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DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF RANCHO CORDOVA

AND

GRANTLINE & CHRYSANTHY 220 INVESTORS, LLC

RELATIVE TO THE SUNCREEK PROJECT

DEVELOPMENT AGREEMENT
RELATIVE TO SUNCREEK PROJECT

This Development Agreement ("Agreement" or "Development Agreement") is entered into as of this 2nd day of December, 2013, by and between the CITY OF RANCHO CORDOVA, a municipal corporation ("City"), and GRANTLINE & CHRYSANTHY 220 INVESTORS, LLC a California limited liability company ("Developer"), pursuant to the authority of Government Code section 65864 et. seq., relating to Development Agreements. City and Developer are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

A. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, California Government Code section 65864, *et seq.* (the "Development Agreement Statute") and Rancho Cordova Municipal Code chapter 23.158, authorize City and any person having a legal or equitable interest in the real property to enter into a Development Agreement, establishing certain development rights in the Property which is the subject of the development project application.

B. Definitions. All capitalized terms as used herein are defined in Section 3 of this Agreement or otherwise herein.

C. Property. Developer owns in fee title that certain 220-acre portion of the SunCreek Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in **Exhibit A-1** and **Exhibit A-2**, attached hereto (the "Property").

D. Approval of SunCreek Specific Plan Area Development Agreements. Concurrent with the approval of this Development Agreement, five other development agreements with nearly identical terms are being processed and approved by and between the City of Rancho Cordova and the other Participating Developers described herein. It is also the intent of City that, if any of the Participating Developers fails or refuses to sign its approved development agreement for its property (or withdraws from the process prior to approval by City), then when such Non-Participating Landowner seeks zoning, tentative subdivision maps and/or any other development approvals, City will seek to negotiate with such Non-Participating Landowner to enter into a development agreement with terms nearly identical to those in this Agreement.

E. Joint Planning of SunCreek Specific Plan. The Participating Landowners, City, and other public agencies have jointly planned for the development of the entire 1,265-acre SunCreek Specific Plan Area described in **Exhibit B** attached hereto. The SunCreek Specific Plan, this Development Agreement, and the other Entitlements are the result of this joint effort.

F. Public Hearing and Approval of this Agreement. On November 18, 2013, the City Council of City of Rancho Cordova, serving as City's planning agency for purposes of Development Agreement review pursuant to Government Code section 65867 and Rancho Cordova Municipal Code chapter 23.158, held a public hearing to consider this Development Agreement. Following the hearing, the City Council introduced City of Rancho Cordova Ordinance No. 42-2013 approving this Agreement. City approved Ordinance 42- 2013 on December 2, 2013.

G. **Environmental Review**. In compliance with the California Environmental Quality Act ("CEQA"), on November 18, 2013, by Resolution No. 127- 2013, City certified the SunCreek Specific Plan Project EIR ("EIR"). In addition to the EIR, the United States Army Corps of Engineers will be separately certifying, in compliance with the National Environmental Policy Act ("NEPA"), an Environmental Impact Statement ("EIS") related to this Project.

H. **Development Agreement Ordinance**. City and Developer have taken all actions mandated by, and fulfilled all requirements set forth in, Rancho Cordova Municipal Code chapter 23.158, the Development Agreement Ordinance of the City of Rancho Cordova.

I. **Consistency with General and Specific Plan**. Having duly examined and considered this Development Agreement and having held properly noticed public hearings hereon, in City Ordinance No. 42-2013, City found that this Development Agreement satisfies Government Code section 65867.5, and this Agreement is consistent with the requirements of the General Plan and Specific Plan.

J. **Negotiations**. The Parties have, in good faith, negotiated terms set forth in this Development Agreement, which terms are intended to carry out the legislative purposes of the Development Agreement Statute and Municipal Code chapter 23.158, and which provide for the mutually desirable development of the Property.

AGREEMENT

1. **Incorporation of Recitals**. The Preamble, the Recitals, all defined terms set forth herein, and all exhibits attached hereto, are hereby incorporated into this Development Agreement as if set forth herein in full.

2. **Relationship of City and Developer**. This Development Agreement is a contract that has been negotiated and voluntarily entered into by City and Developer. Neither Party is an agent of the other Party. City and Developer renounce the existence of any form of joint venture or partnership between them. Nothing contained in this Agreement, or in any document executed in connection with this Agreement, may be construed as making City and Developer joint venturers or partners.

3. **Definitions**.

"Affordable Housing Plan" means the plan prepared for the Project in compliance with the City of Rancho Cordova General Plan Housing Element, and in particular with Policy H.1.5, and approved by City on November 18, 2013, by Resolution No. 129-2013, and implemented pursuant to the Affordable Housing Plan Agreement between City and Developer. Pursuant to Resolution No. 129-2013, City approved an affordable housing agreement with each of the Participating Developers. The Affordable Housing Plan identifies the plans to provide adequate affordable housing in the Project.

"Backbone Infrastructure" means the infrastructure improvements generally described and listed as Backbone Infrastructure in Table 1-2 of the Finance Plan.

"CCR Enforcement" means enforcement by Developer and/or a Homeowners Association and/or City of covenants, conditions and restrictions that are recorded against the single family portions of the Property to protect, preserve and maintain the appearance, condition, function and operation of such single family development.

"City CCI Index" means the construction cost index applied by City in documents authorizing the subject fee, assessment or tax to adjust fees to account for changes to the costs of constructionas published by the Engineering News Record, and as may be revised by the City for such Fee Programs.

"City CPI Index" means the following consumer price index applied by City in documents authorizing the subject fee, assessment or tax to adjust for changes in the costs of performing and/or providing municipal services as published by the United States Department of Labor Bureau of Labor Statistics.

"City Council" means the City Council of the City of Rancho Cordova.

"CRPD" means the Cordova Recreation and Park District.

"Developer's Property" or "Property" means that certain portion of the SunCreek Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in **Exhibit A-1** and **Exhibit A-2**, and attached hereto, which is subject to this Development Agreement.

"EDU" means the single-family residential equivalent dwelling unit, as applicable within the context of the applicable improvement, facility or service. All other land uses are assigned EDUs based on their relative impact compared to a single family unit with respect to the applicable improvement, facility or service.

"Entitlements" means (a) that certain General Plan Amendment approved by the City Council on November 18, 2013, by Resolution No. 128-2013; (b) certification of the SunCreek Specific Plan Project EIR (the "EIR"), by City by Resolution No. 127-2013; (c) the "SunCreek Specific Plan," approved by City on December 2, 2013, by Ordinance No. 41-2013; (d) this Development Agreement, approved by City on December 2, 2013, by Ordinance No. 42-2013 (the "Adopting Ordinance"); (e) the Affordable Housing Plan approved by City on November 18, 2013, by Resolution No. 129-2013; (i) zoning of the Property approved by City on December 2, 2013 by Ordinance No. 41-2013; and (j) the "Financing Plan," approved by the City on November 18, 2013 by Resolution No. 128-2013.

"Financing Plan" or "Finance Plan" means the SunCreek Public Facilities Financing Plan, including all appendices thereto, dated November 2013, and approved by City on November 18, 2013 as part of Resolution No. 128-2013.

"General Plan" means the City of Rancho Cordova General Plan, including all appendices thereto, approved by City on November 18, 2013, by Resolution No. 128-2013.

"Homeowners Association" means an association of owners within the portions of the Property zoned for single family use that is formed and operated, in part, to provide CCR Enforcement.

"Interim Neighborhood Green Fee" means the Interim Neighborhood Green Fee that the Developer agrees to pay under Section 6.1.

"Interim Park Impact Fee" means the Interim Park Impact Fee that the Developer agrees to pay under Section 6.1.

"Neighborhood Green" means open space to be dedicated pursuant to the Specific Plan to supplement the park amenities provided by the Parks dedications.

"Neighborhood Green Fee" means the Neighborhood Green Fee that the Developer agrees to pay under Section 6.1.

"New Park Development Fee" means the New Park Development Fee that the Developer agrees to pay under Section 6.1.

"Non-Participating Landowner" means any owner of land within the SunCreek Specific Plan Area who is included in the list of "Participating Landowners" but nevertheless fails to join in the execution of the development agreement for its property prior to or at the time of approval thereof by City.

"Parks" means the community and neighborhood parks to be dedicated pursuant to the Specific Plan.

