignee shall be obligated and bound by the terms and conditions of this Agreement if it executes the Assignment and Assumption Agreement, and shall be the beneficiary hereof and a party hereto, only with respect to the Property, or such portion thereof, sold, assigned or transferred to Assignee by LANDOWNER. The Assignee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the

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portion of the Property sold, assigned, or transferred. CITY shall release Assignee from all duties, liabilities and obligations under the Development Agreement of LANDOWNER with respect to the interest(s) that are not sold, assigned or transferred to Assignee. Any such assumption agreement shall be deemed to be to the satisfaction of the City Attorney if executed substantially in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment.

5. **Development of the Property**.

A. **Permitted Uses and Development Standards**. Subject to the Special Conditions set forth in Exhibit C, attached hereto and incorporated herein by this reference (herein the "Special Conditions"), any reserved discretionary approvals specified in this Agreement, and all other terms and conditions of this Agreement, LANDOWNER may develop the Property in accordance with and subject to the terms and conditions specified in the Land Use and Development Regulations in effect on the Effective Date, or, where applicable, the Development Plan, as set forth in Exhibit B, attached hereto and incorporated herein by this reference. Specifically, the permitted uses, density or intensity of use, height or size of buildings and provisions for reservation and dedication of land for public purposes shall be as set forth in the Development Plan and all land use entitlements.

B. **Discretionary Approvals**.

(1) **Project Review**. Development of the Property is subject to all required discretionary approvals. In reviewing and approving applications for special permits and other discretionary approvals, CITY may exercise Project Review and may attach such conditions and requirements as are consistent with the policies, goals, standards and objectives of the General Plan, the Community Plan, the PUD Guidelines and as may be necessary to comply with all applicable legal requirements and policies of CITY pertaining to such reserved discretionary approvals.

C. **Development Timing**. This Agreement contains no requirement that LANDOWNER must initiate or complete development of any phase of the development of the Property or any portion thereof within any period of time set by CITY. It is the intention of this provision that LANDOWNER be able to develop the Property in accordance with LANDOWNER's own schedule; provided, however,

that to the extent that phasing is required by the PUD Guidelines, by this Agreement, or by conditions of approval of any Land Use Entitlements, such provisions shall govern. No future modification of the Sacramento City Code or any ordinance or regulation which limits the rate of development over time shall be applicable to the Property. However, nothing herein shall be construed to relieve LANDOWNER from any time conditions in any permit or subdivision map approval or to excuse the timely completion of any act which is required to be completed within a time period set by any applicable code or permit provisions.

D. **Special Conditions**. Development of the Property shall be subject to the Special Conditions, as specified in Exhibit C.

E. **Land Use and Development Regulations**.

(1) Subject to the Special Conditions specified in Exhibit C, development of the Property shall be subject to the Land Use and Development Regulations applicable to such development on the Effective Date.

(2) Except as otherwise provided in this Agreement, to the extent any future changes in Land Use and Development Regulations adopted by CITY purport to be applicable to the Property but are inconsistent with the terms and conditions of this Agreement, including subsection 5E(1) above, the terms and conditions of this Agreement shall prevail, unless the parties or their successors in interest mutually agree to amend or modify this Agreement in accordance with the provisions for modification hereinafter set forth.

(3) To the extent that any future changes in the Land Use and Development Regulations adopted by CITY are applicable to the Property and are not inconsistent with the terms and conditions of this Agreement or are otherwise made applicable by other provisions of this Agreement, such future changes shall be applicable to the Property.

(4) Nothing in this Agreement shall preclude the application to development of the Property of changes in the Land Use and Development Regulations, the terms of which are specifically mandated by changes in state or federal laws or regulations. In the event state or federal laws or regulations enacted after the effective date of this Agreement or action by any governmental jurisdiction other than CITY prevent or preclude compliance with one or more

provisions of this Agreement or require changes in permits, maps or plans approved hereunder by CITY, this Agreement shall be modified, extended or suspended as may be necessary to comply with such specific state or federal laws or regulations or the regulations of such other governmental jurisdiction.

(5) To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including CITY, required by federal or state agencies or actions of CITY taken in good faith in order to prevent adverse impacts upon CITY by state or federal actions) have the effect of preventing, delaying or modifying development of the DSP Area or any subarea therein, CITY shall not in any manner be liable for such prevention, delay or modification of said development. Such actions may include, but are not limited to, flood plain or wetlands designations and actions of CITY or regional agencies as a result thereof and the imposition of air quality measures or sanctions and actions of CITY or regional and local agencies as a result thereof. In such a situation, CITY's actions shall not be arbitrary or capricious, and the parties shall meet and endeavor to achieve solutions which preserve the integrity of the development of the DSP Area, while to the extent feasible allow development of the Property in the manner contemplated by this Agreement.

(6) Nothing herein shall be construed to limit the authority of CITY to enact amendments to the Land Use and Development Regulations, or enact other ordinances or resolutions, which have the legal effect of protecting persons or property from conditions which create a health, safety or physical risk. In addition, nothing herein shall be construed to limit the authority of CITY to enact city-wide greenhouse gas reduction ordinances or resolutions and have the mandatory provisions of those ordinances and resolutions applicable to the land uses within the Project, that, but for this Agreement, would not be applicable to the Project.

(7) Building codes, ordinances and regulations relating to construction standards or permits shall apply as of the time of grant of each applicable construction permit.

(8) No modification of CITY's ordinances, resolutions, policies, rules or regulations adopted after the Effective Date, which purport to limit the rate of development over time or to govern the sequence of development of land

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within the Community Plan area, shall apply to the Property. The provisions of this subsection apply to modifications adopted or imposed by the City Council, or through the initiative or referendum process; provided, however, nothing in this subsection shall limit the ability of CITY to act in accordance with the provisions of subsections 5E(3), 5E(4), 5E(5) and 5E(6) of this Agreement.

F. **CITY Review of Applications**. Consistent with the standards set forth in section 15 of this Agreement, nothing contained in this Agreement shall preclude CITY from its right and responsibility to review applications for entitlements submitted by LANDOWNER in accordance with its normal and usual procedures and practices, as they may exist at the time the application is accepted as complete, or is otherwise deemed complete by operation of law.

G. **Extension of Entitlements**. Pursuant to Government Code section 66452.6 all tentative vesting subdivision maps, tentative master parcel maps, parcel maps, tentative subdivision maps, planned unit development permits, special permits, or any other maps, rezonings or land use entitlements of potentially limited duration previously, contemporaneously or subsequently approved for the Property subject to this Development Agreement, shall be valid for a minimum term equal to the full term of this Agreement (including the initial term, and any renewal period resulting from exercise by LANDOWNER of the options provided for in section 3 hereof), or for a period of thirty-six (36) months, whichever is longer, but in no event for a shorter period than the maximum period of time permitted by the Subdivision Map Act or Government Code for such land use entitlements.

H. **Allocation Procedures for Building Square Footage**. Procedures for allocating the uses or densities approved for the Property among the various parcels and/or portions thereof, and for resolution of any disputes regarding such allocations, shall be as follows:

(1) **Allocation**. Unless otherwise identified in the Development Plan, which is attached as Exhibit B to this Agreement, the allocation of building square footage shall be as identified in subsequent entitlements for the Property, including but not limited to parcel maps, subdivision maps, PUD schematic plans and development guidelines. The appropriate entitlement to address the allocation of nonresidential building square footage shall be determined by CITY in the land use entitlement process. Allocations for residential development shall be determined in the subdivision mapping process, unless

CITY determines that some other method is appropriate under the circumstances.

(2) **Dispute Resolution**. Where a dispute exists between LANDOWNER, and/or any successor or successors in interest which does not involve the CITY, with respect to any matter involving allocation of nonresidential building square footage for or on the Property, such dispute shall be resolved by arbitration, utilizing the commercial arbitration procedures of the American Arbitration Association, or some other alternative dispute resolution procedure mutually agreed upon by the parties involved in the dispute. In no case shall CITY be a party to such dispute, or to the dispute resolution procedures. All of the provisions of this Agreement relating to indemnification and defense of CITY, and payment of CITY costs, shall apply to all disputes relating directly or indirectly to allocation.

6. **Fees, Charges, Assessments and Taxes**.

A. **City Fees**. All applications for CITY approvals, permits and entitlements shall be subject to the application fees, processing fees, mitigation fees and other development fees within the control of the CITY that are in force and effect as of the date that the application or other request for approval is filed.

B. **Levies Imposed by Other Jurisdictions**. LANDOWNER shall be responsible for:

(1) all fees, charges, assessments, special taxes or levies of any sort imposed by any other state or local agency, including but not limited to the Sacramento Area Flood Control Agency, in the future as a charge for mitigation measures imposed for the purpose of mitigation of environmental impacts associated with the provision of flood control improvements and measures for the Community Plan area;

(2) all fees, charges, assessments, special taxes or levies of any sort associated with the financing of the construction and implementation of said flood control improvements and measures;

(3) all special benefit assessments, special taxes or levies of any sort associated with construction of or maintenance of public improvements, where the Property is located within a district formed for that purpose by any agency

other than CITY;

(4) ad valorem real estate taxes, and utility fees.

In the event that any of the fees, charges, assessments, special taxes or levies covered by this subsection B are imposed by or with the assistance of CITY, LANDOWNER shall nevertheless be responsible therefor. Nothing in this Agreement shall be construed to limit LANDOWNER's right to protest, in accordance with applicable provisions of law: the formation of any district included within the provisions of this subsection or to protest the amount of any assessment levied by or on behalf of such district on the Property or any portion thereof; or to protest the nature and amount of any tax, fee, assessment or charge imposed pursuant to this subsection.

C. **Implementation of the Delta Shores Finance Plan.** The Delta Shores Finance Plan (hereafter "Finance Plan") establishes a method for financing of required Infrastructure and public facilities through a combination of land transfers, dedications and contributions, fees, assessment districts, community facilities districts and other sources, so that the land within the Finance Plan Area pays for its share of the cost of such Infrastructure and facilities. The Finance Plan also recognizes that there is a regional benefit associated with certain portions of the Infrastructure and public facilities, and that the regional cost share will ultimately have to be paid from other sources and other property owners that benefit therefrom. LANDOWNER acknowledges that it may have to participate in funding regional costs of such Infrastructure and facilities that is located off-site of the Property on a fair share basis as identified in the Finance Plan and Final Environmental Impact Report. LANDOWNER shall participate in the Finance Plan, as made applicable to the development of the Property, and shall faithfully and timely comply with each and every provision thereof, including but not limited to the Land Acquisition Fee (if any), assessments, special taxes, and other development fees and exactions set forth therein. Without limiting the foregoing, applications for special permits, subdivision maps or other land use entitlements and building permits may be made subject to LANDOWNER's participation in and compliance with the Finance Plan. Failure to so participate shall be an event of default to which the default provisions of this Agreement and the Procedural Ordinance shall apply. For purposes of this Agreement "participate" and "participation" shall mean payment of all monies required by virtue of the Finance Plan, and performance of all obligations imposed thereby.

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D. **LANDOWNER's Waivers**. LANDOWNER hereby agrees to the provisions of Exhibit E, which (without limitation) contains a comprehensive waiver of protest rights with respect to CITY's establishment and implementation of development and impact fees; and CITY's actions in forming assessment districts and community facilities districts, and in levying assessments and taxes pursuant thereto. As set forth in Exhibit E, LANDOWNER reserves the right to protest the actual amount of the fee, assessment or tax levy, or other CITY charge imposed on or allocated to the Property pursuant to the Finance Plan.

7. **Reconfiguration of Parcels**. LANDOWNER shall have the right to file applications with CITY for subdivision, lot line adjustment, or for master parcelization of all or part of the Property, for the purpose of Reconfiguration of the Property. Such applications shall be processed and determined in accordance with the provisions of section 5, and all other applicable provisions of this Agreement. Where Reconfiguration requires a Special Permit, or a Planned Unit Development (PUD) designation, or other Land Use Entitlement applicable to the Property or portion thereof which is subject to the application, CITY reserves the right to require such Land Use Entitlements as a condition of granting the application.

8. **Infrastructure**.

A. **Construction by CITY.** To the extent that funds are available to CITY pursuant to the Finance Plan, and to the extent that any required real property has been transferred to CITY, or has been obtained by CITY through its power of eminent domain, which CITY agrees to utilize, where required, and subject to LANDOWNER's compliance with the terms of this Agreement and all of the terms and conditions of any Land Use Entitlement applicable to the Property, CITY agrees to use its best efforts to bring about the construction of the Infrastructure required to implement the Development Plan (Exhibit B). Provided, however, that CITY's obligations hereunder shall be limited to those items of Infrastructure which, under the Finance Plan, are to be constructed by CITY or under CITY's direction and control; where Infrastructure is to be constructed by LANDOWNER, either pursuant to conditions of approval or otherwise, the provisions of this subsection 8A shall not apply.

B. **Construction by LANDOWNER**. When required by conditions of approval, and in accordance with CITY specifications and standards in effect as of the date of construction, LANDOWNER shall be responsible for the construction of Infrastructure required for implementation of the Development Plan (Exhibit B). LANDOWNER shall further comply with all required funding requirements

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specified in the Finance Plan, and all real property transfers required pursuant to this Agreement or the Land Use Entitlements. Provided, however, LANDOWNER shall enter into a separate agreement with CITY no later than February 20, 2009, or such other date as CITY and LANDOWNER may otherwise agree to address funding of the development, design, environmental matters, right of way acquisition and construction of the Cosumnes River Boulevard/I-5 Interchange and Extension Project, including construction of traffic signals, median, landscaping and utilities. That agreement shall specifically address fair share contributions for CITY and LANDOWNER and the project schedule.

C. **Drainage, Water and Sewer Infrastructure.** As of the Effective Date, it is contemplated that the water and sewer systems and permanent drainage for the Property, and the entire Finance Plan Area, will be provided by the Water System, Sewer System, and Drainage System, respectively. Construction of the Water, Sewer and Drainage Systems will require land transfers to CITY pursuant to conditions for the Land Use Entitlements and this Agreement, or acquisition of required land by CITY through the use of eminent domain procedures, and funding for the required improvements, all on a timely basis and in accordance with the Finance Plan, or such other arrangement which has been implemented or required by CITY, together with any Drainage Sub-basin agreement, or substitute therefore, as specified in the Special Conditions. In recognition of the need for retention of flexibility and CITY discretion with respect to decisions relating to the ultimate solution to drainage, water, and sewer for the Community Plan area, and the need for unconditional provision of financing by LANDOWNER and other owners of land in the Finance Plan Area through the mechanisms specified in the Finance Plan, the parties agree as follows:

(1) **Establishment of Financing Mechanisms.** CITY shall, as soon as feasible following the adoption of the Finance Plan by the City Council, establish public financing mechanisms as identified in the Finance Plan, applicable to lands within the Community Plan area which will benefit from the Water, Sewer and Drainage Systems.

(2) **Issuance of Bonds.** Decisions as to whether to issue bonds pursuant to such financing mechanisms, and the timing and manner of issuance thereof, shall be within the sole and exclusive discretion of CITY; provided, however, that CITY shall exercise its discretion in a good faith manner, so as to provide for timely construction of Infrastructure in order not to stop or slow development.

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(3) **Linkage of Development to Completion of Drainage, Water and Sewer Systems.** CITY has established a performance standard that requires (inter alia) that the Drainage System, Water System and Sewer System be completed and in operation no later than the point in time when building permits have been issued for fifty percent (50%) build-out of the Finance Plan Area, as measured by developable residential and commercial acreage as defined in the Finance Plan; however, CITY shall not issue any certificates of occupancy or approval of final inspection for any lot or parcel until the Drainage System, Water System and Sewer System serving said lot or parcel is, in fact, completed and in operation. In the event that a different phasing plan is approved by LANDOWNER and is adopted and implemented by CITY, LANDOWNER shall comply with all provisions of such a plan, and shall execute any agreement or other document, or participate in any mechanism as is reasonably required by CITY to implement such a plan.

D. **Infrastructure Financing Proceedings**.

(1) **LANDOWNER-Initiated Proceedings**. In the event that LANDOWNER desires to initiate proceedings for the formation of an assessment district, community facilities district, or other similar form of improvement financing mechanism to fund the construction of Infrastructure required by conditions of approval or otherwise, LANDOWNER shall file an application with CITY for that purpose in accordance with CITY's Assessment District Policy Manual, as same may be amended from time to time, or such other policy document as may after the Effective Date be adopted by the City Council as a substitute therefor. CITY agrees to diligently process any such application, provided that such application:

(a) is complete and is accompanied by payment of CITY fees applicable on the date of filing of the application;

(b) otherwise complies with the Land Use and Development Regulations and applicable law, as the applicable law exists on the date of the application, including but not limited to the Assessment District Policy Manual;

(c) is consistent with CITY's policies and procedures;

(d) provides for a value to lien ratio and other financial terms that are

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acceptable to CITY, which acceptance shall not be unreasonably conditioned or delayed;

(e) provides for all funding requirements established by CITY for the purpose of payment of the costs of outside consultants needed, in CITY's sole discretion; and

(f) provides that the specific consultants (e.g., bond counsel, financial advisors, underwriters, or other consultants as may be necessary under the circumstances) shall be selected by CITY in its sole discretion.

Notwithstanding any other provision of this Agreement, CITY agrees that upon request made by LANDOWNER, CITY will consider making exceptions to the Assessment District Policy Manual, to allow for alternative methods of financing in-tract improvements, including but not limited to formation of assessment districts or similar financing mechanisms, where such alternatives are contemplated by the Finance Plan, including any amendments thereto. Provided, however, that CITY reserves its discretion to condition use of any such alternatives on satisfaction of performance preconditions (including but not limited to water, sewer and drainage capacity), and to consider underwriting considerations and criteria, together with the manner in which such alternatives further the overall implementation of the Finance Plan. Further, CITY may in its reasonable discretion deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent. CITY and LANDOWNER further agree that CITY will not sell any bonds for any LANDOWNER-initiated assessment district, community facilities district or other similar form of improvement financing mechanism until they have agreed upon the timing and date of such bond sale.

(2) **Proceedings Initiated by CITY**. In the event that CITY in its discretion determines that a particular financing mechanism, including but not limited to an assessment district, a community facilities district, a fee district, a development fees procedure, or any similar mechanism, is required in order to implement the Finance Plan, LANDOWNER's participation obligations set forth in this Agreement (including but not limited to Exhibit C) shall apply.

(3) **Maintenance Districts**.

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(a) LANDOWNER may, following the procedures specified in subsection 8D(1) above, request that CITY establish one or more maintenance districts for the purpose of financing the maintenance of landscaping or other public improvements, whereunder lands benefitting from the improvements and their maintenance are assessed for a proportionate share of the maintenance cost.

(b) LANDOWNER shall request that CITY establish one or more maintenance districts for the purpose of financing a portion of the maintenance of landscaping the Consumnes River Boulevard/I-5 Interchange. The portion of the costs to be funded by the entire DSP Area under the maintenance district shall be not more than 49% of the cost to maintain the landscaping at the Consumnes River Boulevard/I-5 Interchange project, consistent with the fair share allocation of the costs of this project.

E. **Reimbursement to LANDOWNER.**

(1) **From Financing Proceeds.** Subject to the Finance Plan, where LANDOWNER has provided advance funding for public Infrastructure required by the Finance Plan or has constructed such Infrastructure under the direction and control of CITY, LANDOWNER shall be reimbursed for Reimbursable Infrastructure Costs ("Costs"), with adjustments for Costs as provided for in the Finance Plan, but not less than zero percent (0.0%) for each annual adjustment, at such time as CITY has established a permanent financing mechanism in the form of an assessment district, community facilities district, or other similar mechanism through which permanent public financing for such improvements is established and funds are received therefrom. Those items qualifying as Reimbursable Infrastructure Costs shall be determined pursuant to CITY policies in existence at the time of establishment of the permanent financing mechanism. CITY agrees to entertain reasonable requests from LANDOWNER for exceptions to such policies; provided, however, that CITY may, in its reasonable discretion, deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent. Nothing in this Agreement shall authorize reimbursement of any cost which, in the opinion of CITY's bond counsel, is not permissible for purposes of establishing or retaining tax free status of any bonds issued, or contemplated to be issued by CITY. The foregoing provisions of this Section 8.E.(1) shall not apply to a separate written

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agreement between CITY and LANDOWNER for the Interstate 5/Cosumnes River Boulevard Interchange and Extension Project.

(2) **Reimbursement From Others Benefitted.** In any case where CITY requires or permits LANDOWNER to plan, design, construct, or fund the planning, design or construction of improvements required for development by the Finance Plan, in excess of or beyond those required for development of the Property, or, where required by the Finance Plan, this Agreement, or conditions of approval of the Land Use Entitlements to make dedications, provide mitigation or incur costs in connection with public improvements or the planning of the DSP Area and/or Community Plan area in excess of or beyond those required for development of the Property, and the provisions of subsection 8E(1) do not apply, CITY shall make reasonable efforts to require that all other Persons benefitted by the improvements shall reimburse LANDOWNER (through fee districts, agreements, conditions of approval, or otherwise) for such Person's proportionate share of such costs, with adjustments for such costs as provided for in the Finance Plan, but not less than zero percent (0.0%) for each annual adjustment, and as otherwise determined in accordance with the Finance Plan, or by CITY. No permits for construction by such other Persons shall be issued by City until such reasonable efforts are applied. For purposes of this Agreement, the term "in excess of or beyond those required for development of the Property" means requirements which exceed LANDOWNER's fair proportionate share, as determined in accordance with the provisions of the Finance Plan and any associated documents or studies.

Such reimbursement shall be subject to the limitations specified in the preceding paragraph (including those provisions relating to consideration by CITY of exceptions to its policies), relating to CITY policy and Reimbursable Infrastructure Costs. Reimbursement shall be limited to that amount which exceeds LANDOWNER's appropriate share of the cost, determined in accordance with principles established in the Finance Plan, and any associated documents or studies.

(3) **Reimbursement of Planning, Engineering and Staff Costs.** In accordance with the provisions of the Finance Plan and the Citywide Fee and Charges Policy, CITY shall impose a fee upon the DSP Area landowners, including LANDOWNER, to pay the planning, engineering, staff and related costs (including but not limited to CITY staff and related costs), as specified in the Finance Plan, and which relate to development of the

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DSP Area, the Finance Plan, the Drainage Master Plan, the Water Master Plan, the Sewer Master Plan, and all related documents. The fee shall be spread across lands within the DSP Area in the same fashion as the public facilities fees. Credits shall be given to those landowners who have paid some or all of their share of the said costs, for the amounts so paid. The fee shall be payable prior to issuance of the first discretionary Land Use Entitlement for each individual parcel of land or approved phase thereof as to which an application has been filed with CITY.

9. **LANDOWNER Obligations**.

A. **Transfer of Land to CITY**. As set forth in the Development Plan, Land Use Entitlements, and Special Conditions, LANDOWNER has agreed to transfer lands at no cost that are needed for Infrastructure or public facilities to CITY, City Agency or other public agency, as specified or appropriate, excluding, however, any and all lands owned by LANDOWNER to be acquired by CITY for the Interstate 5/Cosumnes River Boulevard Interchange and Extension project, which will be the subject of a separate acquisition agreement between CITY and LANDOWNER. Set forth in Exhibit G, attached hereto and incorporated herein by this reference, are tables and maps describing and depicting the currently contemplated approximate location and amount of lands, together with a categorical listing of the types of Infrastructure and public facilities which are covered by the terms of this subsection. Included as part of Exhibit G are maps that depict the location and amount of lands owned by LANDOWNER to be dedicated to CITY for the Interstate 5/Cosumnes River Boulevard Interchange and Extension project, as well as the lands to be acquired from LANDOWNER by CITY for that project. LANDOWNER will receive compensation and/or credit for the value of the land dedicated for the Interstate 5/Cosumnes River Boulevard Interchange and Extension project at the same value as the acquired lands pursuant to the Finance Plan and the terms of a separate cost sharing agreement between CITY and LANDOWNER for the project. LANDOWNER shall transfer the lands to be dedicated to CITY either by a statement on the final map in accordance with Government Code section 66439, or by Grant Deed as specified in the conditions of approval, or by utilizing the Irrevocable Offer of Dedication form set forth in Exhibit F, attached hereto and incorporated herein by this reference, at such time as is:

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(1) required pursuant to a condition or term of any Land Use Entitlement for use or development of the Property; or

(2) requested by CITY, where LANDOWNER has not applied for a Land Use Entitlement for use or development of the Property, but the land is needed, in CITY's sole discretion, for purposes of construction of Infrastructure or public facilities.

In the event that, at the time of the required transfer to CITY, the location of, or the quantity of land required for the Infrastructure or public facilities has changed from that depicted or described in Exhibit G, to such a significant degree or extent that the location or quantity is inconsistent with the Community Plan as it exists on the effective date of this Agreement and the Finance Plan, the Parties shall meet and negotiate, and in good faith endeavor to reach agreement on any amendments to this Agreement needed to allow development of the Property in a reasonable manner, taking into account the changes in Infrastructure and public facilities. If agreement is reached between the Parties, the procedures specified herein and in the Procedural Ordinance shall apply to amendments to this Agreement. If agreement is not reached, either Party shall have the right to terminate this Agreement by providing the other Party sixty (60) days notice.

B. **Development Timing**. LANDOWNER shall have no obligation to initiate or commence development of any particular phase of the Property within any period of time.

C. **Transfer of Park Funds to CITY**. As set forth in Exhibit C, LANDOWNER shall transfer four million dollars ($4,000,000) to CITY for purposes of future development of a regional park (the "Regional Park Fee") upon issuance of the 3,375th residential building permit at the Property. LANDOWNER waives any and all administrative or judicial challenges that it can legally make based on insufficient nexus for the Regional Park Fee.

D. **Waiver of Nexus Challenge**. LANDOWNER waives any and all administrative or judicial challenges that it can legally make based on insufficient nexus relative to lands or funds it is required to transfer to CITY or to other public agencies pursuant to the conditions of approval for the Land Use Entitlements, tentative or final maps, or this Agreement for Infrastructure, as appropriate.

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10. **Litigation/Indemnification**.

A. **Third-party Challenge to Agreement or Entitlements**.

(1) In the event of any action instituted by a third party challenging the validity of any portion of this Agreement, including but not limited to, the proceedings taken for its approval (including the requirements of the California Environmental Quality Act – "CEQA") or any other act undertaken by the parties hereto in furtherance of this Agreement or its terms, or any action instituted by a third party challenging the validity of any of the entitlements specified herein (including CEQA challenges), the parties agree to cooperate in the defense of the action. In all such litigation brought to contest the validity of this Agreement or such entitlements, the following shall apply:

(a) City may, in its sole discretion, either defend such litigation or tender its defense to LANDOWNER.

(b) In the event that CITY determines to defend the action itself, LANDOWNER shall be entitled, subject to court approval, to join in or intervene in the action on its own behalf, or to advocate in favor of validity of this Agreement or any challenged entitlement. In such a case, each Party shall bear its own attorney fees and costs.

(c) In the event that CITY determines to tender the defense of the action to LANDOWNER, LANDOWNER shall defend the action on its behalf and on behalf of CITY, and shall bear all attorney fees and costs associated with such defense from and after the date of the tender. Provided, however, that CITY may at any time after the tender elect to assume representation of itself; in that event, from and after the date CITY gives notice of its election to do so, CITY shall be responsible for its own attorney fees and costs incurred thereafter.

(2) If, in such litigation, a final judgment or other final order is issued by the court which has the effect of invalidating or rendering ineffective, in whole or in part, any provision of this Agreement or the Agreement itself, or any entitlement issued during the term of this Agreement and pursuant to its terms, the following shall apply:

(a) If the judgment or order includes a provision for attorney fees and/or

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costs of the successful party or parties, LANDOWNER shall pay the entire cost thereof, without right of offset, contribution or indemnity from CITY, irrespective of anything to the contrary in the judgment or order. Provided, however, that if the litigation relates entirely, solely and exclusively to a challenge to the Community Plan in general, separate and apart from this Agreement or any entitlement relating to the Property, and if LANDOWNER is named or becomes a party in such litigation, LANDOWNER and CITY shall bear the cost of the successful party's attorney fees and/or costs in the manner specified in the court's judgment.

(b) CITY and LANDOWNER shall meet and endeavor, in good faith, to attempt to reach agreement on any amendments needed to allow development of the Property to proceed in a reasonable manner, taking into account the terms and conditions of the court's judgment or order. If agreement is reached, the procedures for amending this Agreement as specified herein shall apply. If agreement is not reached, either Party shall have the right to terminate this Agreement by giving the other Party sixty (60) days' notice of termination.

(c) In the event that amendment is not required, and the court's judgment or order requires CITY to engage in other or further proceedings, CITY agrees to comply with the terms of the judgment or order expeditiously.

B. **Indemnification**. LANDOWNER agrees to defend and indemnify CITY, its elective and appointive boards, commissions, officers, agents and employees against any liability for damage or claims for damage for personal injury, including death, or property damage, arising out of or relating in any way to actions or activities to develop the Property, undertaken by LANDOWNER or LANDOWNER's contractors, subcontractors, agents or employees.

11. **Effect of Subsequent Laws**.

A. **Laws of Other Agencies**.

(1) If any public agency, other than CITY, adopts any new law, regulation, ordinance or imposes any new condition (herein referred to collectively as "the New Law") after the date of this Agreement, which prevents or precludes either the CITY or LANDOWNER, or both, from complying with one or more

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provisions of this Agreement, then immediately following the enactment of the New Law the parties shall meet and confer in good faith to determine whether the New Law applies to the Property, and whether suitable amendments to this Agreement can be made, in order to maintain LANDOWNER's right to develop the Property in a reasonable manner in accordance with Exhibit B of this Agreement.

(2) In the event that the parties, after having engaged in good faith negotiations, are unable to agree on such amendments, the parties shall consider whether suspension of the term of this Agreement is appropriate, and if so, what the terms and conditions of any such suspension should be. In the event that the parties, after having engaged in good faith negotiations are unable to agree on the suspension issues, either Party shall have the right to terminate this Agreement by giving the other Party sixty (60) days' written notice of termination.

(3) LANDOWNER or CITY shall have the right to institute litigation relating to the New Law, and raise any issues relating to its validity. If such litigation is filed, this Agreement shall remain in full force and effect until final judgment is issued. Provided, however, that if any action that CITY would take in furtherance of this Agreement would be rendered invalid, facially or otherwise, by the New Law, CITY shall not be required to undertake such action until the litigation is resolved, or the New Law is otherwise determined invalid, inapplicable, or is repealed. In the event that such judgment invalidates the New Law, or determines that it does not affect the validity of this Agreement, this Agreement shall remain in full force and effect, and its term shall be extended by the amount of time between the effective date of the New Law, and the effective date of the judgment. In the event that such judgment determines that the validity of this Agreement is, directly or indirectly affected by the New Law, the parties shall proceed under the provisions of subsections 11A(1) and 11A(2) above.

B. **Laws Passed by CITY**. Subject to the provisions of section 5 of this Agreement, neither the CITY nor any CITY Agency shall enact any initiative, ordinance, policy, resolution, general plan amendment or other measure that relates to the density or intensity of development on the Property, or the rate, timing or sequencing of the development or the construction on the Property on all or any part thereof, or that is otherwise in conflict, either directly or indirectly, with this Agreement.

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12. **Enforced Delay; Extension of Times of Performance**. In addition to other specific provisions of this Agreement, performance by either Party hereunder shall not be deemed in default where delay or inability to perform is due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, enactment of conflicting state or federal laws or regulations, new or supplementary environmental laws or regulations, litigation instituted by third parties challenging the validity of this Agreement or any of the vested entitlements described in section 5 of this Agreement. Upon request of either Party to the other, a written extension of time for such cause shall be granted for the period of the enforced delay, or longer as may be mutually agreed upon.

13. **Legal Actions; Applicable Law; Attorney's Fees**.

    A. **Legal Actions**. In addition to any other rights or remedies, either Party may institute legal action to cure, correct, or remedy any default by any other Party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder. Notwithstanding any other provision of law, or of this Agreement, in no event shall a Party (or successor), or its officers, agents or employees, be liable to the other Party (or successor), or its officers, agents or employees, in damages for any breach, default or violation of this Agreement, it being specifically understood and agreed that the Parties' sole legal remedy for a breach, default or violation of this Agreement shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

    B. **Applicable Law**. This Agreement shall be construed and enforced in accordance with the laws of the State of California. LANDOWNER agrees and acknowledges that CITY has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity and meaning of this Agreement shall be that accorded legislative acts of CITY.

    C. **Attorney Fees**. In any arbitration, quasi-judicial, administrative or judicial proceeding (including appeals), brought by either Party hereto to enforce or interpret any covenant or any of such Party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys' fees and all costs, expenses and disbursements in connection with such action, including the costs of reasonable investigation, preparation and professional or expert consultation, which sums may be included in any judgment or decree entered in such action in favor of the

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prevailing party. For purposes of this section, and any other portion of this Agreement relating to attorney fees, reasonable attorneys fees of the City Attorney's Office shall be based on comparable fees of private attorneys practicing in Sacramento County.

14. **Amendment of Agreement**. This Agreement may be amended from time to time only by the mutual written consent of the Parties, in accordance with the provisions of Government Code sections 65867 and 65868.

15. **CITY's Good Faith in Processing**. Subject to the provisions of subsection 5B hereof, and LANDOWNER's compliance with each and every term and condition of this Agreement and all of its exhibits, CITY agrees that it will accept in good faith for processing, review, and action, all complete applications for master parcel maps, zoning, planned unit development designation, planned unit development guidelines, schematic plans, special permits, building permits, parcel maps, subdivision maps, or other Land Use Entitlements for use of the Property in accordance with the General Plan, the Community Plan, PUD Guidelines, and this Agreement.

    CITY shall inform the LANDOWNER, upon request, of the necessary submission requirements for each application for a permit or other entitlement for use in advance, and shall expeditiously review said application for completeness and shall schedule the application for expeditious review by the appropriate authority.

16. **Default, Remedies, Termination**.

    A. **General Provisions**. Subject to any extensions of time by mutual consent of the parties, and subject to the cure provisions set forth herein, any failure or unreasonable delay by either Party to perform any material term or provision of this Agreement shall constitute a default.

        (1) **LANDOWNER Default**. In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with subsection 16B., wherein a default by LANDOWNER is alleged, CITY shall not be obligated to issue any building permit, or grant any Land Use Entitlement as to which an application has been filed.

        (2) **CITY Default**. In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with subsection 16B, wherein a default by CITY is alleged, any resulting delays in LANDOWNER's

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performance caused by CITY's default shall not constitute a LANDOWNER default, or be grounds for termination or cancellation of this Agreement.

(3) **Successors in Interest**. Where the Property, after the Effective Date, has been lawfully conveyed in whole or in part to one or more successors in interest in such a manner as to invoke the provisions of section 4 of this Agreement, and one or more of such successors in interest is in default with respect to the portion of the Property owned by it, neither LANDOWNER nor any other non-defaulting successor in interest shall be liable for the default, if the provisions of section 4 have been complied with, and in accordance with the terms and conditions of that section.

B. **Cure of Default**. In the event of an alleged default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured and a reasonable period of time in which to cure, that shall in no event be less than thirty (30) days. During any such period, the Party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

C. **Remedies After Expiration of Cure Period**. After notice of default or breach pursuant to subsection 16B and expiration of the specified period to cure, if the alleged default has not been cured in the manner set forth in the notice, the other Party may at its option:

(1) institute legal proceedings to obtain appropriate judicial relief, including but not limited to mandamus, specific performance, injunctive relief, or termination of this Agreement; or

(2) give the other Party notice of intent to terminate this Agreement pursuant to Government Code section 65868. In the event that such notice is given, CITY shall schedule the matter for public hearing before the City Council to review the matter and make specific written findings regarding the alleged default. Where LANDOWNER is the Party alleged to be in default, LANDOWNER shall be afforded a reasonable opportunity to respond to all allegations of default at such public hearing. CITY shall provide LANDOWNER at least thirty (30) days prior written notice of such public hearing, as well as provide LANDOWNER copies of all CITY staff reports prepared in connection therewith at least five (5) days prior to the hearing.

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17. **Annual Review**.

A. **General Provisions**. In accordance with Government Code section 65865.1, CITY shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith compliance by LANDOWNER with the terms of this Agreement. Failure of CITY to conduct an annual review shall not constitute a waiver by CITY or LANDOWNER of the right to conduct future annual review or to otherwise enforce the provisions of this Agreement, nor shall a party have or assert any defense to such enforcement by reason of any such failure. The failure of CITY to undertake such review, shall not, in itself, invalidate the terms of this Agreement or excuse any party hereto from performing its obligations under this Agreement.

B. **Scope of Review**. The annual review shall be limited in scope to compliance with the terms and conditions of this Agreement.

C. **Proceedings**. The procedures specified in the Procedural Ordinance for conduct of the annual review by the City Manager, and by the City Council, shall apply to each annual review of this Agreement. At least ten (10) days prior to the commencement of any annual review, CITY shall deliver to LANDOWNER a copy of any public staff reports and other documents to be used or relied upon in conducting the review. LANDOWNER shall be permitted an opportunity to respond to CITY's evaluation of LANDOWNER's performance by written and oral testimony at the public hearing to be held before the City Council, if LANDOWNER so elects.