"Participating Developers" means the landowners within the SunCreek Specific Plan Area who are participating in, and contributing to the development of the SunCreek Specific Plan and who join in the execution of the Participating Developers' Development Agreements. The Participating Developers are anticipated to consist of the following: Lennar Sierra Sunrise, LLC; Callahan Sun Creek, LLC *et al.*; Grantline & Chrysanthy 220 Investors, LLC; Robert A. Gilmartin, *et al.*; Shalako Investors, a California Limited Partnership; and Chris N. Vrame, *et al.* (collectively referred to as "Landowners").

"Participating Developers' Development Agreements" means the Development Agreements, with near identical terms to this Development Agreement, which are being concurrently processed and approved by and between the City of Rancho Cordova and the Participating Developers in the SunCreek Specific Plan Area.

"Project" means the planned development of the Grantline & Chrysanthy Property pursuant to the Entitlements.

"Public Facilities" means the public facilities generally described and listed as Public Facilities in Table 1-2 of the Finance Plan.

"Small Lot Subdivision Map" means a subdivision map processed and approved pursuant to the Subdivision Map Act that, upon recordation thereof, will create either individual lots or parcels upon which permits for the construction of single-family residential units are intended and may be issued, or for the construction and sale of individual condominium units within a parcel for multifamily residential use.

"Specific Plan" means the "SunCreek Specific Plan," including all appendices thereto, approved by City on December 2, 2013, by Ordinance No. 41-2013.

"Specific Plan Area" and "SunCreek Specific Plan Area" mean the entire 1,265-area which is the subject of the "SunCreek Specific Plan."

"Subsequent Entitlements" mean those additional permits, plans and approvals that may be approved following approval of the Entitlements, and which will allow for implementation of the Entitlements by subdivision, development and construction within the Specific Plan Area.

Subsequent Entitlements may include, without limitation, small lot tentative subdivision maps, small lot final subdivision maps, parcel maps for non-residential areas, lot line adjustments, conditional use permits, and design review permits.

"SunCreek" means the SunCreek Specific Plan.

"SunCreek Project" means the planned development of the entire 1,265-acre SunCreek Specific Plan Area described in **Exhibit B** attached hereto, pursuant to the SunCreek Specific Plan, this Development Agreement, the other Entitlements and the Participating Developers' Development Agreements.

"TDIF" means City's Transportation Development Impact Fee, as adopted and as revised by City from time to time.

4. Effective Date, Term and Termination.

4.1 Effective Date. The effective date of this Development Agreement ("Effective Date") is January 1, 2013 which is the effective date of City Ordinance No. 42-2013, adopting this Development Agreement.

4.2 Term. The term of this Development Agreement commences on the Effective Date and extends for a period of twenty-five (25) years from the Effective Date, unless said term is terminated, modified or extended consistent with the terms of this Development Agreement. This Development Agreement automatically terminates upon expiration of the 25-year term unless otherwise extended by the Parties, and shall then be of no further force and effect. If and when this Development Agreement expires, Developer shall thereafter retain no vested rights under the Entitlements of this Development Agreement, and City shall have the right to modify or repeal the Entitlements and apply new laws, regulations and fees to the development of the Property.

4.3 Tolling and Extension During Legal Challenge or Moratoria. Developer may, at its discretion, extend the term of this Development Agreement for a maximum period of three years if:

4.3.1. a third-party lawsuit is filed challenging any of the Entitlements or challenging the EIS certified by the Army Corps of Engineers related to this Project;

4.3.2. the Developer is unable to proceed, or elects not to proceed, with the Project because of litigation described in Section 4.3.1 above; and

4.3.3. the Developer submits to City written notice that this Agreement is tolled.

During any such period that the Agreement and development of the Project are being tolled by Developer, Developer may, at its sole expense and risk, submit applications to process Subsequent Entitlements, including tentative subdivision maps and improvement plans for the Property, provided City shall not be obligated to approve and may defer approval of any final subdivision maps, improvement plans or building permits for the Property during any such tolling period.

4.4 Length of Extension. The tolling period will begin when City receives written notice from the Developer. The tolling period may only extend the term of this Agreement until a final order of judgment is issued upholding the challenged Entitlements or the EIS, as applicable, the case is dismissed, or the three-year maximum tolling period is reached, whichever is shorter. The Developer may also elect to end the tolling period at any time and proceed with the Project, effective upon delivery of written notice to City.

5. Vested Rights. Developer shall have the vested right to proceed with development of the Property in accordance with the Entitlements, and to have Subsequent Entitlements considered for approval or denial, based upon the terms, standards and requirements set forth in the Entitlements, including without limitation the SunCreek Specific Plan. Except as provided in this Section 5 below, this Agreement does not vest Developer's rights to pay development impact fees, exactions, processing fees, inspection fees, plan check fees, or other permit processing fees or charges.

5.1 Permitted Uses, Density and Intensity, Maximum Height and Size of Structures, and Reservation or Dedication of Land Vested. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land or payment of fees in lieu of dedication for public purposes, the location and maintenance of on-site and off-site improvements, the location of public utilities, and other terms and conditions of development shall be those set forth in the Entitlements. The SunCreek Specific Plan includes the land uses and approximate acreages for the Project as shown and described on page I. 3-14 of the Specific Plan.

5.2 Vested Against Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of Development Agreements, City agrees that, except as otherwise provided in or limited by the provisions of this Agreement, this Development Agreement vests the Entitlements against subsequent City ordinances, resolutions, rules, regulations, initiatives, and official policies that directly or indirectly limit the rate, timing, or sequencing of development, or prevent or conflict with the permitted uses, or the density or intensity of uses, or the terms, provisions, standards or requirements for development, as set forth in the Entitlements. To the extent allowed by the laws pertaining to development agreements, however, Developer will be subject to any growth limitation ordinance, resolution, rule, regulation, or policy which is adopted on a uniformly applied, Citywide or area-wide basis, and directly concerns an imminent public health or safety issue, in which case City shall treat in a uniform, equitable and proportionate manner all properties, public and private, which are impacted by that public health or safety issue.

5.3 Vested Rights Exclude Design and Construction. All ordinances, resolutions, rules, regulations, initiatives, and official policies governing design, improvement and construction standards and specifications applicable to the Project, and to public improvements to be constructed by the Developer shall be those in force and effect at the time the applicable permit approval is granted, unless such ordinances, resolutions, rules, regulations, initiatives or official policies are inconsistent with the Entitlements or the specific terms of this Agreement, in which case the Entitlements and the terms of this Agreement shall prevail.

5.4 Vested Rights Exclude Changes in State or Federal Law. Modification Because of Conflict with State or Federal Laws. This Agreement shall not preclude the application to development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in state or federal law or regulation. In the event that state or federal laws or regulations enacted after the

Effective Date of this Development Agreement prevent or preclude compliance with one or more provisions of this Agreement or any Entitlements, the Parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement and such Entitlements to comply with such federal or state law or regulation. Any such amendment or suspension of this Agreement or Entitlements shall be approved by the City Council in accordance with the Municipal Code and this Agreement.

5.5 Vested Rights Exclude Building and Fire Codes. The Project shall be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, related to Building Standards, in effect at the time the applicable building, grading, encroachment or other construction permit is granted for the Project. If no permits are required for infrastructure improvements, such improvements will be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, related to Building Standards, in effect at the time of approval by City of the improvement plans for such infrastructure. If a permit that has been granted expires, the Project shall be required to be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, related to Building Standards, in effect at the time the applicable replacement permit to the expired building, grading, encroachment or other construction permit is granted for the Project.

5.6 Vested Rights Exclude Processing Fees and Charges. Developer shall pay those processing, inspection, and plan check fees and charges required by City under ordinances, resolutions, rules, regulations, initiatives, and official policies which are in effect when such fees or charges are due under then-existing code or policy.

5.7 Vested Rights Limited for Development Impact Fees, Exactions and Dedications. Developer shall pay all development impact fees, connection or mitigation fees, and exactions required by City to support the construction of any public facilities and improvements or the provision of public services in relation to development of the Property (together "Exactions") authorized by City after the Effective Date, as long as said Exactions otherwise comply with applicable law, and are either (i) required on a Citywide basis, (ii) apply uniformly to all properties within City that are zoned with density and uses similar to those of the subject properties in the Entitlements, or (iii) apply on a fair share basis to all properties that are similarly situated within the portion of the City located south of Highway 50 and east of Sunrise Boulevard. Except as otherwise provided in this Agreement and/or contemplated by the Finance Plan, exactions required by City to be paid by Developer that do not meet one of the preceding criteria shall be the Exactions authorized on the Effective Date. Furthermore, notwithstanding anything to the contrary in this Section 5.7, in consideration of Developer's obligations under Section 8 hereof to comply with the Affordable Housing Plan applicable to the Property, development of the Property shall not be subject to any other impact fee, mitigation fee or exaction related to the provision of affordable housing or inclusionary housing, or other such fee or exaction related to the provision of affordable housing or inclusionary housing that may be subsequently adopted by City during the period that this Section 5.7 is vested by this Agreement.