At the conclusion of the annual review, CITY shall make written findings and determinations on the basis of substantial evidence, as to whether or not LANDOWNER or its successors have complied in good faith with the terms and conditions of this Agreement.

D. **Failure of Compliance**. Any determination of failure of compliance shall be subject to the notice requirements and cure periods set forth in section 16 of this Agreement. If termination is proposed, it shall apply solely with respect to that portion of the Property (if less than all) affected by the failure to show good faith compliance. If modification of the Development Agreement is proposed, the modification shall pertain solely to the provisions hereof as applicable to that

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portion of the Property (if less than all) affected by the condition that has prompted the proposed modification.

18. **Termination Upon Completion of Development**.

A. **General Provisions**. This Agreement shall terminate as to each parcel of property contained within the Property when that parcel of land: (i) has been fully developed with all buildings; (ii) all occupancy permits for the buildings constructed thereon have been issued by CITY; (iii) CITY has accepted any public facilities constructed by LANDOWNER thereon or required to serve that parcel; (iv) CITY has accepted the dedications thereon; and (v) all of LANDOWNER'S obligations in connection therewith are satisfied, as reasonably determined by CITY. CITY shall, upon written request made by LANDOWNER to CITY's Development Services Department, determine if the Agreement has terminated with respect to any parcel of land contained within the Property, and shall not unreasonably withhold, condition or delay termination as to that parcel if LANDOWNER'S obligations therewith are satisfied. LANDOWNER, or its successor, shall prior to said termination pay to CITY a fee commensurate with the cost of processing the request and making such a determination, including but not limited to CITY's administrative and legal expenses. Such fee shall be determined in accordance with CITY's established fees and charges then in effect. Upon termination of this Agreement, CITY shall upon LANDOWNER's request expeditiously record a notice of such termination in a form satisfactory to the City Attorney that the Agreement has been terminated. The aforesaid notice may specify, and LANDOWNER agrees, that termination shall not affect in any manner any continuing obligation to pay any item specified by this Agreement, and shall have the effect as set forth in subsection 18C.

B. **Multi-family and Single Family Residential Projects** . This Agreement shall automatically terminate and be of no further force and effect as to any single family residence or multi-family building, and the lot or parcel upon which said residence or building is located, when CITY has issued an occupancy permit for that residence or building or otherwise has been approved by CITY for occupancy.

C. **Effect Of Termination On Landowner Obligations**. Termination of this Agreement as to the Property or any portion thereof shall not affect any of the LANDOWNER's obligations to comply with CITY's General Plan, the DSP Area, the PUD Guidelines, and all Land Use Entitlements issued for the Property, nor shall it affect any other covenants of this Agreement specified in this Agreement to

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continue after the termination of this Agreement, including but not limited to those specified in sections 6 and 10 and subsection 13C.

19. **No Joint Venture, Partnership, or Other Relationship**. Nothing contained in this Agreement or in any other document executed in connection with this Agreement shall be construed as creating a joint venture or partnership between CITY and LANDOWNER. No relationship exists as between LANDOWNER and CITY other than that of a governmental entity regulating the development of private property, and the owners of such private property.

20. **Notices.** All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the CITY and LANDOWNER or LANDOWNER's assigns and successors, and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other Party as indicated below:

Notice to the CITY:	City of Sacramento 915 I Street Sacramento, California, 95814 ATTN: City Manager
Notice to the LANDOWNER:	M&H Realty Partners VI, L.P. 3580 Carmel Mountain Road, Suite 260 San Diego, California 92130 ATTN: Scott McPherson with copies to: Law Offices of Gregory D. Thatch 1730 I Street, Suite 220 Sacramento, California 95811 ATTN: Gregory D. Thatch

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and to:

Peter Merlone
425 California Street, 11th floor
San Francisco, California 92104-2113

Any party may change the address to which notices are to be mailed by giving written notice of such changed address to each other party in the manner provided herein.

21. **Severability**. If any provision of this Agreement is held invalid, void or unenforceable but the remainder of the Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the parties, utilizing the procedures provided in section 14 of this Agreement. If any provision of this Agreement is held invalid, void or unenforceable and the remainder of the Agreement cannot be enforced without failure of material consideration to any Party, either Party shall have the right, in its sole discretion, to terminate this Agreement for its convenience upon providing written notice of such termination to the other Party and specifying the effective date thereof. In the event either Party so elects to terminate this Agreement, such election shall not affect in any manner the terms and conditions of any entitlement granted by CITY with respect to the Property, any portion thereof, prior to the termination date except as specified in subsection 18C.

22. **Recording**. The City Clerk shall cause a copy of this Agreement to be recorded with the Sacramento County Recorder no later than ten (10) days following execution of this Agreement by CITY, which execution will take place no sooner than the effective date of the ordinance approving this Agreement.

23. **OMITTED.**

24. **Provisions Relating to Lenders**.

    A. **Lender Rights and Obligations**.

        (1) **Prior to Lender Possession**. No Lender shall have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of LANDOWNER or LANDOWNER's successors in interest, but shall otherwise

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be bound by all of the terms and conditions of this Agreement, which pertains to the Property or such portion thereof in which it holds an interest. Nothing in this section shall be construed to grant to a Lender rights beyond those of LANDOWNER hereunder, or to limit any remedy CITY has hereunder in the event of default by LANDOWNER, including but not limited to termination and/or refusal to grant Land Use Entitlements with respect to the Property.

(2) **Lender in Possession**. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of LANDOWNER, and which remain unpaid as of the date such Lender takes possession of the Property or portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive Land Use Entitlements with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of LANDOWNER hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the LANDOWNER hereunder or entitled to enforce the provisions of this Agreement against CITY unless and until such Lender or successor thereof qualifies as a recognized assignee under the provisions of section 4 of this Agreement.

B. **Notice of LANDOWNER's Default Hereunder**. If CITY receives notice from a Lender requesting a copy of any notice of default given LANDOWNER hereunder and specifying the address for service thereof, then CITY shall deliver to such Lender, concurrently with service thereon to LANDOWNER, any notice given to LANDOWNER with respect to any claim by CITY that LANDOWNER has committed a default, and if CITY makes a determination of non-compliance, CITY shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on LANDOWNER.

C. **Lender's Right to Cure**. Each Lender shall have the right (but not the obligation) during the same period of time available to LANDOWNER to cure or remedy, on behalf of LANDOWNER, the default claimed or the areas of non-compliance set forth in CITY's notice. Such action shall not entitle a Lender to develop the

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property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of LANDOWNER hereunder.

D. **Other Notices Given By City**. A copy of all notices given by CITY pursuant to the terms of this Agreement shall be sent to Lender at the address provided in section 20 hereof.

25. **Conflicts.**

A. **Concurrent Map Conditions**. In the event any requirements imposed on the Project by any of the maps or conditions of approval thereto which are approved concurrently with this Agreement conflict with requirements of the PUD Guidelines or this Agreement, the map requirements shall control. Notwithstanding the foregoing, the amount of right of way to be dedicated for the Interstate 5/Cosumnes River Boulevard Interchange and Extension project shall be based on the terms of the separate cost sharing agreement and not on the map conditions.

B. **Future Map Conditions**. No requirement shall be imposed on the Project by any maps or conditions of approval thereto subsequent to execution of this Agreement if such requirement directly conflicts with any specific provision of this Agreement.

26. **Construction**. All Parties have had the opportunity to be represented by legal counsel of their own choice in the preparation of this Agreement and no presumption or rule that "an ambiguity shall be construed against a drafting party" shall apply to the interpretation or enforcement of any provision hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend or affect the meaning of the provision to which they pertain.

27. **Counterparts**. This Agreement may be executed in any number of counterparts and shall be deemed duly executed when each of the parties has executed such a counterpart.

28. **Time**. Time is of the essence of each and every provision hereof.

29. **Limitation of Actions**. No court action shall be filed by a party to this Agreement on the ground of default or breach of its terms unless such action is filed within one hundred eighty (180) days from the date of discovery by the aggrieved party of the facts underlying the claim of breach or default.

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30. **No Third Parties Benefitted**. No Person who is not a qualified successor or assign of a party hereto pursuant to section 4 of this Agreement, or who has not become a party by duly adopted amendment hereof, may claim the benefit of any provision of this Agreement.

31. **Effect of Agreement Upon Title to Property**. In accordance with the provisions of Government Code section 65868.5, from and after the time of recordation of this Agreement, the Agreement shall impart such notice thereof to all persons as is afforded by the recording laws of the State of California. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement.

32. **Covenant of Good Faith**. CITY and LANDOWNER agree that each of them shall at all times act in good faith in order to carry out the terms of this Agreement.

33. **Exhibits**: The following are the exhibits to this Agreement:

    A Legal Description of the Property
    B Landowner's Development Plan
    C Special Conditions
    D Assignment and Assumption Agreement
    E Protest Waiver Form
    F Irrevocable Offer of Dedication Form
    G Map and Categorical Listing of Land and Infrastructure
    H Procedures for Adjusting Development Fees
    I Diagram of Delta Shores Planning Area

34. **Entire Agreement/Integrated Document**. This Agreement, the Exhibits and the documents incorporated by reference in this Agreement or in the Exhibits, are to be considered as one document and default of any of the provisions contained herein or therein shall be considered a default of this Agreement. This Agreement, including the Exhibits and documents incorporated herein by reference, integrates all of the terms and conditions related or incidental to its subject matter and constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement.

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35. **City Attorney Costs.** Landowner shall pay to the City of Sacramento the sum of ten thousand dollars ($10,000) as and for reimbursement of the costs of the City Attorney in preparation and processing of this Agreement. Said sum shall be paid to CITY prior to the City Attorney approving this Agreement as to form.

IN WITNESS WHEREOF, the CITY and LANDOWNER have executed this Development Agreement as of the date first set forth above.

CITY OF SACRAMENTO

By: _____
Mayor

ATTEST:

_____
City Clerk

APPROVED FOR LEGAL FORM:

_____
Senior Deputy City Attorney

M&H REALTY PARTNERS VI, L.P.
A California limited partnership

By: _____
Name: _____
Title: _____

(ATTACH APPROPRIATE ACKNOWLEDGMENT)

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EXECUTION PAGE FOR LENDER

[Name + nature of entity] (herein "LENDER") owns an equitable interest in the Property described in Exhibit "A" of this Agreement as the beneficiary of that certain deed of trust and assignment of rents dated _____ and recorded on _____, as Instrument No. _____, in Book _____, Page _____, Official Records, Sacramento County, California.

LENDER hereby executes this Agreement and agrees to be bound by the terms and condition hereof, subject to the limitations set forth in section 24 hereof.

LENDER requests that it be provided with copies of all notices mailed to LANDOWNER pursuant to the terms of this Agreement and that said copies be addressed as follows:

_____
_____
_____
_____
Attn: _____

Dated: _____

LENDER: _____

By: _____

Its: _____

(ATTACH APPROPRIATE ACKNOWLEDGMENT)

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EXHIBIT A

LEGAL DESCRIPTION OF LANDOWNER'S PROPERTY

SEE ATTACHED

NOTE: UPON RECORDATION OF FINAL MASTER PARCEL SUBDIVISION MAP, THIS EXHIBIT A WILL BE REPLACED BY THE SAID MAP, WITHOUT NEED FOR AMENDMENT OF THIS AGREEMENT; PROVIDED, HOWEVER, IF THE FINAL MAP IS RECORDED IN PHASES, ONLY THE PERTINENT PORTIONS OF THIS EXHIBIT A WILL BE REPLACED BY THE FINAL MASTER PARCEL SUBDIVISION MAP PHASES, AS APPROPRIATE, WITHOUT THE NEED FOR AMENDMENT OF THIS AGREEMENT.

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EXHIBIT A
LEGAL DESCRIPTION

Description:

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

PARCEL ONE:

A PORTION OF SECTIONS 11 AND 12, TOWNSHIP 7 NORTH, RANGE 4 EAST, MDB&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST RIGHT OF WAY LINE OF FREEPORT BOULEVARD, AS SHOWN ON THAT RECORD OF SURVEY FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 38 OF SURVEYS AT PAGE 12, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 11 BEARS NORTH 01°45'06" WEST 337.55 FEET AND NORTH 07°07'53" EAST 4270.93 FEET, SAID POINT OF BEGINNING BEING THE MOST NORTHERLY SOUTHWEST CORNER OF G.T.E. DATA SERVICES, INC. PROPERTY AS DESCRIBED IN BOOK 80 04 07, PAGE 485, OFFICIAL RECORDS OF SAID COUNTY; THENCE FOLLOWING THE BOUNDARY OF SAID G.T.E. PROPERTY, NORTH 88°15'23" EAST 179.13 FEET; THENCE SOUTH 01°44'37" EAST, 85.21 FEET; THENCE NORTH 88°15'23" EAST 100.00 FEET; THENCE NORTH 86°03'03" EAST 42.03 FEET; THENCE NORTH 88°15'23" EAST 87.68 FEET; THENCE NORTH 63°23'23" EAST 4.85 FEET; THENCE LEAVING SAID PROPERTY LINE, SOUTH 19°48'46" EAST 256.18 FEET; THENCE ALONG THE SOUTHERLY LINE OF SAID G.T.E. PROPERTY AND ITS SOUTHWESTERLY PROLONGATION NORTH 72°07'45" EAST 911.39 FEET; THENCE LEAVING SAID PROPERTY LINE ALONG THE ARC OF A NON-TANGENT 6055.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 20°42'31" EAST 612.50 FEET; THENCE SOUTH 62°00'07" WEST 667.24 FEET; THENCE SOUTH 70°11'14" WEST 58.76 FEET; THENCE ALONG THE ARC OF A TANGENT 1570.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 74°08'45" WEST 216.77 FEET; THENCE SOUTH 78°06'16" WEST 567.71 FEET; THENCE ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 59°06'50" WEST 33.96 FEET; THENCE NORTH 16°19'56" WEST 138.76 FEET; THENCE NORTH 11°35'20" WEST 252.39 FEET; THENCE NORTH 02°46'20" WEST 110.69 FEET; THENCE NORTH 72°27'54" EAST 380.65 FEET; THENCE NORTH 02°46'20" WEST 180.88 FEET; THENCE SOUTH 72°27'54" WEST, 380.65 FEET; THENCE NORTH 02°46'20" WEST 206.99 FEET; THENCE NORTH 01°45'06" WEST 221.24 FEET TO THE POINT OF BEGINNING. ALSO DESCRIBED AS PARCEL B OF THE CERTIFICATE OF COMPLIANCE RECORDED JUNE 29, 1988, IN BOOK 88 06 29, PAGE 1668.

APN: 119-0010-050

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PARCEL TWO:

TRACT 5 THROUGH 8, INCLUSIVE AND TRACTS 13 THROUGH 34, INCLUSIVE AND THAT PORTION AS SHOWN AND DESIGNATED, "SACRAMENTO DRAINAGE CANAL", AS SHOWN ON THE OFFICIAL MAP OF "FREEPORT ACRES", RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY ON MAY 19, 1915, IN BOOK 15 OF MAPS, MAP NO. 20.

EXCEPTING FROM SAID PARCEL ALL THAT PORTION OF SECTIONS 11 AND 12, TOWNSHIP 7 NORTH, RANGE 4 EAST, MDB&M, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF FREEPORT BOULEVARD, AS SHOWN ON THE OFFICIAL PLAT OF "FREEPORT ACRES", RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, IN BOOK 15 OF MAPS, MAP NO. 20, SAID POINT OF BEGINNING BEING THE NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED AS PARCEL NO. 1 IN THAT CERTAIN DEED RECORDED IN THE OFFICE OF SAID RECORDER IN BOOK 4101 OF OFFICIAL RECORDS, PAGE 716; SAID POINT OF BEGINNING IS FURTHER DESCRIBED AS BEING A POINT ON THE SOUTHERLY BOUNDARY OF THAT CERTAIN 0.315 ACRE TRACT OF LAND GRANTED TO THE COUNTY OF SACRAMENTO BY DEED RECORDED IN THE OFFICE OF SAID RECORDER IN BOOK 3200 OF OFFICIAL RECORDS, PAGE 108; THENCE FROM SAID POINT OF BEGINNING ALONG SAID SOUTHERLY BOUNDARY NORTH 86°54'37" EAST 53.65 FEET; NORTH 70°58'37" EAST 148.54 FEET; NORTH 78°42'47" EAST 100.00 FEET AND NORTH 86°45'37" EAST 94.81 FEET TO THE MOST SOUTHWESTERLY CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED AS PARCEL NO. 2 GRANTED TO THE COUNTY OF SACRAMENTO BY DEED RECORDED IN THE OFFICE OF THE RECORDER IN BOOK 3200 OF OFFICIAL RECORDS, PAGE 102; THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PARCEL NO. 2 AND THE EASTERLY PROJECTION THEREOF, NORTH 86°45'37" EAST 467.78 FEET; THENCE NORTH 78°13'47" EAST 1264.30 FEET; THENCE SOUTH 11°46'10" EAST 100.02 FEET; THENCE SOUTH 43°39'20" EAST 63.59 FEET; THENCE SOUTHWESTERLY CURVING TO THE LEFT ON AN ARC OF 20.00 FEET RADIUS SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 33°13'50" WEST 28.28 FEET; THENCE SOUTH 11°46'10" EAST 124.11 FEET; THENCE CURVING TO THE LEFT ON AN ARC OF 30.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 24°42'45" EAST 13.42 FEET; THENCE CURVING TO THE RIGHT ON AN ARC OF 50.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 15°42'15" EAST 37.31 FEET; THENCE SOUTH 83°47'20" EAST 99.29 FEET; THENCE SOUTH 11°46'10" EAST 81.53 FEET TO A POINT ON THE NORTH LINE OF A 100.00 FOOT RIGHT OF WAY, RECORDED IN THE OFFICE OF SAID RECORDER IN BOOK 525 OF DEEDS, PAGE 374; THENCE ALONG SAID NORTH LINE SOUTH 72°07'22" WEST 1423.07 FEET; THENCE NORTH 17°52'40" WEST 231.00 FEET; THENCE CURVING TO THE RIGHT ON AN ARC OF 400.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 16°52'15" WEST 14.05 FEET; THENCE SOUTH 74°08'10" WEST 166.35 FEET; THENCE SOUTH 72°07'20" WEST 128.00 FEET; THENCE NORTH 79°22'25" WEST 127.44 FEET; THENCE SOUTH 63°23'00" WEST 65.87 FEET; THENCE SOUTH 88°15'00" WEST 67.68 FEET; THENCE SOUTH 86°02'40" WEST 42.03 FEET; THENCE SOUTH 88°15'00" WEST 100.00 FEET; THENCE NORTH 01°45'00" WEST 85.21 FEET; THENCE SOUTH 88°15'00" WEST 178.95 FEET TO A POINT ON THE EASTERLY LINE OF FREEPORT BOULEVARD; THENCE ALONG SAID EASTERLY LINE NORTH 01°45'04" WEST 337.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING FROM SAID PARCEL, ALL LAND INCLUDED IN FINAL ORDER OF EMINENT DOMAIN, RECORDED IN BOOK 83 04 28, PAGE 1097, OF OFFICIAL RECORDS OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS PARCEL 19696-1 THEREIN

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ALSO EXCEPTING THEREFROM A PORTION OF SECTIONS 11 AND 12, TOWNSHIP 7 NORTH, RANGE 4 EAST, MDB&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST RIGHT OF WAY LINE OF FREEPORT BOULEVARD AS SHOWN ON THAT RECORD OF SURVEY FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, IN BOOK 38 OF SURVEYS AT PAGE 12, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 11 BEARS NORTH 01°45'06" WEST 337.55 FEET AND NORTH 07°07'53" EAST 4270.93 FEET; SAID POINT OF BEGINNING BEING THE MOST NORTHERLY SOUTHWEST CORNER OF G.T.E. DATA SERVICES, INC. PROPERTY AS DESCRIBED IN BOOK 80 04 07, PAGE 485, OFFICIAL RECORDS OF SAID COUNTY; THENCE FOLLOWING THE BOUNDARY OF SAID G.T.E. PROPERTY NORTH 88°15'23" EAST 179.13 FEET; THENCE, SOUTH 01°44'37" EAST 85.21 FEET; THENCE NORTH 88°15'23" EAST 100.00 FEET; THENCE NORTH 86°03'03" EAST 42.03 FEET; THENCE NORTH 88°15'23" EAST 67.68 FEET; THENCE NORTH 63°23'23" EAST 4.85 FEET; THENCE LEAVING SAID PROPERTY LINE, SOUTH 19°48'46" EAST 258.18 FEET; THENCE ALONG THE SOUTHERLY LINE OF SAID G.T.E. PROPERTY AND ITS SOUTHWESTERLY PROLONGATION NORTH 72°07'45" EAST 911.39 FEET; THENCE LEAVING SAID PROPERTY LINE ALONG THE ARC OF A NON-TANGENT 6055.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 20°42'31" EAST 612.50 FEET; THENCE SOUTH 62°00'07" WEST 667.24 FEET; THENCE SOUTH 70°11'14" WEST 58.76 FEET; THENCE ALONG THE ARC OF A TANGENT 1570.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 74°08'45" WEST 216.77 FEET; THENCE SOUTH 78°06'16" WEST 576.11 FEET; THENCE ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 59°06'50" WEST, 33.96 FEET; THENCE NORTH 16°19'56" WEST, 138.76 FEET; THENCE NORTH

11°35'20' WEST 252.38 FEET; THENCE NORTH 02°46'20" WEST 110.69 FEET; THENCE NORTH 72°27'54" EAST 380.65 FEET; THENCE NORTH 02°46'20" WEST 180.88 FEET; THENCE SOUTH 72°27'54" WEST 380.65 FEET; THENCE NORTH 02°46'20" WEST 206.99 FEET; THENCE NORTH 01°45'06" WEST 221.24 FEET TO THE POINT OF BEGINNING. ALSO DESCRIBED AS PARCEL "B" OF THE CERTIFICATE OF COMPLIANCE RECORDED JUNE 29, 1988, IN BOOK 88 06 29, PAGE 1668.

ALSO EXCEPTING THEREFROM SAID PARCEL ALL THAT PORTION CONVEYED TO G.T.E. DATA SERVICES INCORPORATED, IN DEED DATED JUNE 8, 1988 AND RECORDED JUNE 28, 1988, IN BOOK 88 06 29, PAGE 1672, OFFICIAL RECORDS.

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PARCEL THREE:

ALL THAT PORTION OF SWAMP LAND SURVEY NOS. 96, 146 AND 174 BEING A PORTION OF SECTION 13 AND 14, TOWNSHIP 7 NORTH, RANGE 4 EAST, AND SECTION 18, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDB&M, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE CENTERLINE OF FREEPORT ROAD, FROM WHICH SOUTHWEST CORNER OF "FREEPORT ACRES", (THE OFFICIAL PLAT OF WHICH IS RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, IN BOOK 15 OF MAPS, MAP NO. 20) BEARS NORTH 13°27'20" WEST 1241.71 FEET ALONG SAID CENTER LINE AND NORTH 76°30'40" EAST 22.01 FEET TO THE SOUTHWEST CORNER OF SAID "FREEPORT ACRES", SAID POINT OF BEGINNING BEING THE WESTERLY TERMINUS OF THE COURSE DESIGNATED "NORTH 79°30' EAST 39.71 CHAINS" IN THE DESCRIPTION OF THE LINE DIVIDING THE NORTH ONE-HALF AND THE SOUTH ONE HALF OF THE "D.R. HUNT RANCH", AS SAID LINE IS SPECIFICALLY DESCRIBED IN AND ESTABLISHED BY THE TWO DEEDS, EXCHANGED BETWEEN MARK T. HUNT AND FRANK L. HUNT, DATED DECEMBER 21, 1901, RECORDED DECEMBER 24, 1901 IN BOOK 185 OF DEEDS, PAGES 396 AND 397; THENCE FROM SAID POINT OF BEGINNING ALONG A FENCE LINE MARKING THE DIVISION LINE OF SAID "D.R. HUNT RANCH", THE FOLLOWING FOUR COURSES AND DISTANCES: NORTH 78°42'20" EAST 2562.05 FEET; THENCE NORTH 88°47'40" EAST 1217.96 FEET; THENCE NORTH 84°50'19" EAST 1709.06 FEET TO A POINT IN A FENCE LINE MARKING THE LINE COMMON TO SAID SECTIONS 13 AND 18 FROM WHICH POINT A FENCE CORNER MARKING THE NORTHERLY CORNER COMMON TO SECTIONS 13 AND 18 BEARS NORTH 02°03'20" WEST 1695.22 FEET; THENCE CONTINUING ALONG THE FENCE LINE MARKING SAID DIVISION LINE OF THE "D.R. HUNT RANCH", NORTH 84°50'19" EAST 1366.08 FEET TO A FENCE CORNER; THENCE ALONG A FENCE LINE MARKING THE EAST LINE OF SAID "D.R. HUNT RANCH", AND ALONG THE WEST LINE OF THE EAST ONE HALF OF THE WEST ONE HALF OF SAID SECTION 18, SOUTH 01°11'10" EAST 1077.62 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST ONE QUARTER OF THE NORTHWEST ONE QUARTER OF SAID SECTION 18, SAID POINT BEING ALSO THE NORTHEAST CORNER OF SAID SWAMP LAND SURVEY NO. 174; THENCE ALONG A FENCE LINE WEST 42.54 FEET; THENCE ALONG THE REMAINS OF A FENCE LINE SOUTH 06°28'10" EAST 1289.33 FEET TO THE REMAINS OF A FENCE CORNER; THENCE ALONG THE REMAINS OF A FENCE LINE SOUTH 86°57'55" WEST 1404.54 FEET TO A FENCE CORNER MARKING THE LINE COMMON TO SAID SECTIONS 13 AND 18; THENCE ALONG THE FENCE LINE MARKING THE LINE COMMON TO SAID SECTIONS 13 AND 18 NORTH 02°03'20" WEST 848.44 FEET TO A FENCE CORNER MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 148; THENCE ALONG A FENCE LINE MARKING THE BOUNDARIES OF SAID SWAMP LAND SURVEY NO. 148 THE FOLLOWING TWO DISTANCES: SOUTH 78°50'20" WEST 2709.00 FEET AND NORTH 10°57'10" WEST 898.94 FEET; THENCE CONTINUING ALONG SAID FENCE LINE, LEAVING THE BOUNDARY OF SAID SWAMP LAND SURVEY NO. 148, NORTH 10°57'10" WEST 158.25 FEET TO A FENCE CORNER; THENCE ALONG A FENCE LINE SOUTH 76°34'50" WEST 2123.53 FEET TO A FENCE

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CORNER; THENCE NORTH 13°27'20" WEST 298.03 FEET TO A 1 1/2 INCH IRON PIPE STAMPED R.E. 2675 MARKING THE SOUTHEAST CORNER OF THE FREEPORT SCHOOL DISTRICT; THENCE CONTINUING NORTH 13°27'20" WEST 291.37 FEET FROM THE EAST BOUNDARY OF SAID SCHOOL DISTRICT PROPERTY TO A SIMILAR IRON PIPE MONUMENT; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID SCHOOL DISTRICT PROPERTY, SOUTH 76°32'40" WEST 299.36 FEET TO A 1 INCH IRON STAKE SET TO MARK THE EAST LINE OF SAID FREEPORT ROAD; THENCE CONTINUING SOUTH 76°32'40" WEST 20.64 FEET TO A POINT IN THE CENTER LINE OF SAID FREEPORT ROAD; THENCE ALONG SAID CENTER LINE NORTH 13°27'20" WEST 676.22 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PROPERTY SHOWN IN THE FINAL ORDER OF EMINENT DOMAIN FILED APRIL 21, 1983, IN SUPERIOR COURT, COUNTY OF SACRAMENTO, CASE NO. 222268 (CONSOLIDATED WITH ACTION NOS. 222267 AND 222674), RECORDED APRIL 28, 1983, IN BOOK 83 04 28, PAGE 1092, OFFICIAL RECORDS, AND AMENDED IN BOOK 83 07 08, PAGE 1437, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL LEGAL GAS RIGHTS OF WAY 500 FEET BENEATH THE SURFACE OF SAID LAND SUBJECT TO THE CONDITION THAT GRANTOR CANNOT ENTER UPON SUBJECT PROPERTY FOR DRILLING PURPOSES OR FOR ANY PURPOSES CONNECTED WITH EXPLORING OR DEVELOPING SAID MINERAL RIGHTS, AS RESERVED IN THE DEED EXECUTED BY HARRY M. TONKIN AND DALTON G. FELDSTEIN, AS TRUSTEES OF THE FREEPORT LIQUIDATING TRUST, RECORDED JUNE 29, 1984, IN BOOK 84 06 29, PAGE 1677, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THE FOLLOWING PARCEL OF LAND:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN SECTION 13, T. 7 N., R. 4 E., MDB&M, AND SECTION 18, T. 7 N., R. 6 E., MDB&M, SAID REAL PROPERTY BEING A PORTION OF THE LANDS SHOWN ON THE RECORD OF SURVEY FILED IN THE OFFICE OF THE SACRAMENTO COUNTY RECORDER ON AUGUST 23, 1983, IN BOOK 38 OF SURVEYS AT PAGE 12; SAID REAL PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF THE LAND SHOWN ON SAID RECORD OF SURVEY; THENCE ALONG THE GENERAL SOUTHERLY LINE THEREOF THE FOLLOWING COURSES: SOUTH 88°16'58" WEST 1404.76 FEET, NORTH 0°44'17" WEST 648.57 FEET AND SOUTH 80°09'23" WEST 710.00 FEET TO A POINT THEREON; THENCE LEAVING SAID LINE FROM A TANGENT THAT BEARS NORTH 69°25'38" EAST ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1430.00 FEET AND CENTRAL ANGLE OF 25°19'40" AN ARC DISTANCE OF 632.14 FEET; THENCE TANGENT TO THE PRECEDING CURVE NORTH 44°05'58" EAST 363.74 FEET; THENCE TANGENT TO THE PRECEDING COURSE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 4070.00 FEET AND A CENTRAL ANGLE OF 21°49'45", AN ARC DISTANCE OF 1550.64 FEET TO A POINT ON THE GENERAL EASTERLY LINE OF THE LANDS SHOWN ON SAID RECORD OF SURVEY; THENCE ALONG SAID LINE THE FOLLOWING COURSES: SOUTH 0°07'53" WEST 690.00 FEET, NORTH 88°40'57" WEST 42.54 FEET AND SOUTH 5°09'07" EAST 1289.34 FEET TO THE POINT OF BEGINNING.

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PARCEL FOUR:

ALL THAT CERTAIN PARCEL OF LAND LYING IN A PORTION OF SECTIONS 13 AND 14, TOWNSHIP 7 NORTH, RANGE 4 EAST, MDB&M, AND IN A PORTION OF SECTION 18, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDB&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THE SOUTHERLY LINE OF LOT 1 OF "FREEPORT ACRES", AS SAID LOT IS SHOWN AND SO DESIGNATED ON THAT CERTAIN MAP OF "FREEPORT ACRES", RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY MAY 19, 1915, IN BOOK 15 OF MAPS, MAP NO. 20 FROM WHICH POINT THE SOUTHWEST CORNER OF THE AFORESAID LOT 1, BEARS SOUTH 77°52'50" WEST 370.30 FEET DISTANT, SAID POINT OF BEGINNING BEING FURTHER DESCRIBED AS THE MOST NORTHERLY CORNER OF THAT CERTAIN TRACT OF LAND NOW OR FORMERLY OWNED BY ANNA F. AZEVEDO; THENCE FROM SAID POINT OF BEGINNING, ALONG THE SOUTHERLY AND EASTERLY BOUNDARY OF THE AFORESAID "FREEPORT ACRES", THE FOLLOWING THREE COURSES: (1) NORTH 77°52'50" EAST 2036.49 FEET (2) NORTH 89°13' 08" EAST 3312.61 FEET (3) NORTH 00°38'00" WEST 460.71 FEET TO THE CORNER COMMON TO SECTIONS 12 AND 13, TOWNSHIP 7 NORTH, RANGE 4 EAST AND SECTION 7 AND 18, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDB&M, THENCE ALONG THE LINE COMMON TO AFORESAID SECTIONS 7 AND 18, NORTH 89°30'06" EAST A DISTANCE OF 1387.54 FEET TO A FENCE CORNER MARKING THE NORTHWEST CORNER OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 18, AS DESCRIBED IN THE DEED FROM FAUSTINO SILVA AND MARY J. SILVA TO CHARLES E. BROWN, ET AL, DATED MAY 23, 1955, RECORDED JUNE 9, 1955, IN BOOK 2851 OF OFFICIAL RECORDS, PAGE 248; THENCE ALONG A FENCE LINE MARKING THE WEST LINE OF THE EAST 1/2 OF SAID NORTHWEST 1/4 AS DESCRIBED IN SAID DEED, SOUTH 00°05'30" EAST A DISTANCE OF 1569.98 FEET TO THE EASTERLY EXTREMITY OF THAT CERTAIN DIVISION LINE OF "D.R. HUNT RANCH", AS SAID DIVISION LINE WAS ESTABLISHED BY THAT CERTAIN BOUNDARY LINE AGREEMENT BETWEEN ESTHER V. FITZGERALD AND OTHERS, DATED JUNE 16, 1955, RECORDED JUNE 28, 1955, IN BOOK 2854 OF OFFICIAL RECORDS, PAGE 324, SACRAMENTO COUNTY RECORDS, SAID DIVISION LINE MARKING ON THE GROUND AS SHOWN ON THAT CERTAIN MAP ENTITLED "RECORD OF SURVEY OF SWAMP LAND SURVEYS NOS. 148 AND 174, SACRAMENTO COUNTY SURVEYS LOCATED IN SECTIONS 13 AND 14, TOWNSHIP 7 NORTH, RANGE 4 EAST, AND SECTION 18, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDM", RECORDED AUGUST 7, 1958, IN BOOK 13 OF SURVEYS, MAP NO. 37, SACRAMENTO COUNTY RECORDS; THENCE ALONG SAID DIVISION LINE THE FOLLOWING THREE COURSES: (1) SOUTH 85°57'25" WEST 3075.23 FEET, (2) SOUTH 89°54'40" WEST 1218.00 FEET, (3) SOUTH 79°49'20" WEST 2562.52 FEET TO THE CENTER LINE OF FREEPORT ROAD SO CALLED; THENCE ALONG SAID CENTER LINE, NORTH 12°18'00" WEST A DISTANCE OF 220.88 FEET, THENCE LEAVING SAID CENTER LINE, NORTH 77°42'00" EAST 352.50 FEET ALONG THE SOUTH LINE OF PROPERTY OWNED BY WILLIAM GAVIA AND VIRGINIA GAVIA, HIS WIFE, TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH 12°18'00" WEST 37.50 FEET TO THE MOST EASTERLY CORNER OF THAT CERTAIN TRACT OF LAND NOW OR FORMERLY OWNED BY MARY G. MACHADO; THENCE ALONG THE EASTERLY AND NORTHERLY BOUNDARY OF SAID LANDS OF MACHADO THE FOLLOWING TWO COURSES; (1) NORTH 12°18'00" WEST 187.50 FEET; (2) SOUTH 77°42'00" WEST

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352.50 FEET TO THE CENTER LINE OF THE AFORESAID FREEPORT ROAD; THENCE ALONG THE CENTER LINE NORTH 12°18'00" WEST A DISTANCE OF 34.53 FEET, THENCE ALONG THE SOUTHERLY AND EASTERLY LINES OF THAT CERTAIN TRACT OF LAND DESCRIBED IN THE DECREE QUIETING TITLE ENTERED IN AN ACTION IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF SACRAMENTO, IN AN ACTION ENTITLED, JOHN SOUZA, JR. AND MAE SOUZA, HIS WIFE, PLAINTIFFS, VS. RAY ORTON HUNT AND MYRTLE EVELYN SHOWLER, TRUSTEES UNDER TRUST AGREEMENT, RECORDED IN BOOK 1341A OF OFFICIAL RECORDS, PAGE 161, AND OTHERS, DEFENDANTS, A CERTIFIED COPY OF WHICH WAS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY ON FEBRUARY 14, 1950, IN BOOK 1771 OF OFFICIAL RECORDS, AT PAGE 70, THE FOLLOWING TWO COURSES: (1) NORTH 77°42'00" EAST 187.50 FEET; (2) NORTH 12°18'00" WEST 343.70 FEET TO A POINT IN THE SOUTHERLY LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO JOSEPH LEAL AND RECORDED IN BOOK 611 OF DEEDS, PAGE 332, SACRAMENTO COUNTY RECORDS; THENCE ALONG THE SOUTHERLY AND EASTERLY LINE OF SAID LAND OF SAID LEAL, THE FOLLOWING TWO COURSES: (1) NORTH 77°42'00" EAST 165.00 FEET; (2) NORTH 12°18'00" WEST 75.00 FEET, MORE OR LESS, TO THE MOST EASTERLY CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO KADRU GOTOW AND RECORDED IN BOOK 1603 OF OFFICIAL RECORDS, PAGE 199, SACRAMENTO COUNTY RECORDS; THENCE ALONG THE EASTERLY LINE OF SAID GOTOW, NORTH 12°18'00" WEST A DISTANCE OF 134.87 FEET TO THE SOUTHEASTERLY CORNER OF THE AFORESAID LANDS OF ANNA F. AZEVEDO; THENCE ALONG THE EASTERLY LINE OF SAID LANDS OF SAID AZEVEDO, NORTH 01°17'40" WEST A DISTANCE OF 211.16 FEET TO THE POINT OF BEGINNING.