5.8 Subsequent Entitlements. Subject to Section 14.1.1 hereof, City shall accept for processing, review and action any and all applications submitted by Developer for Subsequent Entitlements, necessary or convenient for the exercise of Developer's rights under the Entitlements for the use and development of the Property.

5.9 Term of Tentative Maps. Consistent with the authority provided in Government Code section 66452.6(a)(1), the term of any tentative subdivision map approved for all or any portion of the Property shall be the later of the date this Agreement expires or the date the tentative map expires pursuant to City approval of the tentative map pursuant to the City of Rancho Cordova Municipal Code, including without limitation Section 22.20.060 ("Expiration of Tentative Map Approval"), as it may be modified from time to time by state law.

5.10 CCR Enforcement. City may impose a condition, as part of Subsequent Approvals for single family development, for the Developer to establish a mechanism acceptable to City to provide for CCR Enforcement within the single family portions of the Property by Developer and/or a Homeowners Association. If City elects to develop a City program for providing CCR Enforcement that includes the Specific Plan Area and to form a financing mechanism to fund the costs of such program, Developer shall retain the option, at its sole discretion, to elect to either include the Property for participation in City's CCR Enforcement Program or to provide such CCR Enforcement for the Property through a Homeowners Association, separate and apart from City's program. If Developer elects to provide its own CCR Enforcement through a Homeowners Association, so long as the Homeowners Association provides adequate CCR Enforcement within the Property comparable to City's CCR Enforcement program, as confirmed by City in its reasonable discretion, City will exempt the Property from any special taxes or assessments otherwise levied by City to fund the costs of City's CCR Enforcement program.

5.11 Effect of Resource Permits on Entitlements. Following approval of the Entitlements by the City, before issuance of building permits or any other construction to implement the Entitlements will be allowed, a number of federal and state resource permits will be required (together "Resource Permits"). The City and Developer share the desire for the Resource Permits to allow full development of the entire Project consistent with the Entitlements.

Developer and City, therefore, agree that they each will use good faith and diligent efforts to collaborate and coordinate in connection with Developer's processing of the Resource Permits by: (1) Developer providing the City with a draft of the Resource Permit application(s) (and related attachments) for the purpose of providing City with an opportunity to review and comment before they are formally submitted to the relevant resource agenc(ies), and to the extent City intends to provide Developer with any such comments, City shall do so within two (2) weeks of receipt of the draft application(s); (2) Developer keeping the City reasonably informed regarding the status of all such application(s) and the relevant agencies' processing related thereto; (3) City being invited by Developer to participate in any meeting(s) with the relevant resource agency staff as well as any public hearing(s) on the matter, upon Developer's request, (4) City actively supporting Developer's application(s) so long as they are consistent with and fully implement the Project; and (5) Developer providing the City with a draft of the Resource Permits for the purpose of providing the City with an opportunity to review and comment, and to the extent City intends to provide Developer with any such comments, City shall do so within two (2) weeks of receipt thereof.

While full development of the entire Project consistent with the Entitlements is the goal of both the City and Developer, Developer understands that the proposed 58.4-acre Regional Town Center (RTC), in its current location, size and shape, is particularly important to the City and was an important factor in its approval of the Project.

City and Developer agree that, if as a result of the Resource Agencies' permitting process which reduces developable acreage of the RTC, Developer seeks to modify or reconfigure the RTC, City will allow Developer to proceed with development of the Project, without amending this Agreement or invalidating any rights it vests, provided that the footprint of the Regional Town Center is reduced to a size of no smaller than 53.4 acres (the "Minimum RTC Footprint"), and provided that the general boundaries of the RTC are kept in its current location. In the event any reduction of the RTC is required through the regulatory permitting process, fifty percent (50%) of the RTC area eliminated or reconfigured shall be restored by converting adjacent lands from their proposed use to RTC. For example, if the regulatory permitting process resulted in the proposed footprint of the RTC being reduced in size to 52.4 acres total (6 acres below the proposed RTC footprint), then Developer would agree to a City-sponsored change in the Entitlements to rezone 3 acres of surrounding land uses to Regional Town Center, which would result in a 55.4-acre Regional Town Center footprint.

If the regulatory permitting process reduces the RTC to less than the Minimum RTC Footprint, after accounting for the fifty percent offset of land converting to RTC described above, then Developer shall either (1) restore such additional reductions to the Minimum RTC Footprint by providing for additional RTC uses elsewhere on the Property on a one-for-one basis (such that, in no event, shall the acreage for the RTC be below the RTC Minimum) or, (2) shall request that the City amend this Development Agreement and associated entitlements for the Grantline 220 project. Approval of such amendments would be at the sole discretion of the City. Notwithstanding the foregoing, in no case shall the provisions set forth in this Section 5.11 result in a decrease in the total number of Dwelling Units (879 Units) for which Developer has vested rights to develop in accordance with the terms and conditions of this Agreement.

The Parties acknowledge that the offset requirements set forth in this Section 5.11 are intended to facilitate development of a sufficient amount of contiguous acreage for RTC uses as contemplated in the Specific Plan; provided that the Parties further acknowledge that considerable planning has occurred with respect to the Specific Plan, the Grantline 220 project and the respective land use configurations and proposed uses currently reflected therein. Accordingly, to the maximum extent feasible under applicable law, City agrees to work diligently and in good faith with Developer to promptly process and consider any modifications to the Entitlements necessary to implement this Section.

6. Park and Neighborhood Green Obligations.

6.1 New Park and Neighborhood Green Dedication and Fee Obligation. Developer's obligation to dedicate land for new parks and neighborhood greens shall be satisfied by Developer's dedication of its share of the Park land and Neighborhood Greens provided by the Specific Plan, which share is set forth more specifically in **Exhibit 6.1** (the "Dedicated Lands"). City agrees and acknowledges that Developer's dedication of the Dedicated Lands, together with its commitment to pay the Land Equalization Fee, if any, described in Section 7.3.2 below, will satisfy the Developer's dedication requirements of Resolution No. 28-2005.

Prior to approval of the first small lot final subdivision map, or for residential properties that do not require subdivision, prior to issuance of the first building permit therefor within the Project, the City, acting as the land use authority, and in consultation with CRPD, will use good faith efforts to adopt a Citywide New Park Development Fee and a Citywide Neighborhood Green Fee that will apply to all residential development within the Project (respectively, the "New Park Development Fee" and "Neighborhood Green Fee"); in the event

that City does not adopt the New Park Development Fee or the Neighborhood Green Fee by such time, the Developer will pay a new park development impact fee (the "Interim Park Impact Fee") in the amount of Eight Thousand Four Hundred and Twenty Dollars ($8,420) per Single Family EDU and a Neighborhood Green fee (the "Interim Neighborhood Green Fee") in the amount of One Thousand Two Hundred and Four Dollars ($1,204) per Single Family EDU when each building permit for residential development is issued within the Project. Thereafter, the Developer shall pay the New Park Development Fee and the Neighborhood Green Fee after they are adopted for all remaining residential building permits within the Project, regardless of whether such fees are higher or lower than the applicable Interim Park Impact Fee or Interim Neighborhood Green Fee. The New Park Development Fee will generally be used to develop the Parks, and shall not be used to develop the Neighborhood Greens.

The Interim Park Impact Fee and the Interim Neighborhood Green Fee will be adjusted on March 1, 2014 and annually thereafter no later than March 15th as follows:

(a) A "mean" index will be computed by averaging the index for 20 U.S. cities with the index for San Francisco by resort to the January issue of the Engineering News Record magazine Construction Cost Index of the year in which the calculation is being made.

(b) An adjustment factor shall be computed by dividing the "mean" index as calculated in subsection (a) of this section by the "mean" index for the previous January. For example, the March 2014 Neighborhood Green Fee shall be calculated by taking the January 2013 "mean" index and dividing by the January 2012 "mean" index and multiplying that result by $1,204 (the 2013 Neighborhood Green Fee per residential unit).

6.2 Timing of Dedications of Parks. As of the Effective Date, City and CRPD have not determined which entity, City or CRPD, will design, own, operate and maintain the Parks and Neighborhood Greens. Those decisions will be made prior to approval of the first Tentative Map in each phase of the Specific Plan, and reflected in the conditions of approval for that Tentative Map and subsequent Tentative Maps and documents for that phase of the Specific Plan. Prior to the recordation of any residential small lot final subdivision map in the Project which contains a portion of the Dedicated Lands, but not prior to construction of model homes, Landowner shall, at the sole discretion of City, to the extent permitted by law: (i) irrevocably offer for dedication to City or the CRPD that portion of the Dedicated Land that is encompassed within such residential small lot final subdivision map and which is identified in the Specific Plan as a Park, (ii) irrevocably offer for dedication to City or the CRPD that portion of the Dedicated Land that is encompassed within such residential small lot final subdivision map and which is identified in the Specific Plan as a Neighborhood Green, and (iii) enter into park development agreements with the CPRD or City, as applicable, for the improvement of the lands that CPRD or City will be dedicated within such residential small lot final subdivision map. If and to the extent a park development agreement provides for the design and construction of any improvements included within the New Park Development Fee or Neighborhood Green Fee (or Interim Fees related thereto), then the park development agreement shall include provisions for fee credits and/or reimbursements from the applicable Fee. The amount of any such Fee credits and reimbursements shall be based on the amount budgeted by the applicable Fee program for the cost of the creditable improvements, including soft costs and contingencies related thereto, and shall not be subject to adjustment based on the actual costs incurred by Developer to design and construct such creditable Park and/or Neighborhood Green

improvements. In particular recognition of the importance of the timing of Park and Neighborhood Green construction in relation to the build out of adjacent subdivisions, Developer agrees that for all park development agreements, whether between the City and the Developer or between the Developer and CRPD, Developer must obtain the City's agreement to the terms regarding the timing of development of all Parks and Neighborhood Greens in the Project prior to the approval of the Tentative Map for each phase, which agreement shall not be unreasonably withheld.

6.3 In-fill Park and Neighborhood Green Renovation and Acquisition Fee. Developer agrees that it shall pay City the total sum of One Thousand Dollars ($1,000) for each single family dwelling unit and Seven Hundred Fifty Dollars ($750) for each multifamily dwelling unit (the "Park Renovation Fee"); provided that the Park Renovation Fee shall not be paid for any unit constructed on any parcel dedicated to the City pursuant to the Affordable Housing Plan. Beginning January 1, 2014, the fee shall be adjusted annually on each January 1 based upon City CPI Index. This fee shall be paid to City upon issuance of a building permit for each residential unit within the Property. It shall be used by City, at its sole discretion, to acquire, renovate, repair, improve or maintain Parks, Neighborhood Greens or other open space in that portion of City identified in **Exhibit 6.3**. This payment is made voluntarily by Developer. It is in addition to all other existing park fees, and construction and dedication obligations, including without limitation any fees paid pursuant to California Government Code Section 66477 (the "Quimby Act"), and the New Park Development Fee and Interim Park Impact Fee described in Section 6.1 above. Developer agrees that it shall not claim any credit against or right to reimbursement from any other existing park fees, and construction and dedication obligations, including Quimby Act fees, or the New Park Development Fee or Interim Park Impact Fee as a result of paying the Park Renovation Fee required under this Section 6.3. The City Council may, at any time, elect to terminate or reduce this obligation to pay the Park Renovation Fee, which termination shall not require an amendment of this Agreement. City may also elect to reduce or replace the Park Renovation Fee on a Citywide basis with a new park tax, special sales tax or other replacement funding mechanism, in which case the obligation to pay the Park Renovation Fee under this Section 6.3 shall be reduced or terminated, and be partially or fully replaced by such new Citywide funding mechanism, provided, however, that City may elect not to replace the Park Renovation Fee with the replacement funding mechanism if the Developer challenges or opposes the approval or implementation of the new Citywide funding mechanism.

7. Infrastructure and Maintenance Finance.

7.1 Infrastructure Finance. As further set forth in the Finance Plan, prior to approval of a small lot final subdivision map, or for residential properties that do not require subdivision, prior to issuance of building permits, City and Developer will cooperate to establish one or more Mello-Roos Community Facilities Districts, pursuant to and as authorized by Government Code sections 53311 et seq., to fund necessary Backbone Infrastructure and Public Facilities.

7.2 Maintenance Finance. As further set forth in the Finance Plan, prior to approval of a small lot final subdivision map, or for residential properties that do not require subdivision, prior to issuance of building permits, City and Developer will complete all actions needed to form, annex into, and/or implement the funding mechanism(s), including financing districts and special taxes, to pay to maintain existing and new public improvements associated with or needed to serve the Project as identified in the Finance Plan. Developer shall participate in, vote in favor of, and pay all costs incurred by City associated with such actions consistent

with this Agreement and the Finance Plan. The amount of special taxes or assessments to be included in each new maintenance or services district referred to herein and identified for formation by the Finance Plan shall not exceed the amounts reasonably determined by City during the formation of such finance district to fund the operations, maintenance and/or services to be financed thereby.

As more particularly described in the Finance Plan, the funding mechanisms for such maintenance may include, but are not limited to the following:

7.2.1. Annexation into Street, Lighting and Landscape Maintenance CFD No. 2013-3. The Property will be annexed into CFD No. 2013-3 to fund (i) maintenance of streets, bridges, culverts, traffic signals, traffic signs, striping and legends, and ITS operations, (ii) street lights, landscape maintenance for frontage and medians, and (iii) all Parks, Neighborhood Greens, wetland buffers and park corridors which are not otherwise maintained by CPRD or the Wetland Buffer Maintenance CFD described in Section 7.2.5(b) below. The special tax to be levied thereby will be adjusted on July 1, 2014 and annually thereafter no later than July 15th, in accordance with City CCI Index.

7.2.2. Support for a Special Tax for Transit-Related Services. The Property will be subject to a special tax on the Property to pay for transit related-services for the Project. The base year FY 2013/2014 Transit Related Services Tax shall be $95.61 per low density residential unit, $76.50 per medium density residential unit, $57.37 per high density residential unit, $2,451.76 per acre for retail and service commercial, and $2,107.52 per acre for commercial mixed use. This special tax will be adjusted on July 1, 2014 and annually thereafter no later than July 15th, in accordance with the City CPI Index.

7.2.3. Annexation into Storm Drainage Maintenance CFD No. 2013-1. The Property will be annexed into either CFD 2013-1 for maintenance services or an equivalent funding mechanism to fund the operation and maintenance of the storm water and flood protection system. The annual tax or fee will be adjusted on July 1, 2014 and annually thereafter no later than July 15th, in accordance with the City CPI Index.

7.2.4. Annexation into CFD No. 2013-2 (Police Services). Prior to recordation of the first small lot final map or for residential properties that do not require subdivision, prior to issuance of building permits, the Developer shall support the annexation of the Project into CFD 2013-2 (Police Services) and cover Developer's fair-share costs of the CFD annexation, not to exceed $7,000 for the Participating Developer's Properties. City agrees that the CFD will provide that on lands designated for all residential land use categories, the base year FY 2013/2014 Police Maximum Services Special Tax shall be Four Hundred Seventy Dollars and Twenty Eight Cents ($470.28) annually per residential dwelling unit, including multi-family units. The special tax imposed by the CFD will be payable on a parcel within the Property only after a building permit has been issued by City for the construction of a building on that particular parcel, and there will be no undeveloped land tax imposed by the CFD. The CFD shall further provide that on each July 1 commencing July 1, 2014, the base year Police Special Tax shall be escalated by the increase, if any, in the City CPI Index. However, in no event shall the tax per parcel for any fiscal year be less than the amount established for the prior fiscal year. The CFD shall specify that the Police Special Tax shall commence being payable annually following the issuance of a building permit for each parcel subject to the Police Special Tax.

The Developer acknowledges that no small lot final subdivision maps, for residential properties that do not require subdivision, prior to issuance of building permits, shall

be submitted to City for approval prior to annexation of the Property to the Police Services CFD; provided Developer may, at its own risk, process and obtain approvals of any tentative subdivision maps for the Property and submit applications for and process, but not obtain final approval of, any final subdivision maps and improvement plans related thereto.