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EXCEPTING THEREFROM ALL OIL, GAS AND MINERALS, BELOW A DEPTH OF 100 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED PROPERTY EXCEPTED IN QUITCLAIM DEED DATED JANUARY 19, 1960, RECORDED JANUARY 20, 1960, IN BOOK 3980 OF OFFICIAL RECORDS, PAGE 661, EXECUTED BY LESTER C. HUNT AND MARTHA HUNT, HIS WIFE, TO CALIFORNIA PACIFIC TITLE COMPANY, SACRAMENTO DIVISION, A CORPORATION, AND MODIFIED BY DEED DATED FEBRUARY 15, 1960, RECORDED MARCH 25, 1960, IN BOOK 4024 OF OFFICIAL RECORDS, PAGE 939, EXECUTED BY SAID PARTIES, AND AS CONVEYED BY DEED DATED MARCH 18, 1960, RECORDED MARCH 25, 1960, IN BOOK 4024 OF OFFICIAL RECORDS, PAGE 940, EXECUTED BY CALIFORNIA PACIFIC TITLE COMPANY, SACRAMENTO DIVISION, A CORPORATION TO LESTER C. HUNT AND MARTHA E. HUNT, HIS WIFE, AS JOINT TENANTS.

ALSO EXCEPTING THEREFROM PARCEL "A", AS SHOWN ON THE PARCEL MAP ENTITLED "PORTION OF SECTIONS 13 AND 14, T. 7 N., R. 4 E., MDM", FILED IN THE SACRAMENTO COUNTY RECORDERS OFFICE ON OCTOBER 1, 1982, IN BOOK 73 OF PARCEL MAPS, MAP NO. 6, AS CONVEYED BY CORPORATION GRANT DEED FROM MOSS LAND COMPANY, A CALIFORNIA CORPORATION, TO THOMAS MACMILLIAN, ET AL, RECORDED OCTOBER 1, 1982, IN BOOK 82 10 01, PAGE 1587, OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PROPERTY SHOWN IN THE FINAL ORDER OF EMINENT DOMAIN, FILED APRIL 21, 1983, IN SUPERIOR COURT, COUNTY OF SACRAMENTO, CASE NO. 222674 (CONSOLIDATED WITH ACTION NOS. 222267 AND 222268), RECORDED APRIL 28, 1983, IN BOOK 83 04 28, PAGE 1088, OFFICIAL RECORDS.

APN: 119-0190-024, 119-0190-025 AND 119-0090-001

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CITY AGREEMENT NO._____ DATE ADOPTED:_____

PARCEL FIVE:

ALL THAT CERTAIN REAL PROPERTY LYING AND BEING IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND LYING IN SECTION 13, T. 7 N., R. 4 E., MDB&M, SAID REAL PROPERTY BEING A PORTION OF THE LANDS OF SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE GENERAL SOUTHERLY LINE OF THE LANDS SHOWN ON THE RECORD OF SURVEY, FILED IN THE OFFICE OF THE SACRAMENTO COUNTY RECORDER ON AUGUST 23, 1983, IN BOOK 38 OF RECORD OF SURVEYS, AT PAGE 12, SAID POINT BEING THE WESTERLY TERMINUS OF THE LINE SHOWN AS NORTH 80°09'23" EAST 2709.68 FEET ON SAID RECORD OF SURVEY; THENCE FROM SAID POINT OF BEGINNING ALONG SAID GENERAL SOUTHERLY LINE NORTH 9°38'07" WEST 857.32 FEET AND SOUTH 77°54'07" WEST 374.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF THE FRONTAGE ROAD 50.00 FEET IN WIDTH, KNOWN AS BEACH LAKE ROAD, THAT LIES ADJACENT TO AND NORTHEASTERLY OF THE RIGHT OF WAY OF THE INTERSTATE 5 FREEWAY AND SHOWN ON THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION MONUMENT DESIGNATED SAC CO. RTE 5 P.M. 14.4, SHEET 6 OF 12; THENCE ALONG SAID NORTHEASTERLY LINE OF FRONTAGE ROAD SOUTH 14°32'00" EAST 845.43 FEET TO A POINT THEREON, THENCE LEAVING LAST SAID LINE ALONG THE WESTERLY PROLONGATION OF SAID COURSE ON THE GENERAL SOUTHERLY LINE OF THE LANDS SHOWN ON SAID RECORD OF SURVEY, DESCRIBED AS NORTH 80°09'23" EAST 2709.68 FEET, NORTH 80°09'23" EAST 301.55 FEET TO THE POINT OF BEGINNING.

APN: 119-0190-030

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CITY AGREEMENT NO._____ DATE ADOPTED:_____

PARCEL SIX:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND LYING WITHIN SECTION 18, T. 7 N., R. 5 E., MDB&M, SAID REAL PROPERTY BEING A PORTION OF THE LANDS OF SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, SAID REAL PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE GENERAL EASTERLY LINE OF THE LANDS SHOWN ON THE RECORD OF SURVEY, FILED IN THE OFFICE OF THE SACRAMENTO COUNTY RECORDER ON AUGUST 23, 1983 IN BOOK 38 OF RECORD OF SURVEYS, AT PAGE 12; DISTANT THEREON NORTH 89°43'04" EAST 1387.85 FEET AND SOUTH 0°07'53" WEST 992.85 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 18; THENCE FROM SAID POINT OF BEGINNING ALONG THE LAST SAID LINE SOUTH 0°07'53" WEST 965.08 FEET TO A POINT THEREON; THENCE LEAVING LAST SAID LINE FROM A TANGENT THAT BEARS NORTH 65°55'43" EAST ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 4070.00 FEET AND A CENTRAL ANGLE OF 23°44'52" AN ARC DISTANCE OF 1686.52 FEET; THENCE TANGENT TO THE PRECEDING COURSE NORTH 89°40'35" EAST 31.39 FEET; THENCE NORTH 0°19'25" WEST 620.43 FEET TO A POINT ON THE NORTH LINE OF SAID LANDS OF SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT; THENCE ALONG THE LAST SAID LINE SOUTH 89°40'35" WEST 1662.76 FEET TO THE POINT OF BEGINNING.

APN: 119-0090-005 & 119-0090-013

PARCEL SEVEN:

ALL THAT PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 7, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDB&M, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED ON THE SOUTH LINE OF SAID SECTION 7, FROM WHICH THE SOUTHWEST CORNER THEREOF BEARS NORTH 89°57'00" WEST 589.66 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 00°03'00" EAST 457.65 FEET; THENCE SOUTH 89°57'00" EAST 748.45 FEET; THENCE SOUTHEASTERLY, CURVING TO THE LEFT ON AN ARC OF 800.00 FEET RADIUS SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 47°52'07" EAST 10.96 FEET; THENCE SOUTH 48°15'40" EAST 26.98 FEET; THENCE CURVING TO THE RIGHT ON AN ARC OF 500.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 27°02'04" EAST 362.06 FEET; THENCE NORTH 89°57'00" WEST 541.58 FEET; THENCE SOUTH 00°03'00" WEST 110.00 FEET TO A POINT LOCATED ON THE SOUTH LINE OF SAID SECTION 7; THENCE ALONG THE SOUTH LINE OF SAID SECTION 7, NORTH 89°57'00" WEST 400.00 FEET TO THE POINT OF BEGINNING.

APN: 053-0010-051

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ORDINANCE NO._____

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PARCEL EIGHT:

PARCELS "A", "B" AND "C", AS SHOWN ON THAT CERTAIN PARCEL MAP ENTITLED, "PORTION OF THE WEST 1/2 OF SECTION 7, T. 7 N., R. 5 E., MDB", CITY OF SACRAMENTO, CALIFORNIA, FILED OCTOBER 20, 1980, IN BOOK 61 OF PARCEL MAPS, MAP NO. 7.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON MINERALS AND WATER NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL, BORE, OPERATE, STORE AND REMOVE FROM BENEATH SAID LAND AT ANY LEVEL OR LEVELS 500 FEET MORE OR LESS BELOW SURFACE OF SAID LAND FOR THE PURPOSES OF DEVELOPMENT OR REMOVAL OF SUBSTANCES FROM ADJACENT LANDS. GRANTOR WAIVES THE RIGHT OF THE USE AND OCCUPANCY OF THE SURFACE OR SUBSURFACE AREA OF THE ABOVE

DESCRIBED REAL PROPERTY EXCEPT FROM THE DRILLSITE EASEMENT, BUT SUBJECT TO THE LIMITATIONS ABOVE SET FORTH RESERVED ALL SUBSURFACE RIGHTS, EASEMENTS, RIGHTS OF WAY AND SERVITUDES IN AND UNDER SAID LAND NECESSARY OR CONVENIENT IN CONNECTION WITH THE FOREGOING MINERAL RESERVATIONS. AS EXCEPTED AND RESERVED IN THE DEED EXECUTED BY TRANSAMERICA DEVELOPMENT COMPANY, A CALIFORNIA CORPORATION, RECORDED FEBRUARY 3, 1978, IN BOOK 78 02 03, PAGE 306, OFFICIAL RECORDS.

ALL SURFACE RIGHTS ABOVE A DEPTH OF 500 FEET WERE RELEASED AND SURRENDERED BY TRANSAMERICA DEVELOPMENT COMPANY, A CALIFORNIA CORPORATION, BY QUITCLAIM DEED RECORDED NOVEMBER 9, 1989, IN BOOK 89 11 09, PAGE 2357, OFFICIAL RECORDS.

APN: 053-0010-059, 053-0010-060 AND 053-0010-061

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PARCEL NINE:

ALL THAT PORTION OF LOTS 9, 10 AND 11, AS SHOWN ON THE PLAT OF "FREEPORT ACRES", RECORDED IN BOOK 15 OF MAPS, MAP NO. 20, RECORDS OF SACRAMENTO COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF THE PARCEL OF LAND DESCRIBED AND DESIGNATED PARCEL 1, IN THE DEED FROM PACIFIC GAS AND ELECTRIC COMPANY TO LAWRENCE J. DEE AND WIFE, DATED SEPTEMBER 24, 1957 AND RECORDED IN BOOK 3390 OF OFFICIAL RECORDS AT PAGE 84, SACRAMENTO COUNTY RECORDS, AND RUNNING THENCE ALONG THE NORTHERLY BOUNDARY LINE OF SAID PARCEL OF LAND DESIGNATED PARCEL 1: (1) SOUTH 72°49' WEST 380.57 FEET TO THE NORTHWESTERLY CORNER OF SAID PARCEL 1; THENCE RUNNING ALONG THE NORTHERLY PROLONGATION OF THE WESTERLY BOUNDARY LINE OF SAID PARCEL 1; (2) NORTH 2°32' WEST 180.88 FEET TO THE MOST SOUTHERLY CORNER OF THE PARCEL OF LAND DESCRIBED AND DESIGNATED PARCEL 2 IN SAID DEED DATED SEPTEMBER 24, 1957, AND RUNNING ALONG THE SOUTHERLY BOUNDARY LINE OF SAID PARCEL OF LAND DESIGNATED PARCEL 2; (3) NORTH 72°49' EAST 380.57 FEET TO THE SOUTHEASTERLY CORNER OF SAID PARCEL OF LAND DESIGNATED PARCEL 2; THENCE RUNNING ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY BOUNDARY LINE OF SAID PARCEL OF LAND DESIGNATED PARCEL 1; (4) SOUTH 2°32' EAST 180.88 FEET TO THE POINT OF BEGINNING.

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PARCEL 10:

A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED TO STATE OF CALIFORNIA RECORDED JULY 29, 1970 IN BOOK 7007-29 AT PAGE 29 OFFICIAL RECORDS OF SACRAMENTO COUNTY.

SAID PORTION IS THAT PART THEREOF LYING EASTERLY FROM THE LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF EXISTING STATE OF ROUTE 5 BEING THE NORTHERLY TERMINUS OF THE COURSE DESCRIBED AS "NORTH 24°55'26" WEST 455.30 FEET IN DEED TO STATE OF CALIFORNIA RECORDED OCTOBER 9, 1970 IN BOOK 7010-09, PAGE 536, OFFICIAL RECORDS OF SACRAMENTO COUNTY; THENCE FROM SAID POINT OF BEGINNING ALONG SAID COURSE SOUTH 24°55'26" EAST 455.30 FEET; THENCE FROM A TANGENT THAT BEARS SOUTH 24°47'58" EAST ALONG CURVE TO THE RIGHT WITH A RADIUS OF 6345.00 FEET, THROUGH AN ANGLE OF 4°30'54", AN ARC DISTANCE OF 500.00 FEET.

Page 10

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EXCEPTING THEREFROM THAT PART THEREOF RELINQUISHED TO THE CITY OF SACRAMENTO BY DOCUMENT RECORDED SEPTEMBER 6, 1983 IN BOOK 8309-06, PAGE 0795, RECORDS OF SACRAMENTO COUNTY.

APN: 119-0010-050

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ORDINANCE NO._____

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EXHIBIT B

LANDOWNER'S DEVELOPMENT PLAN

SEE ATTACHED

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ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

Delta Shores Develc

Plan

ORDINANCE NO._____

CITY AGREEMENT NO._____

DATE ADOPTED:_____

EXHIBIT C

SPECIAL CONDITIONS

I. PURPOSE AND INTENT

The definitions applicable to the body of the Agreement shall apply to this Exhibit C.

In order to achieve its objectives, and in order to obtain from each LANDOWNER and developer, all required contributions, fees, land transfers, agreements, and other mechanisms required to implement its terms, the Community Plan provides that all rezoning and development shall occur through the planned unit development process. Development agreements should be entered into with LANDOWNERS whenever feasible under the circumstances.

Under no circumstances can development of the Property proceed without satisfaction of the conditions specified in this exhibit. These Special Conditions shall constitute binding and legally enforceable obligations of LANDOWNER and its successors and assigns, and binding and legally enforceable requirements and conditions for the development of the Property, in addition to other obligations, requirements and conditions imposed during the rezoning, special permit, subdivision map and other Land Use Entitlement processes.

II. LANDOWNERS' OBLIGATIONS

A. **Mitigation Monitoring**. When required in order to comply with the Final Environmental Impact Report for the Project, LANDOWNER shall execute a mitigation monitoring plan agreement and comply with all applicable mitigation measures therein. LANDOWNER shall fully cooperate with CITY in implementing any mitigation monitoring plan adopted as part of the approval process for development of the Property.

B. **Agreements With Other Agencies**. As required by CITY, LANDOWNER shall enter into agreements with other affected agencies, including but not limited to:

1. Appropriate sanitation districts, including but not limited to Sacramento County Regional Sanitation District ("SCRSD"), for provision of facilities, payment of fees and charges, and payment (if applicable) of any proportionate share of penalties imposed by the Environmental Protection Agency. CITY and LANDOWNER acknowledge and agree that the sewer interceptor serving the Property is already surcharged, but that SCRSD has nonetheless agreed to allow

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the Property to connect its sewer system to said interceptor.

C. **Inclusionary Housing Requirements.** CITY has enacted a mixed-income housing policy ("Policy"), as set forth in Chapter 17.190 of the Sacramento City Code. To the extent that the Property is subject to the Policy, certain Land Use Entitlements for the Property will contain conditions which implement the Policy, including but not limited to conditions requiring an inclusionary housing plan ("IHP") and an inclusionary housing agreement ("IHA"). The IHP for the property, where the Policy is applicable, is attached to this Exhibit C as Exhibit C-1, and incorporated herein by this reference. The requirements specified in the IHP shall be implemented by LANDOWNER, and LANDOWNER shall execute the required IHA.

D. **Flood Insurance; TMA Requirement**. As required by CITY, LANDOWNER shall do the following:

1. **Flood Insurance**. For residential units constructed in any area within the Project designated as Zone A99 by the Federal Emergency Management Agency (FEMA), LANDOWNER shall provide, at its cost, flood insurance for two (2) years, from the time of sale of individual units to homebuyers, for all residential units on the project site, provided that the total cost not exceed one thousand dollars ($1,000) per unit.

2. **TMA Requirement**. Prior to the issuance of building permits for the commercial portion of the project, LANDOWNER shall either enter into an existing Transportation Management Association (TMA), or create a new TMA to serve the project area. Funding may be provided by the project applicants through a Community Facilities District (CFD) or other funding mechanism approved by CITY. Currently, the nearest existing TMA which would cover the Project area is the Sacramento TMA.

E. **Parkland Dedication; Park Funding Requirement**. As required by CITY, LANDOWNER shall do the following:

1. **Parkland Dedication**. For purposes of calculating parkland dedication pursuant to Section 16.64.030 of the Sacramento City Code, the parkland dedication requirement shall be based upon the highest residential density allowed within the zoning designation applied for, unless the LANDOWNER enters into an agreement with CITY for a lower density which shall specify a lower parkland dedication requirement. Using the number and type of lots proposed in the Delta Shores East and Delta Shores West Tentative

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Subdivision Maps and the highest density for all remaining unmapped areas proposed for residential uses would put LANDOWNER's parkland dedication requirement at 73.06 acres. Pursuant to Section 16.64.030, the Parties hereby agree that the total parkland dedication for the Delta Shores PUD shall be 61.28± acres, based upon an assumed maximum housing unit count within the Delta Shores PUD Schematic Land Use Plan of 5,222 units, where 2,012 are single-family detached units and 3,210 are attached units. The total parkland dedication requirement may be amended based upon the actual number of units constructed pursuant to the following formula. This parkland dedication is determined according to the formula D x F = A, where D = the number of dwelling units, F = a 'factor' that when multiplied by the number of units will produce five acres per thousand population (for single-family detached units the factor is 0.0149, and for attached and multi-family units the factor is 0.0088), and A = the buildable acres to be dedicated. Because parkland dedication requirements are based both on unit type and count, the number of acres of parkland dedicated with the Tentative Master Parcel Subdivision Map establishes a limit on the number and type of units that may be approved without additional parkland dedication or in-lieu fee obligations under Chapter 16.64 of the Sacramento City Code. In reaching this agreement, it is the intent of the Parties to establish a parkland dedication limit based on how LANDOWNER proposes to develop the site, but to allow CITY to reserve the ability to require more parkland dedication, in the event LANDOWNER exceeds the assumed unit count or type so as to require more than the 61.28± acres using the formula outlined above.