Developer agrees that it will not vote to repeal or amend the Police Special Tax being imposed in the amounts set forth above, and that any such vote by Developer would constitute an event of default under this Agreement. In the event of such a default by Developer, then in addition to all other remedies available to City, Developer shall be obligated to annually pay under this Agreement the difference between the amount of the Police Special Tax after the Developer's vote to repeal or amend the tax, and the amount of the proposed Police Special Tax set forth above.

7.2.5. Additional Mello-Roos Maintenance CFDs. In addition to the above maintenance and services districts, as more specifically described in the Finance Plan, except as may otherwise be deferred or waived by City, the following additional maintenance and services CFDs or similar financing mechanisms shall be formed prior to the recordation of the first small lot residential subdivision map or issuance of any building permit to fund the operations and maintenance of the public facilities:

(a) Park Maintenance CFD (to be formed by and/or in coordination with the CRPD, as decided by City in its sole discretion, to the extent permitted by law).

(b) Wetland Buffer Maintenance CFD or Assessment District. City will also consider in good faith for inclusion in this CFD the costs to maintain the wetland preserves within the Project as finally determined by the Army Corps of Engineers in its approval of the pending 404 permit for the development of the Project;

(c) Water and Drainage Studies CFD or Assessment District;

(d) Any other Citywide CFD or assessment districts City may seek to establish for maintenance of any facility or service consistent with the Financing Plan.

7.2.6 Amounts and Effect of Alternative HOA Maintenance. As provided above pursuant to sections 7.2.1, 7.2.3, and 7.2.5, the fees, special taxes or assessments to be finally established for these additional financing districts shall not exceed the amounts reasonably determined by City to fund the operations, maintenance and/or services to be financed thereby, subject to annual adjustments thereto based on the City CPI Index. The final amounts of the fees, special taxes or assessments for these additional districts shall be established during the formation of such finance districts as part of the implementation of the Finance Plan. Furthermore, if and to the extent a Homeowners Association that includes the Property elects to perform any of the maintenance obligations that would otherwise be performed by the districts described in sections 7.2.1, 7.2.3 or 7.2.5 above, subject to City's satisfaction, in its reasonable discretion, with the adequacy of the performance thereof by the Homeowners Association, the applicable maintenance financing districts shall include a mechanism whereby the amount of the special taxes or assessments to be levied thereby shall be credited by the savings to be realized by the districts from the performance of such maintenance obligations by the Homeowners Association and the relieving of the districts from having to perform such maintenance obligations.

7.3 Specific Plan Fees, Credits and Reimbursements.

7.3.1. Specific Plan Infrastructure Fee (Cost Sharing for Common Infrastructure Not Otherwise Financed by Existing Fees). As more particularly described in the Finance Plan, to equalize the burden to design and construct the Backbone Infrastructure required for development of the Project not otherwise funded by an existing fee program, or anticipated to be underfunded thereby (such as where an existing fee program reimburses for less that the anticipated costs to design and construct an improvement), City will use good faith, diligent efforts to adopt and implement the SunCreek Special Finance District Fee (the "SFD Fee") described in the Finance Plan to finance the costs of these excluded or underfunded improvements and facilities and fairly spread the costs thereof to all developing properties within the Specific Plan. Developer agrees to support the adoption and implementation of the SFD Fee as described in the Finance Plan and to pay the SFD Fee as and when required by the development of the Property in accordance with the adopted SFD Fee. City agrees to use good faith diligent efforts to adopt the SFD Fee within one (1) year from the Effective Date.

7.3.2. Land Equalization Fee. As more particularly described and detailed in the Finance Plan, to fairly distribute among the Participating Developers the total cost and burden of dedicating land in the Specific Plan Area, City will use good faith, diligent efforts to adopt and implement the Land Equalization Fee Program (the "Land Equalization Fee") described in the Finance Plan (and as particularly set forth in Appendix E thereto). Developer agrees to support the adoption and implementation of the Land Equalization Fee as described in the Finance Plan and Appendix E thereof and to pay the Land Equalization Fee as and when required by the development of the Property in accordance with the adopted Land Equalization Fee program. Developer also agrees to pay any adjustments to the Land Equalization Fee and/or refund any overpayments related thereto upon any adjustments of the land equalization tables, as more particularly provided by Appendix E of the Finance Plan. City agrees to use good faith diligent efforts to adopt the Land Equalization Fee within one (1) year from the Effective Date.

7.3.3 Reimbursable Planning and Environmental Costs. The owner ("Grantline") of the Specific Plan Property commonly referred to in the Specific Plan as the Grantline Property and outlined on **Exhibit 7.3.3** attached hereto ("Grantline Property") has shared in a portion, but not all, of the development and planning costs for the Specific Plan. Prior to acceptance of Grantline's first tentative subdivision map application for the Grantline Property, City agrees to obtain from Grantline, and Grantline shall provide, reasonable documentation to City that Grantline has satisfied its payment obligations to the Participating Developers under its Agreement with the other Participating Developers.

7.3.4. Credits and Reimbursement.

(i) Road Frontage Reimbursements. Developer shall be responsible for all roadway frontage improvements located on the Property, including the obligation to reimburse any other Participating Developer who installs frontage improvements located on the Property prior to Developer's development of the Property, in accordance with the provisions of Appendix D of the Finance Plan. The required roadway frontage improvements to be installed by Developer shall be identified by Developer and approved by City in connection with City's approval of the Developer's Tentative Map and Tentative Map Phasing Plan for the Property. In connection with the subdivision of the Property or each phase thereof, Developer shall enter into a subdivision improvement agreement that includes, but is not limited to, all roadway frontage improvements that Developer will construct, or will reimburse

a Participating Developer for previously constructing, and are assigned and required by the Tentative Map Phasing Plan related thereto. As more particularly described in Appendix D to the Finance Plan, "Proposed Reimbursement of Required Off-Site Roadway Frontage Improvements," for any and all off-site roadway frontage improvements within the Specific Plan required to be installed by Developer, City will enter into a reimbursement agreement with Developer to provide for reimbursement from the other benefitting developer(s)

(ii) Credits and Reimbursements from Existing Fee Programs. Developer shall be entitled to fee credits and/or fee reimbursements for the costs to be incurred by Developer to construct any public improvements or facilities that are funded by existing fee programs in accordance with the terms of such existing fee programs.

(iii) Credits and Reimbursements from SFD Fee Program. Developer shall be entitled to fee credits against and/or fee reimbursements from the SFD Fee for any costs to be incurred by Developer to design and/or construct any public improvements or facilities that are funded by the SFD Fee Program (and may also be liable for refunding any such credits or losing its reimbursement priority upon any failure to timely complete such design and construction), all in accordance with and as more particularly provided by the terms of the SFD Fee Program to be adopted by City consistent with the Finance Plan and Appendix E thereof.

7.3.5 Monitoring and Enforcement of Specific Plan Fee Obligations. As more particularly provided in the Finance Plan, to establish and monitor, among other things, the Property's obligations to participate in the financing and fee programs described in the Finance Plan, Developer shall, when submitting an application for a large lot or small lot tentative subdivision map for the Property (a "Tentative Map"), include the entire Property in the Tentative Map and include a phasing plan (the "Tentative Map Phasing Plan") to identify how development of the Tentative Map will be phased and required infrastructure will be provided through the processing and approval of final subdivision maps consistent therewith.

7.4 Transportation Set-Aside Fee. As more particularly described in the Finance Plan and Appendix C thereof, City and Developer agree that an initial amount of Nine Thousand Dollars ($9,000) of City Transportation Development Impact Fee for each single-family residential unit in the Project (and a corresponding set aside for multifamily units, based on its EDU) will be set aside to establish a dedicated revenue source to help fund certain core backbone road improvements identified in Appendix C of the Finance Plan; as provided in Appendix C of the Finance Plan, the set-aside shall not apply to non-residential uses. The Finance Plan and Appendix C thereof detail the requirements and administration of this set-aside from the TDIF. Developer and City acknowledge and agree that the availability of credits or reimbursements for roadway improvements constructed by Developer within or off-site of the Specific Plan shall be subject to and administered in accordance with the TDIF set-aside provisions of the Finance Plan and Appendix C thereof. City further acknowledges that the administration and maintenance of this set-aside of the TDIF will automatically sunset and terminate when City has secured full funding for the Rancho Cordova Parkway/Highway 50 Interchange, or an alternative approved by City has been secured.

7.5 County Reciprocal Funding Agreement. City shall enter into good faith negotiations with the County of Sacramento ("County") to enter into a reciprocal funding agreement between City and the County to address impacts of developing the Specific Plan on Sacramento County roadways, as well as other cross-jurisdictional roadway impacts related to planned development in the City and County. The Developer agrees to comply with the terms

of and pay its share of any fees under the Reciprocal Funding Agreement, provided that those fees are allocated among new development in the City on a fair share basis.

8. Affordable Housing. Developer shall comply with all terms, conditions and requirements under the Affordable Housing Plan applicable to the Property. Any failure by Developer to perform any term, condition or requirement of the Affordable Housing Plan applicable to the Property is a violation of this Agreement, subject to default under Section 13. City acknowledges that Developer's compliance with all the terms, conditions and requirements of the Affordable Housing Plan applicable to the Property shall fully satisfy Developer's obligations to provide affordable housing or inclusionary housing or other such fee or exaction related thereto associated with development of the Property.

9. Dedication of Public Rights of Way and Other Public Lands. Within thirty (30) days of receipt of a written dedication request from City, including without limitation any such request by City to accommodate a requirement for another Participating Developer to build any Specific Plan Backbone Improvement(s) within any portion of the Property in connection with the development of the other Participating Developer's property, Developer shall grant irrevocable dedications of rights of way and easements to City, in a form acceptable to City, for those portions of the Property required to construct such Backbone Improvements. The cost of preparing the dedication documents, including the engineering and surveying costs related thereto, shall be paid by the Participating Developer initiating or necessitating the request for the dedication. In addition to granting such irrevocable offers of dedication, Developer shall also grant temporary construction easements for reasonable access onto the Property to construct such Backbone Improvements, which shall be assignable to any Participating Developer who intends to construct such Backbone Improvements. Developer shall obtain the consent of any and all beneficiaries under any deeds of trust or mortgages or other such holders of monetary claims or liens against the Property to subordinate their interests therein to such dedicated rights of way and easements.

10. Participation in the South Sacramento Habitat Conservation Plan. City and Developer recognize that mitigating impacts on protected natural resources through a coordinated regional approach may provide a variety of biological and economic benefits. City has actively participated in the preparation of the South Sacramento Habitat Conservation Plan ("SSHCP") in order to provide such a solution for public improvement projects and private development within the City. Assuming City and the other SSHCP local agency partners are successful in completing the SSHCP, if the Developer chooses to seek permits which rely upon the SSHCP, Developer shall pay City a per acre fee based upon the methodology established by City to defray the costs of City to participate in the development of the SSHCP, to the extent such costs are not otherwise included in the SSHCP. For purposes of this section, "permits" refers to regulatory permits required to meet the requirements of the Federal Endangered Species Act, the California Endangered Species Act, and/or the Federal Clean Water Act.

11. Amendment or Cancellation.

11.1 Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto, and in accordance with the procedures of state law and the Municipal Code. Any amendment of the Entitlements that does not constitute a Minor Revision as defined in the Specific Plan shall require amendment of this Agreement. Any such amendment may be requested and made only as to a portion of the Property, in which case only the owner(s) of such portion of the Property subject thereto shall be required to apply for and sign such partial amendment of this Agreement.

11.2 Cancellation by Mutual Consent. Except as otherwise permitted herein, this Agreement may be canceled in whole or in part only by the mutual consent of the Parties or their successors in interest, in accordance with Municipal Code. Any fees paid pursuant to this Agreement and spent by City prior to the date of cancellation shall be retained by City.

11.3 Automatic Termination Upon Completion and Sale of Residential Unit. This Agreement shall automatically be terminated, without any further action by either party or need to record any additional document, with respect to any single-family residential lot designated by the Specific Plan for residential use, upon completion of construction and issuance by City of a final inspection for a dwelling unit upon such residential lot and conveyance of such improved residential lot by Developer to a bona-fide good faith purchaser thereof. In connection with its issuance of a final inspection for such improved lot, City shall confirm that: (i) all improvements which are required to serve the lot, as determined by City, have been accepted by City; and (ii) the lot is included within any financing districts or mechanisms required by Section 7 or other financing mechanism acceptable to City, to the extent required hereby. Termination of this Agreement for any such residential lot as provided for in this Section 11.3 shall not in any way be construed to terminate or modify any assessment district or Mello-Roos Community Facilities District lien affecting such lot at the time of termination.

11.4 Termination upon Landowner Request. This Agreement may also be terminated, at the election of the then property owner, with respect to any legally subdivided parcel designated by the Specific Plan for residential or nonresidential use (other than parcels designated for public use), when recording a final subdivision map for such parcel, or receiving a certificate of occupancy or final inspection, whichever is applicable, for a multifamily or nonresidential building within such parcel, by giving written notice to City of its election to terminate the Agreement for such parcel, provided that: (i) all improvements which are required to serve the parcel, as determined by City, have been accepted by City; (ii) the parcel is included within any financing districts or mechanisms required by Section 7, or other financing mechanisms acceptable to City, to the extent required hereby; (iii) all other financial obligations to City under this Agreement that are outstanding or may become outstanding upon subsequent development of the Property, or portion thereof subject to such termination, have been satisfied, including without limitation satisfaction of all obligations under Sections 6 and 7.3 hereinabove to pay any Park Fees (including Interim Park Fees and Park Renovation Fees) SFD Fees, Land Equalization Fees, planning reimbursements, and/or roadway frontage reimbursements that are then outstanding or may become payable upon further development of the Property or portion thereof subject to such termination; and (iv) the Developer of such portion of the Property is not in Default of this Agreement and no notice of Default has then been issued by City with respect to such portion of the Property. City shall cause any written notice of termination approved pursuant to this Section to be recorded with the Sacramento County Recorder against the applicable parcel at Landowner's expense. Termination of this Agreement for any such residential or nonresidential parcel as provided for in this Section 11.4 shall not in any way be construed to terminate or modify any assessment district or Mello-Roos Community Facilities District lien affecting such parcel at the time of termination.

12. Annual Review.

12.1 Annual Review. City reserves the right to annually monitor and review Developer's good faith compliance with the terms of this Agreement and the Entitlements.

12.2 Monitoring. City has discretion to monitor the continuing compliance of the terms of this Agreement and the Entitlements by updating decision-makers, conducting field inspections, implementing and interpreting requirements, monitoring any litigation relating to the Property, and taking any other actions City may find appropriate.

12.3 Annual Review Date. City intends to conduct an annual review each year during the term of this Agreement in September of each year after the Effective Date.

12.4 Initiation of Review. City's Planning Director initiates the annual review by giving Developer written notice that City will conduct the annual review. The Planning Director's written notice will include an estimate of the total costs City expects to incur in connection with the review. Within thirty (30) days of City's notice, Developer must provide evidence to the Planning Director to demonstrate good faith compliance with this Development Agreement. The burden of proof, by substantial evidence of compliance, is upon the Developer. City's failure to timely initiate the annual review is not a waiver of the right to conduct a review at a later date or otherwise enforce the provisions of this Development Agreement. Developer is not in default under this Agreement by virtue of a failure by City to timely initiate review.

12.5 Staff Reports. City shall deposit in the mail to Developer a copy of all staff reports and related exhibits concerning contract performance at least twenty (20) days prior to any annual review. City shall also, to the extent practicable, make reasonable efforts to provide simultaneous notice to Developer by e-mail or other then-available means of electronic technology.

12.6 Costs. Costs reasonably and directly incurred by City in connection with the annual review and monitoring shall be paid by Developer in accordance with the City's schedule of fees and billing rates in effect at the time of review. The costs that Developer may be required to pay are not limited to the amount in the Planning Director's estimate.

12.7 Non-compliance with Agreement; Hearing. If the Planning Director determines, on the basis of substantial evidence, that Developer has not complied in good faith with the terms and conditions of this Development Agreement during the period under review, the City Council may initiate proceedings to modify or terminate the Agreement, at which time an administrative hearing shall be conducted in accordance with the procedures of state law. As part of that final determination, the City Council may impose conditions on the Project that it considers necessary and appropriate to protect the interests of City. Developer may, at the same hearing, raise any and all issues of non-compliance by City with the terms of this Development Agreement, and the City Council shall review and make findings concerning the compliance of all Parties to the Agreement.