2. **Land Dedication Security.** The Delta Shores PUD includes a Tentative Master Parcel Subdivision Map and subsequent tentative maps entitled Delta Shores East and Delta Shores West Tentative Subdivision Maps, respectively, and will also include future subsequent tentative subdivision maps. The Parties acknowledge that each tentative map subsequent to the Tentative Master Parcel Subdivision Map may or may not be able to completely satisfy its Quimby Act parkland dedication requirements as a stand alone map, but it is the Parties' intent to meet the parkland cumulative dedication requirement for the Project overall. Therefore, if any map subsequent to the Tentative Master Parcel Subdivision Map contains less parkland than is required to meet its Quimby parkland dedication requirement for such map, the parkland dedication for such map together with the accumulated totals for both residential units and parkland for all preceding final maps, shall be compared to the required cumulative parkland dedications for those maps. If the cumulative dedications for all such maps

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are less than the required dedications for those maps, LANDOWNER shall provide the City with a letter of credit or other authorized security in a form approved by the City Attorney, in an amount equal in value to the balance of parkland due, to secure the dedication of parkland for the Final Map. The Letter of Credit shall be released by CITY upon acceptance of the IOD for the balance of the parkland dedication that is due. The dedication of excess parkland does not obligate CITY to reimburse the LANDOWNER for the value of the land dedicated.

3. **Park Funding Requirement**. As required by subsection 9C of the Development Agreement, LANDOWNER shall transfer four million dollars ($4,000,000) to CITY for purposes of future development of a regional park to be located on or adjacent to the Property (the "Regional Park Fee") upon or before issuance of the 3,375th residential building permit at the Property.

F. **Global Climate Change Mitigation Conditions.** LANDOWNER shall implement the voluntary mitigation measures identified as Mitigation Measures 5.10-1(a) through and including 5.10-1(cc) in the Final Environmental Impact Report for the Project.

G. **Agricultural Impact Mitigation Condition:** LANDOWNER shall undertake preservation of farmland at a 1:1 mitigation ratio by preserving an equal amount of farmland in Sacramento County at a site approved by the City comprised of Prime Farmland and Farmland of Statewide Importance, prior to the issuance of any grading permit, in order to reduce any impacts arising from the conversion of the current agricultural uses at the project site to urban development. Where mitigation provided pursuant to Mitigation Measure 5.4-3 for the loss of Swainson's hawk foraging habitat also meets the requirements for farmland mitigation, it shall be applied in satisfaction of the foregoing requirement.

III. CONDITIONS OF DEVELOPMENT; SPECIAL FINDINGS REQUIRED

A. In addition to other findings and conditions as may be deemed applicable, no special permit, subdivision map or other land use entitlement for the Property shall be approved unless the approving body either: (1) makes the following findings; or (2) expressly waives such findings, in whole or in part, as not applicable to the Property and stating the reasons therefor with such waiver and the reasons therefor appear in the record or document of approval. These findings are:

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1. The approval of the proposed project is consistent with the policies, goals, standards and objectives of the General Plan, the Community Plan, the PUD Guidelines and other relevant factors and circumstances, including but not limited to:

    a. The adequacy of the required interim and permanent Infrastructure needed to support the project planned for the Property;

    b. The extent of participation required of LANDOWNER under the Finance Plan has been determined;

    c. The extent to which LANDOWNER has complied with provisions of this Agreement.

2. The Delta Shores Finance Plan has been adopted by the City Council.

3. All transfers of land applicable to the specific parcel in question, owned by or under the control of LANDOWNER, have been transferred to CITY or to the appropriate public agency. For this purpose, a transfer will be deemed to occur upon delivery to CITY of an Irrevocable Offer of Dedication in form and manner approved by the Department of Transportation and the City Attorney. These dedications include, but are not limited to streets, utilities, drainage facilities and public transit.

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4. LANDOWNER has entered into all agreements required pursuant to sections II.A through II.F, inclusive, above.

5. Appropriate environmental review of the proposed project has been completed, and any suggested mitigation measures resulting therefrom have been included in the approval of the project to the extent feasible.

B. In the event that any of the special findings required herein cannot be made and are not waived, approval may nevertheless be given to the proposed project if all of the following conditions can be satisfied with respect to each such special finding not made:

1. Practicable and feasible alternative requirements or mitigation measures can be imposed upon the project, the implementation of which would allow such special finding to be made;

2. The applicant has agreed to be bound (through written agreement satisfactory to the City Attorney) by and to implement such alternative requirements or mitigation measures, and has posted such security for compliance therewith as may be required by the City Manager; and

3. It is in the public interest and consistent with the policies, goals, standards and objectives of the General Plan for the project to be approved with such requirements and mitigation measures.

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EXHIBIT C-1

INCLUSIONARY HOUSING PLAN

THE INCLUSIONARY HOUSING PLAN FOR THE PROJECT DATED AS OF _____ AND APPROVED BY THE CITY COUNCIL ON _____ BY RESOLUTION NO. _____ IS ATTACHED AS EXHIBIT C-1 AND INCORPORATED IN THIS AGREEMENT BY THIS REFERENCE.

NOTE: ANY CHANGES TO THE TERMS AND CONDITIONS OF THE INCLUSIONARY HOUSING PLAN REQUIRES AN AMENDMENT TO THIS AGREEMENT TO BECOME EFFECTIVE, UNLESS OTHERWISE SPECIFIED IN THE AGREEMENT.

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EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (herein "this Assignment") is entered into this ____ day of _____, 20___, by and between _____ (herein "LANDOWNER") and _____ (herein "ASSIGNEE"), and the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"). The LANDOWNER, ASSIGNEE and CITY hereinafter may be referred to collectively as the "Parties" or in the singular as a "Party," as the context requires.

RECITALS

A. LANDOWNER has entered into a Development Agreement (herein "the Development Agreement") dated _____, with the City of Sacramento, pursuant to which LANDOWNER agreed to develop certain property more particularly described in the Development Agreement (herein "the Property") for the project referred to as _____ (herein the "Project") subject to LANDOWNER's compliance with certain conditions and obligations set forth in the Development Agreement.

B. LANDOWNER intends to transfer a portion of the Property to ASSIGNEE (herein the "Assigned Parcels") under the terms of a written agreement between LANDOWNER and ASSIGNEE dated _____ (the "Transfer Agreement").

C. LANDOWNER has agreed to assign to ASSIGNEE, and ASSIGNEE has agreed to assume from LANDOWNER, all of the rights and obligations under the Development Agreement as they relate to the Assigned Parcel(s). The CITY has consented to the foregoing assignments and assumptions on the terms and conditions set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Effective Date; Termination.** This Assignment shall be effective as of the "Closing Date", as defined in the Transfer Agreement (the "Effective Date"). In the event the Transfer Agreement terminates prior to the closing thereunder, this Assignment shall automatically terminate and the Parties shall have no further obligations hereunder.

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2. **Assignment and Assumption.** As of the Effective Date, LANDOWNER hereby assigns and transfers to ASSIGNEE any and all of LANDOWNER's rights under the Development Agreement as they relate to the Assigned Parcel(s), and ASSIGNEE hereby accepts and assumes all of the duties and obligations of LANDOWNER under the Development Agreement as they relate to the Assigned Parcel(s). ASSIGNEE hereby agrees to observe and fully perform all of the duties and obligations of LANDOWNER under the Development Agreement, and to be subject to all of the terms and conditions thereof, with respect to the Assigned Parcel(s).

3. **Assumption Terms and Conditions.** LANDOWNER and ASSIGNEE understand and agree that this Assignment is subject to section 4 of the Development Agreement, which reads as follows:

"**4. Assignment.**

4.1 **Right to Assign.** LANDOWNER shall have the right to freely sell, alienate, transfer, assign, lease, license and otherwise convey all of any portion of the Property and improvements thereon, and as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided that no partial transfer shall be permitted to cause a violation of the Subdivision Map Act (Government Code Section 66410 et seq.). LANDOWNER shall notify CITY of any sale, transfer or assignment of all of LANDOWNER's interests in all or any portion of the Property by providing written notice thereof to CITY in the manner provided for notices hereunder not later than thirty (30) days before the effective date of such sale, transfer or assignment; provided, however, that LANDOWNER's failure to provide such notice shall not invalidate such sale, transfer or assignment and provided further that any successor in interest in ownership of all or a portion of the Property shall not benefit from the Vested Rights conferred herein without entering into an Assignment and Assumption Agreement with CITY.

4.2 **Release of LANDOWNER.** Such purchaser, assignee or transferee shall execute and deliver to CITY an Assignment and Assumption Agreement whereby such purchaser, assignee or transferee assumes all obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. Upon such execution and delivery, CITY shall release LANDOWNER from all duties, liabilities and obligations under the Development Agreement with respect to the interest(s) sold, assigned or transferred only if LANDOWNER is not in default under this Agreement as of the effective date of the Assignment.

4.3 **Assignees.** The Assignee shall be obligated and bound by the terms and conditions of this Agreement if it executes the Assignment and Assumption Agreement, and shall be the beneficiary hereof and a party hereto, only with respect to the Property, or such portion thereof, sold, assigned or transferred to Assignee by LANDOWNER. The Assignee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred. CITY shall release Assignee from all duties, liabilities and obligations under the Development Agreement of LANDOWNER with respect to the interest(s) that are not sold, assigned or transferred to Assignee. Any such assumption agreement shall be deemed to be to the satisfaction of the City Attorney if executed substantially in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment."

4. **Assignee Development Agreement.** At the request of the City, ASSIGNEE agrees to enter into a separate development agreement with respect to the Assigned Parcel(s) in accordance with the same terms and conditions as set out in the Development Agreement, subject only to those changes in the Development Agreement that are mutually agreed to by both CITY and ASSIGNEE, and subject to processing of the approval of that development agreement in accordance with CITY's Procedural Ordinance.

5. **No Cross-Default.** The Parties acknowledge and agree that the respective obligations of LANDOWNER and ASSIGNEE under the Development Agreement shall be separate and independent from one another, such that a default by LANDOWNER of any of the LANDOWNER's duties and obligations will not constitute a default under the Development Agreement by ASSIGNEE, and a default by ASSIGNEE of any of the ASSIGNEE's duties and obligations will not constitute a default under the Development Agreement by LANDOWNER, and the CITY's rights and remedies under the Development Agreement shall apply only to the Party, and the Property or Assigned Parcel(s), that is the subject of the default. Any duties and obligations under the Development Agreement that apply to both the Assigned Parcel(s) and the remaining Property must be complied with by both LANDOWNER and ASSIGNEE, as applicable.

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ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

6. **Successors and Assigns.** All of the covenants, terms and conditions set forth in this Assignment shall be binding upon and shall inure to the benefit of the Parties and to their respective heirs, successors and assigns.

7. **Legal Advice.** ASSIGNEE agrees that it has read, and has sought and received all required legal and other expert consultation with regard to the duties and obligations set out in the Development Agreement to which ASSIGNEE is hereby bound, and fully understands all of its terms and conditions. ASSIGNEE further agrees that: (i) LANDOWNER has furnished ASSIGNEE with a copy of all documents and materials containing or relating to terms and conditions of development of the Assigned Parcel(s); (ii) ASSIGNEE has read and understands all of the terms and conditions of said documents and materials; and (iii) with such knowledge and understanding, which includes the nature and extent of the fees, taxes, assessments and other public financing mechanisms and obligations inherent in such documents and materials, nevertheless has voluntarily, freely and knowingly assumed and agreed to perform all of such obligations and requirements, and be bound by all of the provisions of such documents and materials, in addition to the express terms and conditions of the Development Agreement.

8. **Representations; Entire Agreement.** ASSIGNEE hereby affirms and acknowledges that CITY has not made any representations, commitments or promises to ASSIGNEE that are contrary to or different from the express terms and conditions of the Development Agreement, unless such terms and conditions have been set forth in writing and approved by ASSIGNEE and the City Council prior to the execution of this Assignment. This Assignment contains the entire agreement of the Parties, no other understanding whether verbal, written or otherwise exists between the Parties, and no prior verbal or written communications regarding this Assignment shall be binding on any Party.

9. **Further Assurances.** The Parties agree to execute all such additional instruments and documents and to take all such additional actions, as may be reasonable and necessary to carry out the provisions of this Assignment.

10. **Notices.** All notices required or provided for under this Assignment shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the other Parties and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other Party(ies) as indicated below:

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

Notice to CITY:

Notice to the LANDOWNER:

Notice to the ASSIGNEE:

Notice to Lender:

Any Party may change the address to which notices are to be mailed by giving written notice of such changed address to each other Party(ies) in the manner provided herein.

11. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the State of California.

12. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original (including copies sent to a Party by facsimile transmission) as against the Party signing such counterpart, but which together shall constitute one and the same instrument.

13. **Release of LANDOWNER.** Upon execution and delivery of this Assignment by CITY, CITY hereby releases LANDOWNER from all duties, liabilities and obligations pursuant to the Development Agreement.

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

ASSIGNEE
By: _____

LANDOWNER
By: _____

CITY:
By: _____

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

EXHIBIT E

Protest Waiver Provisions Agreed to by LANDOWNER

LANDOWNER understands and agrees that financing of the Infrastructure and programs required under the Delta Shores Finance Plan (hereafter "Finance Plan") will be accomplished through a variety of financing mechanisms, including but not limited to a combination of special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts) and developer fees, all of which mechanisms are designed to spread the cost of those items in accordance with benefit and other methodologies. LANDOWNER further understands and agrees that an important component of this Agreement is LANDOWNER's advance consent to the formation of, or implementation of any such district or imposition of any such fee, and LANDOWNER's agreement not to protest or contest such formation, implementation or fee imposition.

Accordingly, LANDOWNER agrees for itself, its constituents, successors and assigns that it fully, finally and forever waives and relinquishes any right it may have to protest or contest the formation or implementation of any special assessment or tax district or any similar form of financing mechanism, or any combination thereof, together with any rights it may have to contest the imposition of any developer fee established or imposed to implement the Finance Plan. Nothing in this Agreement, however, shall prevent LANDOWNER from presenting CITY any information or opinions regarding any financing mechanism CITY may from time to time consider establishing or imposing, which information or opinions relate to the dollar amount of any fees, assessments, taxes or other charges imposed by CITY pursuant to the Finance Plan, or which information or opinions relate to the question of consistency of the financing mechanism with the Finance Plan. If a financing mechanism is proposed for adoption by CITY, which mechanism both: (i) directly and significantly conflicts with the language and the intent of the Finance Plan, as amended; and (ii) directly and significantly conflicts with the Nexus Study adopted by the City Council in connection with establishment of development fees for the Finance Plan Area, LANDOWNER shall have the right to protest only the actual amount of the directly and significantly conflicting proposed fee, charge, special tax, or assessment proposed to be levied, charged, assessed or taxed against the Property by virtue of the proposed financing mechanism. Provided, however, that LANDOWNER's said right to protest, together with any right to object, shall be waived unless LANDOWNER's protest or objection is made at or before the time of the public hearing wherein the proposed financing mechanism, together with the fee, charge, special tax or assessment is established by the City Council. LANDOWNER's right to judicially challenge any such mechanism, and the fees, charges, assessments or special taxes imposed or to be imposed in connection therewith, shall be limited to review of the decision of the City Council establishing the said mechanism and the said fees, charges, assessments or special taxes; LANDOWNER shall not have the right, in connection with any land use entitlement

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

proceeding with respect to the Property, to judicially challenge the financing mechanism or the fees, charges, assessments or special taxes (but not the dollar amount thereof) as applied to the Property, and waives any statutory or common law right to pay such fees, charges, assessment or special taxes under protest. For purposes of this Agreement, "fees, charges, assessments or special taxes" shall include any monetary exaction or payment required to be paid by LANDOWNER by virtue of or relating to development of the Property.

Without limiting the generality of the foregoing, LANDOWNER for itself, its constituents, successors and assignees specifically, as to the Property, agrees to the following:

(1) Waives, and hereby grants advance consent to the formation and implementation of any and all special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts), fee districts or other financing mechanisms of a similar nature recommended or established by CITY for the purpose of financing Infrastructure. Without limiting the generality of the foregoing, LANDOWNER specifically waives:

(i) the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (division 4 of the Streets and Highways Code, beginning at section 2800), together with associated provisions of the California Constitution;

(ii) the provisions of any other statute designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism; and

(iii) the provisions of any procedure embodied in the Sacramento City Code designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism.

(2) Waives, and hereby grants advance consent to the formation and implementation of any and all special fees, exactions, development fees, assessments, taxes or other charges established by CITY for the purpose of financing Infrastructure. Without limiting the generality of the foregoing, LANDOWNER specifically waives:

(i) to the extent applicable, those statutory and constitutional provisions specified in paragraph (1) above; and

(ii) the provisions of Government Code section 66000 et seq. or any other provision of law providing a procedure for contest or protest of establishment or imposition of special fees, exactions, development fees, assessments, taxes or other charges of a similar nature.

(3) Agrees to:

(i) affirmatively petition CITY, where applicable, for the formation of all special districts and other financing mechanisms that have been or will be in the future selected or recommended by CITY in order to implement the Finance Plan;

(ii) execute an irrevocable proxy or proxies when necessary (such as in the formation of, or imposition of taxes relative to, a Mello-Roos Community Facilities District) authorizing a representative designated by CITY, who will vote in favor of establishing the specific financing mechanism in question; and

(iii) execute immediately upon presentation any document which is required or convenient for the formation of the district or facilitation of the particular financing mechanism.

LANDOWNER agrees and specifically represents to CITY that it is fully aware of all of its legal rights relative to the waivers, advance consents and other agreements set forth herein, having been fully advised by its own independent attorneys. Having such knowledge and understanding of its rights, LANDOWNER has nevertheless voluntarily entered into this Agreement, of which this Exhibit is a material part. LANDOWNER is aware that CITY is relying on the representations contained in this Exhibit in entering into this Agreement.

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

EXHIBIT F

IRREVOCABLE OFFER OF DEDICATION FORM

SEE ATTACHED

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

Recording Requested by and Benefiting
the City of Sacramento, a Government Entity –
No Fee Required per Government Code 6103

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City Clerk
City of Sacramento
915 I Street
Sacramento, CA 95814

IRREVOCABLE OFFER TO DEDICATE

_____, a _____, ("GRANTOR") hereby offers to dedicate in (fee or easement) to the CITY OF SACRAMENTO, a municipal corporation ("CITY"), that certain real property ("Property") in the City of Sacramento, County of Sacramento, State of California, described as follows:

See Exhibit "A", legal description, and Exhibit "B", exhibit map, attached hereto and made a part hereof.

GRANTOR, for itself, its successors and assigns hereby waives any claims for any and all damages which: (i) will accrue to the remaining property of the undersigned by reason of its severance from that portion the Property subject to this offer to dedicate, (ii) taking compensation, if any, or (iii) damages on account of the location, establishment, construction or operation of the public facilities to be located on the Property. The foregoing waivers shall include any and all rights or claims that GRANTOR may have under Article 1, Section 19 of the California Constitution, the Eminent Domain Law, or any other law or regulation. GRANTOR acknowledges for itself, its successors and assigns that it has been advised to seek the advice of counsel on the issue of waiver of severance and other damages, and has either done so or has chosen not to do so despite being given such advice.

GRANTOR acknowledges and agrees as follows:

1. This offer is given pursuant to Government Code Section 7050, and shall be recorded in the office of the County Recorder, County of Sacramento.

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2. This offer may be accepted at any time by the City Council of CITY. This offer may be terminated only in the manner specified in the Streets and Highways Code, commencing at Section 8300, for summary vacation of streets or highways.

3. CITY assumes no responsibility or liability whatsoever with respect to the Property or occurrences thereon, as a consequence of the offer set forth herein.

4. GRANTOR shall not create, nor permit to be created, any lien, encumbrance or other title impediment of any sort or nature on or affecting the Property.

5. At the time CITY accepts this offer, GRANTOR shall insure that the Property is free and clear of all rights, restrictions, easements, impediments, encumbrances, liens, assessments or other security interests of any kind, except (a) easements or rights-of-way for public utilities, if any, and (b) items which CITY has expressly consented in writing, if any.

6. In the event that there are improvements upon the Property placed thereon either before or after this offer is recorded, GRANTOR shall have full legal responsibility, without cost to CITY, to remove such improvements, if this offer is accepted by CITY.

7. GRANTOR agrees and covenants to indemnify and defend CITY and its officers, employees and agents, harmless from and against any and all liabilities, penalties, losses, damages, costs, expenses (including reasonable attorneys' fees, whether for outside or staff counsel), causes of action, claims, or judgments that arise by reason of any death, bodily injury, personal injury, property damage, or violation of any law or regulation resulting from any acts or omissions related to the presence, use, storage, treatment, transportation, release, or disposal of Hazardous Substances on or about any portion of the Property. GRANTOR further agrees and understands that CITY does not, and shall not be deemed to, waive any rights against GRANTOR which it may have by reason of the aforesaid indemnity and hold harmless agreement because of any insurance coverage available to CITY.

   CITY agrees and covenants that this dedication is expressly being made and accepted upon the condition that CITY will fully indemnify, defend and hold harmless GRANTOR and its officers, employees and agents from and against any and all liabilities, penalties, losses, damages, costs, expenses (including reasonable attorneys' fees, whether for outside or staff counsel), causes of action, claims, or judgments that arise by reason of any death, bodily injury, personal injury, property damage, or violation of any law or regulation resulting from any acts or omissions related to the presence, use, storage, treatment, transportation, release, or disposal of Hazardous Substances on or about any portion of the Property by any person or entity acting on CITY's behalf or under CITY's

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CITY AGREEMENT NO._____ DATE ADOPTED:_____

control (excluding persons or entities acting on GRANTOR's behalf or under GRANTOR's control) occurring on or at any time after the date the Property is conveyed to CITY.

As used in this offer, the term "Hazardous Substances" means any substance, material, waste or other pollutant or contaminant that is or becomes designated, classified and/or regulated as hazardous or toxic under any federal, state or local law, statute, ordinance, regulation, rule, order, decree, or other governmental requirement now in effect or later enacted. Any liability associated with the presence of any Hazardous Substances on or adjacent to any portion of the Property shall be governed by the foregoing provisions regardless of whether any inspection, examination, sampling, testing, assessment or other investigation is conducted by CITY prior to acceptance of the offer.

The provisions of this Section 7 shall survive the acceptance of the Property by CITY hereunder.

8. This offer is made by GRANTOR for itself, its heirs, successors and assigns, and shall be fully binding on such heirs, successors and assigns.

GRANTOR represents and warrants that the GRANTOR owns the entire fee interest in the Property and therefore has the legal right to execute this offer. The individual executing this offer on behalf of GRANTOR represents and warrants that he or she has been authorized to do so by GRANTOR and that GRANTOR shall thereby be obligated to perform the terms of this offer.

IN WITNESS WHEREOF, GRANTOR has executed this offer on the date set forth below.

GRANTOR(s):

_____

By: _____

Title:

Print Name:

Date: _____

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

EXHIBIT G

MAP AND CATEGORICAL LISTING OF LAND AND INFRASTRUCTURE

SEE ATTACHED

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

LIST OF LAND AND INFRASTRUCTURE

Streets (from tentative map conditions):

Street Name	**Boundary From**	**Boundary To**	**No. of Lanes**	**R/W Width (Feet)**
Cosumnes River Blvd *	Freeport Boulevard	INTERSTATE 5 South Bound Ramps	4 -lane	99'
Cosumnes River Blvd. *	INTERSTATE 5 North Bound Ramps	24th Street	6-lane	121'
Cosumnes River Blvd. *	24th Street	Franklin Boulevard	4-lane	99'

* Denotes entire right of way, although only a portion is to be dedicated and a portion is to be acquired per Caltrans Right of Way Manual for a regional transportation improvement. Landowner's obligation to dedicate a portion of the Cosumnes River Blvd right-of-way located within the Delta Shores Project is to be set out in a separate cost sharing agreement. Landowner has no obligation to dedicate any right-of-way not situated within lands owned by the Landowner, (i.e., portions of the Cosumnes River Blvd. right-of-way located on the Stone-Boswell properties).

Delta Shores Circle (South)	Cosumnes River Blvd.	Street D (South)	4-Lane	103' Includes 10' widened sidewalk on one side
Delta Shores Circle (South)	Street D (South)	Street E	4-Lane + Parking on one side	110' Includes 10' widened sidewalk on one side
Delta Shores Circle (South)	Street E	Cosumnes River Blvd.	4-Lane	110' 99'+ (7' Parking one side)+ 10' widened sidewalk on one side
Delta Shores Circle (North)	Cosumnes River Blvd.	Street C	4-Lane	99' (No parking)
Delta Shores Circle (North)	Street C	Street A	2-Lane Major collector with parking	83'

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CITY AGREEMENT NO._____ DATE ADOPTED:_____

Street Name	Boundary From	Boundary To	No. of Lanes	R/W Width (Feet)
Delta Shores Circle (North)	Street A	24th Street	2-Lane Major collector	115' 83'+32' (widened median for Towers)
Street D (North&South)	Delta Shores Circle (South)	Delta Shores Circle (south)	2-Lane Minor Collector With parking	71'
Street E	Street D	Delta Shores Circle (South)	2-Lane Major Collector with parking	83'
Street C	Delta Shores Circle (North)	West Boundary	Major Collector, parking one side only	76'
Street C	Delta Shores Circle (North)	24th Street	Minor Collector W/Parking	71'
Street A	Cosumnes River Blvd.	Delta Shores Circle (North)	Minor Collector W/Parking	71'
Street F	Cosumnes River Blvd.	Delta Shores Circle (south)	Minor Collector W/Parking	71'
Street G	Cosumnes River Blvd.	Street E	Major Collector, parking one side only	76'
Street B	Cosumnes River Blvd.	Street C	Minor Collector W/Parking	71'
24th Street**	Cosumnes River Blvd.	Delta Shores Circle (North)	4-Lane No Parking	99'

** Landowner's obligation is only to dedicate that portion of the right-of-way located within the Delta Shores Project. Landowner has no obligation to dedicate any right-of-way not situated within lands owned by the Landowner.

Other dedication requirements are set out in the tentative map conditions and the PUD Guidelines and Schematic Plan.

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

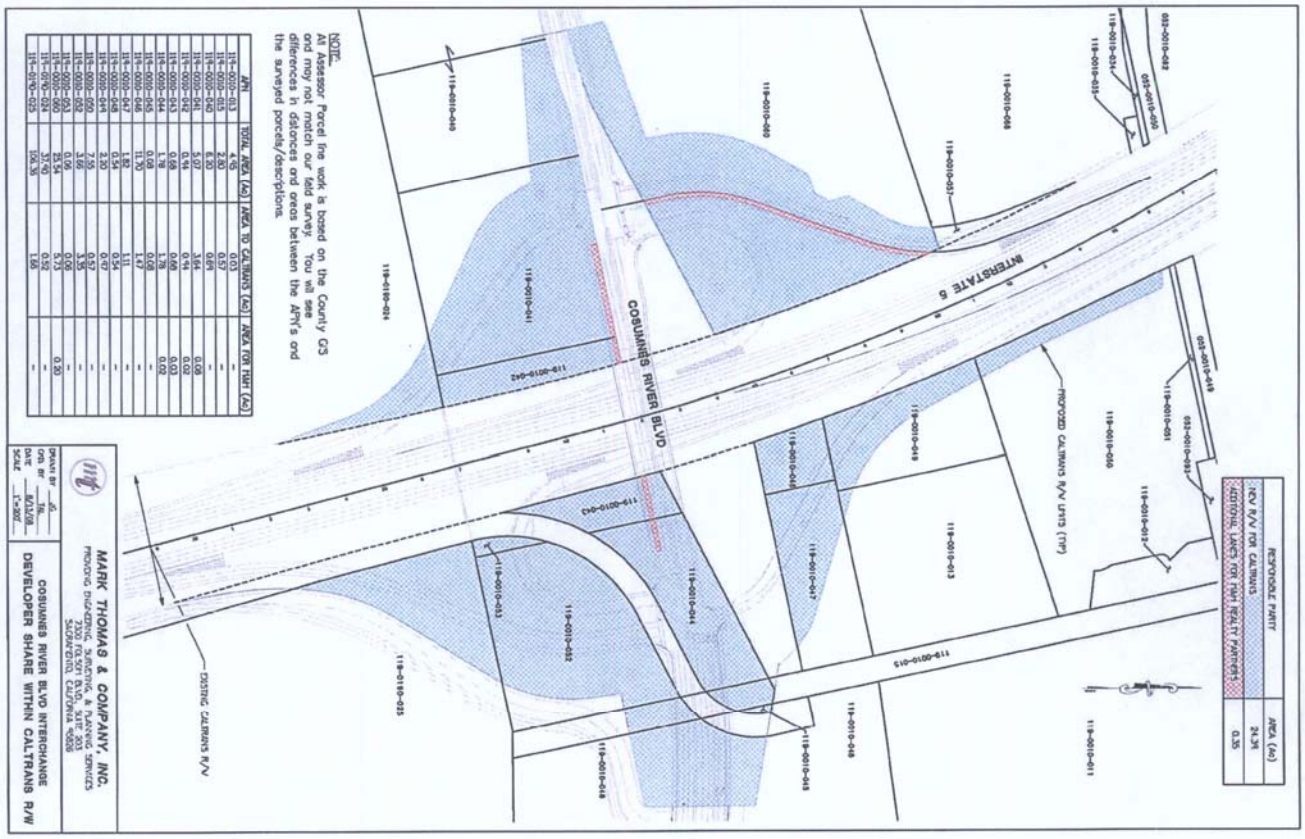
Map of I-5 Interchange and Cosumnes Blvd Dedication Lands

See attached

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

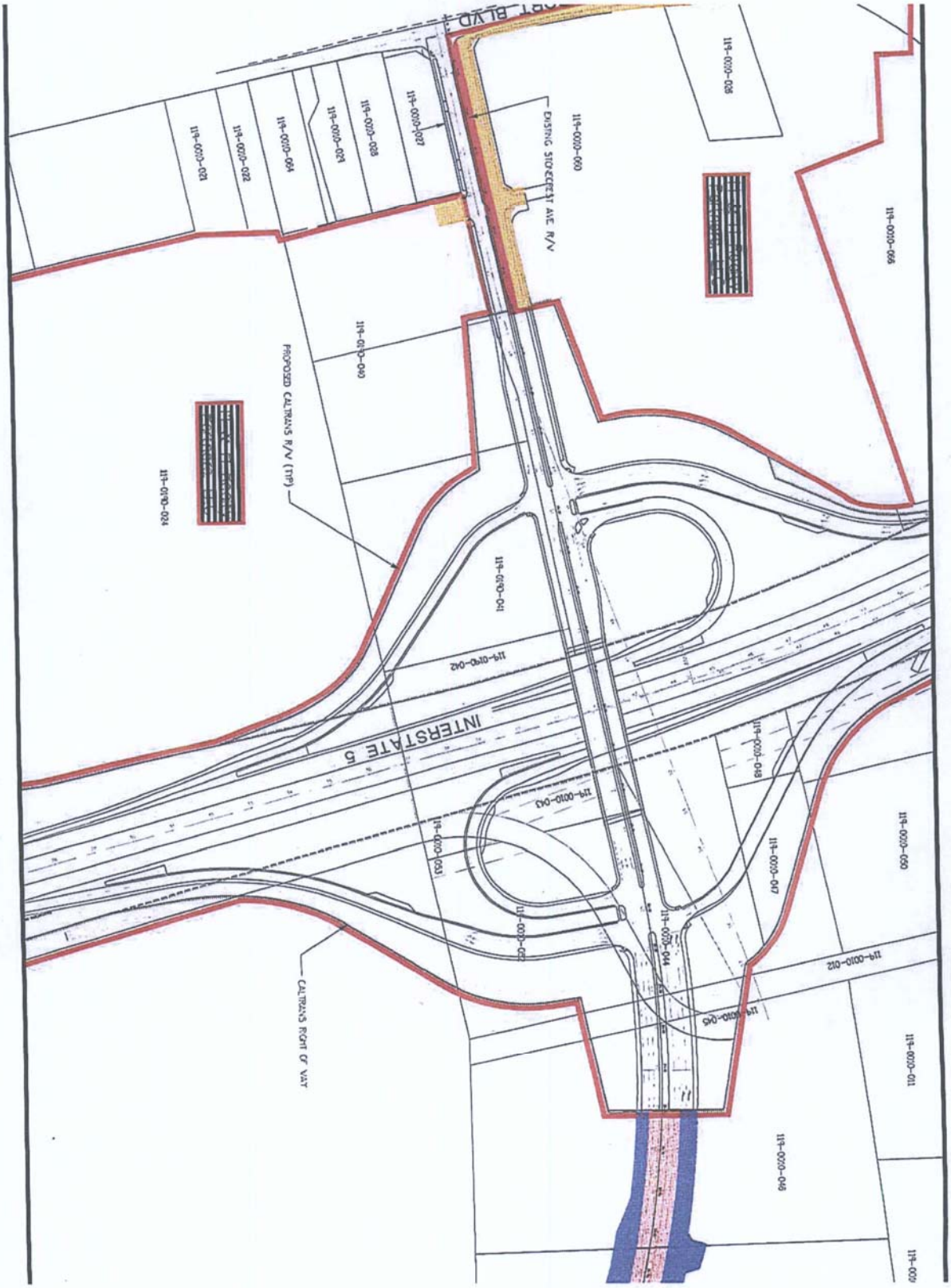
CITY AGREEMENT NO._____ DATE ADOPTED:_____



FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____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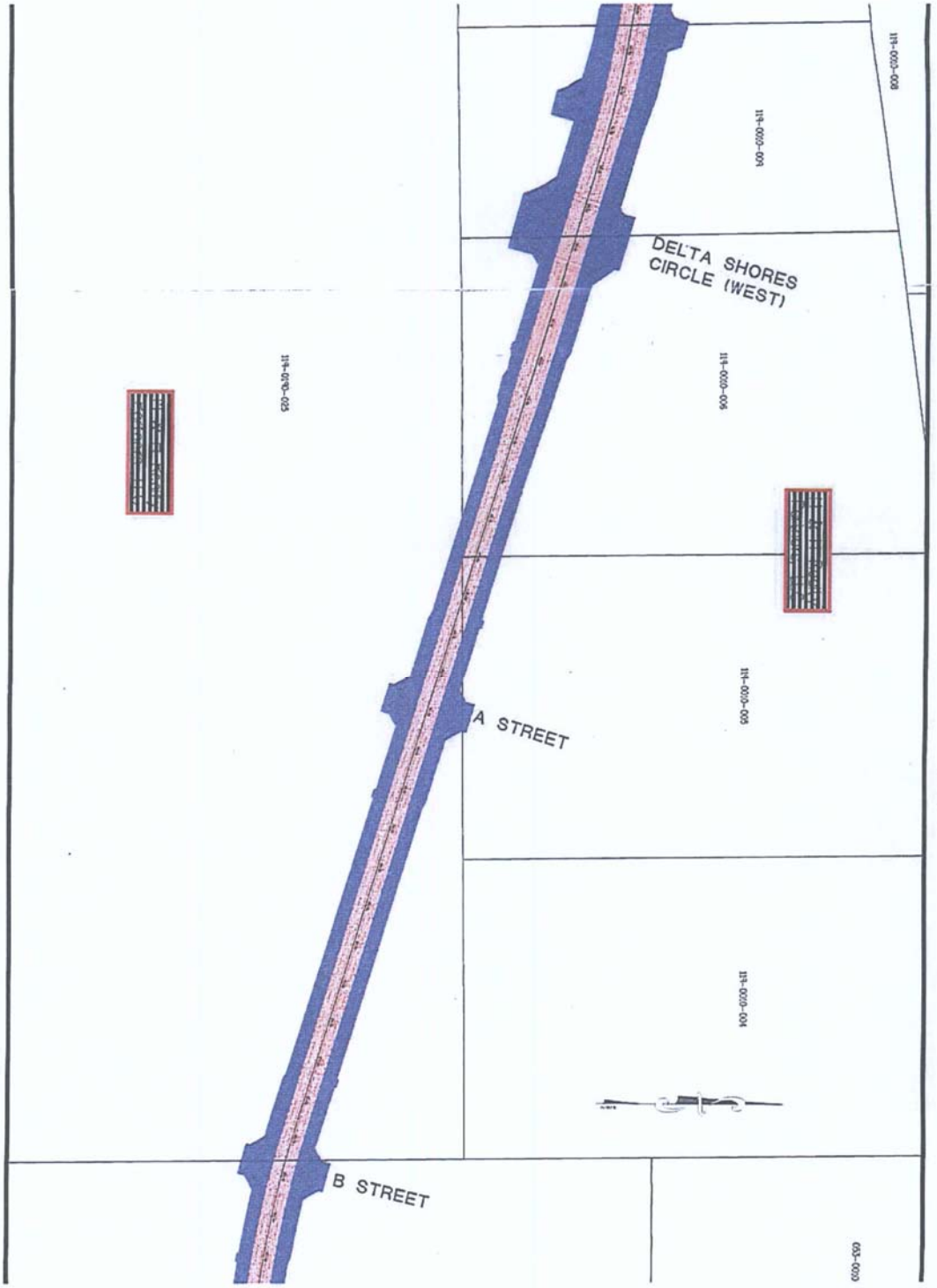