12.8 Appeal of Determination. The decision of the City Council as to Developer's compliance shall be final. Any court action or proceeding to challenge, review, set aside, void, or annul any compliance determination by the Council must be commenced within thirty (30) days of the final decision of the City Council, or the Developer forfeits the right to seek judicial review.

13. Violation of Entitlements. In addition to complying with all terms of this Agreement, Developer agrees to perform all terms, conditions and requirements of all other Entitlements. Any failure by Developer to perform any material term, condition or requirement of any of the other Entitlements or Subsequent Entitlements is a violation of this Agreement, subject to default under Section 14. City acknowledges that the timing and implementation of

any development of the Property shall be at the discretion of Developer, and that unless and until the Developer elects to develop any portion of the Property, the only obligations of the Developer hereunder shall be to dedicate public rights or way and lands and grant temporary construction easements as, if and when required pursuant to Section 9 above, and to advance its share of the cost to implement the Land Equalization Fee Program if and when required pursuant to Section 7.3.2 above.

14. Default and Opportunity to Cure. Subject to any applicable extension of time agreed to by the Parties in writing, failure by any Party to perform any term or provision of this Agreement required to be performed by such Party, including without limitation any violation of Section 13, constitutes an event of default ("Event of Default"). For purposes of this Agreement, a Party claiming another Party is in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." Except as provided in Section 12, a Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Section 24, and the Party in Default fails to cure such Event of Default within the applicable cure period.

14.1 Procedure Regarding Defaults.

14.1.1. Notice of Default. If an Event of Default occurs, prior to exercising any remedies, the Complaining Party shall give the Party in Default written notice of such default. After City as the Complaining Party provides notice of an Event of Default by Developer, if such Event of Default is not cured within thirty (30) days after the Developer's receipt of such notice, City may thereafter cease to issue any permit or approve any entitlement for which an application has been filed for any portion of the Property then owned or controlled by the Party in Default until the Default is cured pursuant to the procedures in this Section 14.

14.1.2. Cure. The Party in Default must cure the default within thirty (30) days from the Notice of Default. The Complaining Party may pursue all available remedies if the Party in Default fails to cure the default within the 30-day time period. If the nature of the alleged default is such that it cannot reasonably be cured within thirty (30) days, the 30-day time period will be tolled if: (a) the cure is commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the Party in Default's receipt of the notice), the Party in Default provides written notice to the Complaining Party that the cure cannot practicably be completed within such thirty- (30) day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded from exercising remedies if a default is not cured within ninety (90) days after the first notice of default is given. If the Event of Default is discovered or determined in the course of the Annual Compliance Review, in addition to other remedies and potential cures, City shall have the statutory authority pursuant to Government Code section 65865.1 to decide to terminate or modify the Development Agreement following the opportunity to cure as provided in this Section 14.1.2.

14.1.3. Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

14.1.4. Legal Proceedings. If the Party in Default fails to cure a default in accordance with the provisions of Section 14.1.2, the Complaining Party, at its option, may institute legal proceedings pursuant to this Development Agreement or terminate this Development Agreement. Upon the occurrence of an Event of Default, the Parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement or City's regulations governing development agreements, expressly including the remedy of specific performance of this Development Agreement. In no event, except as provided in Sections 18, 21 and 22 of this Agreement, will either Party be liable to the other Party for any monetary damage for claims arising out of this Agreement, and both Parties hereby expressly waive any such monetary damages. Notwithstanding the foregoing, City may immediately institute any legal proceedings relating to this Development Agreement without the notice and opportunity to cure required in the case of an emergency or immediate danger to public health, safety or welfare.

15. Estoppel Certificate. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting that the other Party certify in writing that, to the knowledge of the certifying Party: (i) this Development Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Development Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; and, (iii) the requesting Party is not in default in the performance of its obligations under this Development Agreement, or if in default, describing therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within thirty (30) days following the receipt of each such request. Each Party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by City establishing the status of this Development Agreement with respect to the Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording Party.

16. Severability. If any part of this Agreement is for any reason held to be unenforceable, the rest of the Agreement remains fully enforceable. If, however, a provision of this Agreement is determined to be invalid or unenforceable and the effect is to deprive a Party of an essential benefit of this Agreement, then the Party so deprived will have the option to terminate this entire Agreement upon written notice to the other Party.

17. Applicable Law. California law applies to this Agreement without regard for any choice-of-law rules that might direct the application of the laws of any other jurisdiction.

18. Attorneys' Fees and Costs in Legal Actions by Parties to the Agreement. Should any legal action be brought by either Party for breach of this Development Agreement or to enforce any provisions herein, the prevailing party in the action is entitled to reasonable attorneys' fees, court costs, and any other costs as may be fixed by the Court.

19. Agreement Runs with the Land. Except as otherwise provided for in this Development Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Agreement are binding upon the Parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Development Agreement are enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable laws, including but not limited to Section 1468 of the California Civil Code. Each covenant to do, or refrain from doing, some act on the Property, or with respect to any owned property: (i) is for the benefit of

such properties and is a burden upon such properties; (ii) runs with such properties; and (iii) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

20. Bankruptcy. The obligations of this Development Agreement are not dischargeable in bankruptcy.

21. Indemnification from Construction, Improvement, Operation and Maintenance Claims. Developer agrees to indemnify, defend with counsel selected by City, and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives, from any and all claims, costs (including legal fees and costs incurred by City or awarded to plaintiffs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by Developer, or any actions or inactions of Developer's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property or the Project. Developer has no indemnification obligation with respect to the gross negligence or willful misconduct of City, or its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives or with respect to the maintenance, use, or condition of any improvement after the time it has been dedicated to and accepted by City or another public entity (except as provided in an improvement agreement or maintenance bond). The provisions of this Section 20 shall survive the termination of this Agreement.

22. Cooperation and Indemnification of City in Event of Legal Challenge to This Agreement or Entitlements. In the event of any legal or equitable action or other proceeding instituted by any third party challenging the validity of any provisions of this Development Agreement or the Entitlements, or seeking to overturn or invalidate any approval granted pursuant to this Agreement:

22.1. The Parties agree to cooperate in defending against the action or proceeding;

22.2. The Developer is solely responsible for its own costs and any costs incurred by City for such defense;

22.3. Developer will indemnify, defend with counsel selected by City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by City or awarded to plaintiffs) and liability;

22.4. Neither Developer nor City shall settle any action or proceeding on grounds that include non-monetary relief or admissions of liability without written consent of the other Party. City agrees to not settle any action based upon monetary relief without the written consent of Developer, unless City is solely liable and agrees to pay such monetary relief.

22.5. The provisions of this Section 22 shall survive the termination of this Development Agreement.

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

24. **Notices**. All notices and other communications required or permitted under this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code section 65865, must be in writing and must be delivered in person or sent by certified mail, postage prepaid, or by facsimile or electronic mail.

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

CITY OF RANCHO CORDOVA
Planning Director
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Fax: (916) 851-8762
E-mail: pjunker@cityofranchocordova.org

Notice required to be given to Developer shall be addressed as follows:

GRANTLINE & CHRYSANTHY 220 INVESTORS, LLC
Attn: Angelo Christie
5524 Fair Oaks Blvd.
Carmichael, CA 95608
Fax: 916-383-0552
E-mail: angelochristie@gmail.com

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

25. **Assignment and Release**. From and after recordation of this Agreement against the Property, Developer shall have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, provided that (i) Developer has paid City any and all fees or amounts due to City arising out of this Agreement, the processing of the Entitlements, or the development of the portion of the Property to be assigned, and (ii) upon the receipt by City Planning Director of the express written assignment by Developer and assumption by the assignee of such assignment in the form attached hereto as **Exhibit C**. Upon the payment of such fees or amounts due (which shall be acknowledged on the assignment by City Planning Director upon the request of Developer) and City's receipt of the express written assignment by Developer, the assumption by the assignee of such assignment in the form attached hereto as **Exhibit C**, and the conveyance of Developer's interest in the Property related thereto, Developer shall be released from further liability or obligation related to the portion of the Property so conveyed and the assignee will be considered the "Developer," with all rights and obligations related thereto, with respect to such conveyed property (the "Assigned Property").