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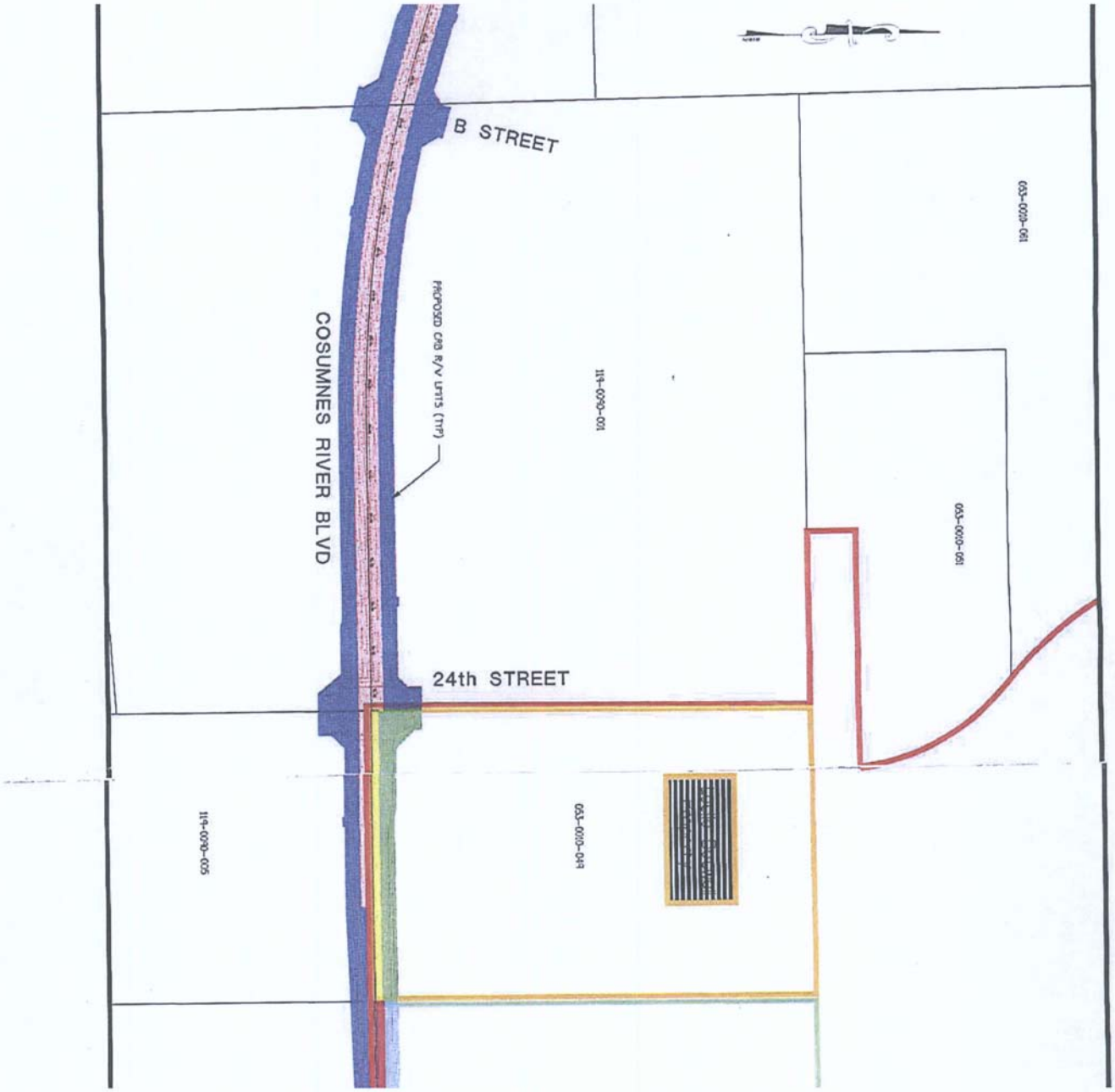
CITY AGREEMENT NO._____ DATE ADOPTED:_____



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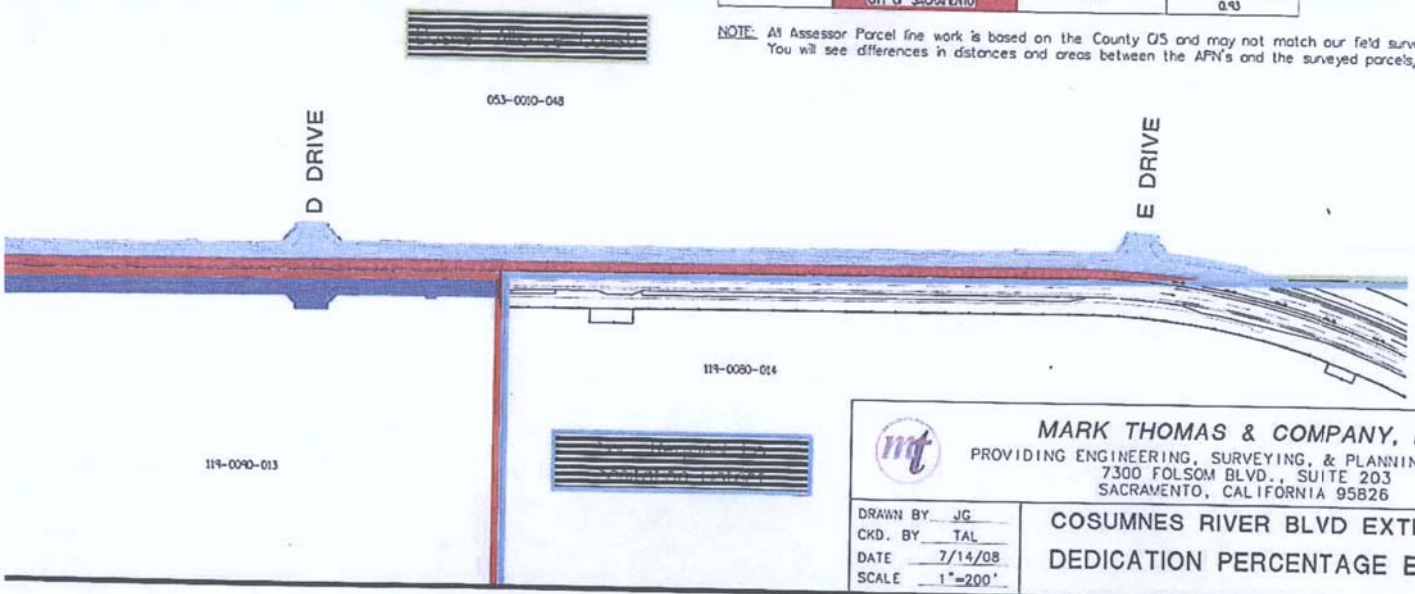
CITY AGREEMENT NO._____ DATE ADOPTED:_____

LEGEND

- M & H REALTY PARTNERS, LLC PROPERTY BOUNDARY
- SAC. REGIONAL CO. SANITATION DISTRICT PROPERTY BOUNDARY
- BOSWELL ALLIANCE CONSTRUCTION PROPERTY BOUNDARY
- LESLIE BOSWELL PROPERTY BOUNDARY

APN	RESPONSIBLE PARTY	TOTAL PARCEL AREA ± (Ac)	AREA REQUIRED ± (Ac)
119-0010-026	M&H REALTY PARTNERS LLC	1.58	0.12
	CITY OF SACRAMENTO		0.00
119-0010-060	M&H REALTY PARTNERS LLC	25.54	1.11
	CITY OF SACRAMENTO		0.19
119-0190-040	M&H REALTY PARTNERS LLC	6.20	0.09
	CITY OF SACRAMENTO		0.00
119-0010-046	M&H REALTY PARTNERS LLC	11.70	0.59
	CITY OF SACRAMENTO		0.61
119-0010-009	M&H REALTY PARTNERS LLC	12.23	1.66
	CITY OF SACRAMENTO		0.89
119-0010-006	M&H REALTY PARTNERS LLC	20.00	1.38
	CITY OF SACRAMENTO		1.24
119-0010-005	M&H REALTY PARTNERS LLC	20.00	0.21
	CITY OF SACRAMENTO		0.15
119-0190-025	M&H REALTY PARTNERS LLC	106.36	2.40
	CITY OF SACRAMENTO		1.93
119-0090-001	M&H REALTY PARTNERS LLC	52.00	2.35
	CITY OF SACRAMENTO		1.84
119-0090-013	M&H REALTY PARTNERS LLC	17.95	0.77
	CITY OF SACRAMENTO		0.41
119-0090-005	M&H REALTY PARTNERS LLC	10.00	0.60
	CITY OF SACRAMENTO		0.39
053-0010-049	LESLIE BOSWELL TRUSTEE	15.00	0.58
	CITY OF SACRAMENTO		0.27
053-0010-048	BOSWELL ALLIANCE CONSTRUCTION CO	72.65	1.98
	CITY OF SACRAMENTO		0.93

NOTE: All Assessor Parcel line work is based on the County GIS and may not match our field survey. You will see differences in distances and areas between the APN's and the surveyed parcels/descriptions.



MARK THOMAS & COMPANY, INC.
PROVIDING ENGINEERING, SURVEYING, & PLANNING SERVICES
7300 FOLSOM BLVD., SUITE 203
SACRAMENTO, CALIFORNIA 95826

DRAWN BY JG
CKD. BY TAL
DATE 7/14/08
SCALE 1"=200'

COSUMNES RIVER BLVD EXTENSION
DEDICATION PERCENTAGE EXHIBIT

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

DATE ADOPTED:_____

CITY AGREEMENT NO._____

EXHIBIT H

PROCEDURE FOR ADJUSTING THE PUBLIC FACILITIES FEE AND REVISING THE INVENTORY OF REMAINING INFRASTRUCTURE TO BE FINANCED BY THAT FEE

When amending the Delta Shores Finance Plan, the City shall set the amount of the Public Facilities Fee by using the estimated cost of the facilities to be financed, determined in accordance with the following procedure:

1. **Definitions.**

   (a) "Aggregate Costs" means the cost to construct remaining PFF Eligible Facilities.

   (b) "CalTrans Index" means the Quarterly California Highway Construction Cost Index (Price Index for Selected Highway Construction Items) published by the California Department of Transportation, Division Of Engineering Services – Office Engineer .

   (c) "ENR Index" means the Engineering News Record Construction Cost Index for San Francisco.

   (d) "Finance Plan" means the Delta Shores Finance Plan, as amended.

   (e) "Funding Requirement" means the amount of the PFF that must be generated from remaining development so that the City will have adequate funding (A) to construct the PFF Facilities remaining to be completed and (B) to administer the PFF program. It is calculated as follows: *first*, calculate the aggregate cost to complete the remaining PFF Facilities and to pay the administrative component of the PFF as required by the Finance Plan; *second*, from the result, subtract the PFF revenues then available to complete the remaining PFF Facilities; and *third*, add the amount of outstanding PFF credits.

   Funding Requirement = (current year's cost estimate) – (revenue on hand) + (outstanding credits)

   (e) "PFF" means the Public Facilities Fee established by Sacramento City Code for the Delta Shores Finance Plan.

   (f) "PFF Eligible Facility" means a public improvement or segment of a public improvement that is identified in the first Delta Shores Finance Plan.

FOR CITY CLERK USE ONLY

ORDINANCE NO._____

CITY AGREEMENT NO._____ DATE ADOPTED:_____

(g) PFF Funding Obligation" means the maximum funding obligation of the PFF for a given year.

(h) "PFF Share" means the portion of a PFF Eligible Facility's cost that is funded, in whole or part, by the PFF.

2. **Annual PFF Adjustment for PFF Eligible Facilities.**

(a) Each July 1, the City will adjust the PFF in accordance with the difference between (1) the Funding Requirement for the current year; and (2) the funding that would be available, after deducting revenue on hand and adding outstanding PFF credits, if the then-existing PFF were applied to remaining development. In no event will the annual inflationary adjustment to outstanding credits be less than zero (0%).

(b) Example of Annual PFF Adjustment for PFF Eligible Facilities:

As of April 1, 2010	Cost Changes of:		
	3.257%	-6.000%	6.000%
Initial Comparison			
Remaining Costs from April 1, 2009 Estimate	200,000,000	200,000,000	200,000,000
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
	3.257%	-6.000%	6.000%
Funding Requirement Calculation			
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
Less Cash on Hand April 1, 2010	-30,000,000	-30,000,000	-30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Existing Fee Calculation			
Revenue From Remaining Development Using 2009 Fees	200,000,000	200,000,000	200,000,000
Less Cash on Hand April 1, 2010	-30,000,000	-30,000,000	-30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000
Resources Based on 2009 Fees	195,000,000	195,000,000	195,000,000

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Fee Change Effective July 1, 2010

Resources Based on 2009 Fees	195,000,000	195,000,000	195,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Fee Change $	6,514,000	-12,000,000	12,000,000
Fee Change %	3.341%	-6.154%	6.154%

3. **Adjustments to Aggregate Costs: Remaining Freeway Improvements, Roadways, Bridges, Signals, and Bikeways.**

(a) *Adjustment by Index.*

(1) Subject to Subsection 3(b) below, for all PFF Eligible Facilities except the police substation and the fire station, the cost adjustment to remaining PFF Eligible Facilities is the greater of the following (but in no event less than zero percent):

(A) the ENR Index; or

(B) the CalTrans Index 3-year moving average.

(2) Index measurement.

(A) ENR Index: Year-over-year change as of each March.

(B) CalTrans Index: 12-quarter average through quarter 1 of the current year over 12-quarter average through quarter 1 of the prior year.

(3) Precision. All calculations will be carried out to three decimal places.

(b) *Adjustment by Benchmarking.*

(1) Before April 1 of each calendar year, a third-party professional engineering consultant who is under contract to the City will estimate the cost to construct all PFF Eligible Facilities subject to this subsection 3(b). The cost estimate will anticipate cost changes to the next July 1. The cost estimate plus an estimated contingency (not to exceed an amount equal to 26% of the cost estimate) is the "Benchmark Estimate" of Aggregate Costs for the year.

(2) If the percentage change between the Aggregate Costs for the then-current year and the Aggregate Costs for the same set of PFF Eligible Facilities for the immediately preceding year differ by an amount equal to, or more than, plus or minus 5% in aggregate from the percentage change determined by index in accordance with Subsection 3(a) above, then the City will use the then-current

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year's Benchmark Estimate of Aggregate Costs to determine the Funding Requirement.

(c) **Comprehensive Review and Nexus Study.** The City will perform a comprehensive review and nexus study for the PFF at least every three years unless the City determines that prevailing market conditions do not justify doing so (e.g., if development is lacking or the remaining development is limited).

(d) **Sample cost adjustments for freeway improvements, roadways, bridges, signals, and bikeways:**

Sample #1

Benchmarking *increase* of 4%
ENR Index *increase* of 2%
CalTrans Index *increase* of 3.1%
Change in Aggregate Costs: plus 3.1%

Sample #2

Benchmarking *increase* of 4%
ENR Index *increase* of 1%
CalTrans Index *decrease* of 1%
Change in Aggregate Costs: plus 1%

Sample #3

Benchmarking *decrease* of 4%
ENR Index *decrease* of 0.5%
CalTrans Index *decrease* of 1%
Change in Aggregate Costs: 0%

Sample #4

Benchmarking *decrease* of 5%
ENR *increase* of 0.5%
Cal Trans Index *decrease* of 1%
Change in Aggregate Costs: minus 5%

Sample #5

Benchmarking *increase* of 6%
ENR Index *increase* of 3.5%
CalTrans Index *decrease* of 1%
Change in Aggregate Costs: plus 6%

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4. Adjustments to Aggregate Costs: Police Substation and Fire Station.

For the police substation and fire station, the portion of the cost for each that is funded by the PFF will not exceed that established in the first Delta Shores Finance Plan, except as follows: the City will adjust the cost of the police substation and fire station by using the change in the ENR Index from March to March, effective each July 1.

5. PFF Funding Obligation; Change in list of Facilities being funded with PFF.

(a) The Finance Plan shows not just the estimated cost of each PFF Eligible Facility but also the PFF Share for the PFF Eligible Facility. Each year, after adjusting costs in accordance with sections 1 through 4 above, the City shall determine the aggregate PFF share for all PFF Eligible Facilities, and that aggregate amount will be the PFF Funding Obligation for that year.

(b) Each year, the City may revise the PFF Share for each PFF Eligible Facility and shall give Landowner 30-days' prior written notice of any revision that will result in a Removed PFF Facility (defined below), as follows:

(1) If a PFF Eligible Facility is removed from the Delta Shores Finance Plan because it will no longer be funded by the PFF (a "Removed PFF Facility"), then the City may allocate the Removed PFF Facility's PFF Share (determined in accordance with subsection 3(b)(1) above) to another PFF Eligible Facility on the list. Public improvements not identified in the Delta Shores Finance Plan may not be funded with the PFF.

(2) The City may not require, as a condition for approving the Landowner's request for land-use entitlements on all or part of the Property, that the Landowner or any other signatory to a Delta Shores Development Agreement construct all or part of a Removed PFF Facility. This limitation does not apply if the Landowner requests and receives a change in the then-existing zoning on all or part of the Property and the City determines that the change creates a need for construction of a Removed PFF Facility.

(3) If the City has previously required the Landowner to build a PFF Eligible Facility as a condition of approval for a land-use entitlement granted to the Landowner, then the City may not subsequently remove the PFF Eligible Facility from the list of remaining PFF Eligible Facilities and thereby deny the Landowner the opportunity to obtain reimbursement from the PFF program.

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6. Scope of PFF Eligible Facilities.

The scope of each PFF Eligible Facility is as described in the Finance Plan, as amended, and may not be revised except as required to comply with federal or state law. With respect to public roadways and streets, the scope is to be based on the City's street-design standards for lands within the Delta Shores area.

7. Adequate Funding for PFF Eligible Facilities.

The City may not cite, as a reason for increasing the amount of the PFF Funding Obligation, the loss of potential funding from sources identified in the first Delta Shores Finance Plan as Non-PFF Funding Sources, such as federal funding, state funding, regional funding, grants, gifts, contributions, fees, reimbursements, the City's general fund, the City's Major Street Construction Tax, private funds, or payments from the Stone-Boswell area in the event of the approval of land entitlements for this area.

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EXHIBIT "I"

DIAGRAM OF DELTA SHORES PLANNING AREA

SEE ATTACHED

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DELTA SHORES PLANNING AREA
December 8, 2008

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