26. **Mortgagee Protection**. The parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof by any mortgage, deed of trust or other security device securing financing with respect to the Property. City acknowledges that lenders providing any such financing may require certain Agreement interpretations and modifications, and agrees upon

request, from time to time, to meet with Developer and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. City will not unreasonably withhold its consent to any such requested interpretation or modification, provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any lender or other such entity (a "Mortgagee") that obtains a mortgage or deed of trust against the Property shall be entitled to the following rights and privileges:

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

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

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

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, by any means, whether pursuant to foreclosure of the mortgage, deed of trust, or deed in lieu of such foreclosure or otherwise, shall take the Property, or part thereof, subject to the terms of this Agreement; provided, however, notwithstanding anything to the contrary above, any Mortgagee, or successor or assign of such Mortgagee, who becomes an owner of the Property through foreclosure shall not be obligated to pay any fees or construct or complete the construction of any improvements, unless such owner desires to continue development of the Property consistent with this Agreement and the Entitlements, in which case the owner by foreclosure shall assume the obligations of Developer hereunder in a form acceptable to City.

(e) The foregoing limitation on Mortgagees and owners by foreclosure shall not restrict City's ability pursuant to Section 9 of this Agreement to specifically enforce against such Mortgagees or owners any dedication requirements under this Agreement or under any conditions of any other Entitlements.

27. Priority of Enactment. In the event of conflict between this Development Agreement and the Entitlements, this Development Agreement is controlling and the Parties will meet and confer in good faith to amend the Entitlements accordingly.

28. Form of Agreement; Recordation; Exhibits. City will record this Agreement and any subsequent amendment to this Agreement, with the County Recorder within ten (10) days of the effective date. City will also record any termination of any parts or provisions of this Agreement, except when this Development Agreement automatically terminates due to the expiration of the Term of this Agreement. Any amendment or termination of this Development Agreement that affects less than all of the Property must describe the portion of the property that is the subject of the amendment or termination. This Agreement is executed in three

duplicate originals, each of which is deemed to be an original. This Agreement consists of 24 pages and 7 exhibits, which constitute the entire understanding and agreement of the Parties.

29. City Manager Authorization. The City of Rancho Cordova, a municipal corporation, has authorized this Development Agreement to be executed in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. 33-2010 adopted by the Council of the City on the 2nd day of December, 2013, and has caused this Agreement to be executed.

"CITY"

CITY OF RANCHO CORDOVA,
a municipal corporation

By: Ted A. Gaebler

Name: Ted A. Gaebler

Its: City Manager

Date: 1-13-14

"DEVELOPER"

GRANTLINE & CHRYSANTHY 220 INVESTORS, LLC
a California limited liability company

By: Valley Land Company, a California corporation

Its: Managing Member

Name: Angelo Christie, Vice President

Date: 12/26/2013

ATTEST:

City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren
City Attorney

Date: 1/6/14

STATE OF CALIFORNIA)
)
COUNTY OF SACRAMENTO)

On January 16, 2014 before me, Mindy Cuppy, a Notary Public, personally appeared Ted A. Gaebler, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

MINDY CUPPY
Commission # 2038949
Notary Public - California
Sacramento County
My Comm. Expires Aug 26, 2017

Mindy Cuppy, Notary Public

ACKNOWLEDGMENT

State of California
County of Sacramento)

On December 26, 2013 before me, Tawny Por, Notary Public
(insert name and title of the officer)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

TAWNY POR
COMM. # 1936422
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
MY COMM. EXP. JUNE 10, 2015

Signature _____ (Seal)

EXHIBIT LIST

Exhibit A-1:	Legal Description of the Property
Exhibit A-2:	Map of the Property
Exhibit B:	SunCreek Specific Plan area (SunCreek Project)
Exhibit 6.1:	Map of Park and Neighborhood Green Land Dedications within Property
Exhibit 6.3:	Map of City Renovation Area
Exhibit C:	Form of Assignment
Exhibit 7.3.3	Map Outlining Grantline 220 Property

2194025.10

EXHIBIT A-1

All that real property situated in the City of Rancho Cordova, County of Sacramento, State of California, described as follows:

The Southerly 110 rods of Section 15, Township 8 North, Range 7 East, Mount Diablo Base and Meridian.

Excepting Therefrom the Easterly 40 feet.

Further Excepting Therefrom all oil, gas and other hydrocarbon substances, inert gases, minerals and metals, lying below a depth of 500 feet from the surface of said land and real property, whether now known to exist or hereafter discovered, including but not limited to the rights to explore for, develop, and remove such oil, gas, and other hydrocarbon substances, inert gases, minerals, and metals, without, however, any right to use the surface of such land and real property or any other portion thereof above a depth of 500 feet from the surface of such land and real property for any purpose whatsoever, as conveyed in Grant Deed recorded March 31, 1987, in Book 870331, Page 1128, Official Records.

Apn: 067-0040-010

Exhibit A-2

Map of Property

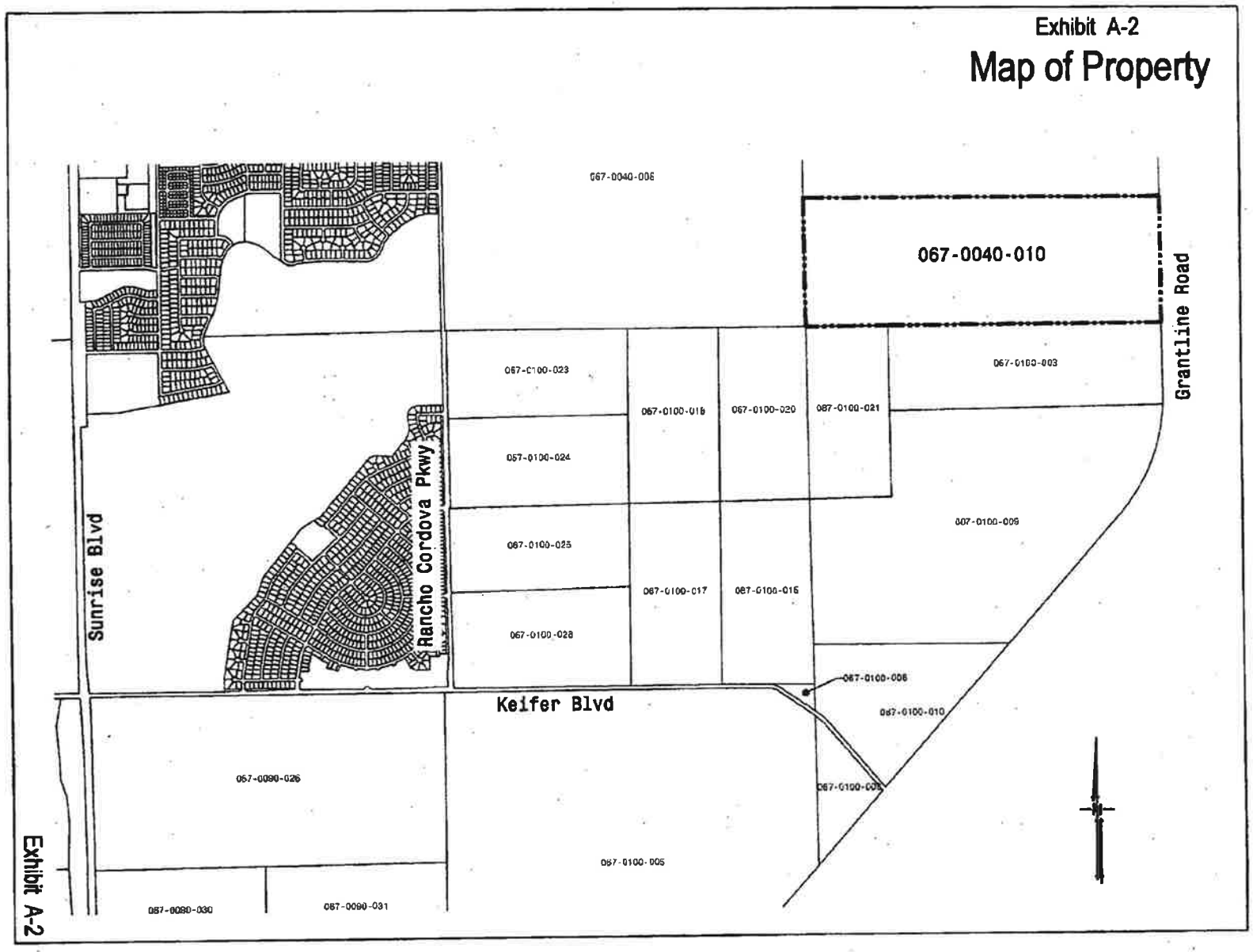

Exhibit A-2

EXHIBIT B

SUNCREEK SPECIFIC PLAN AREA

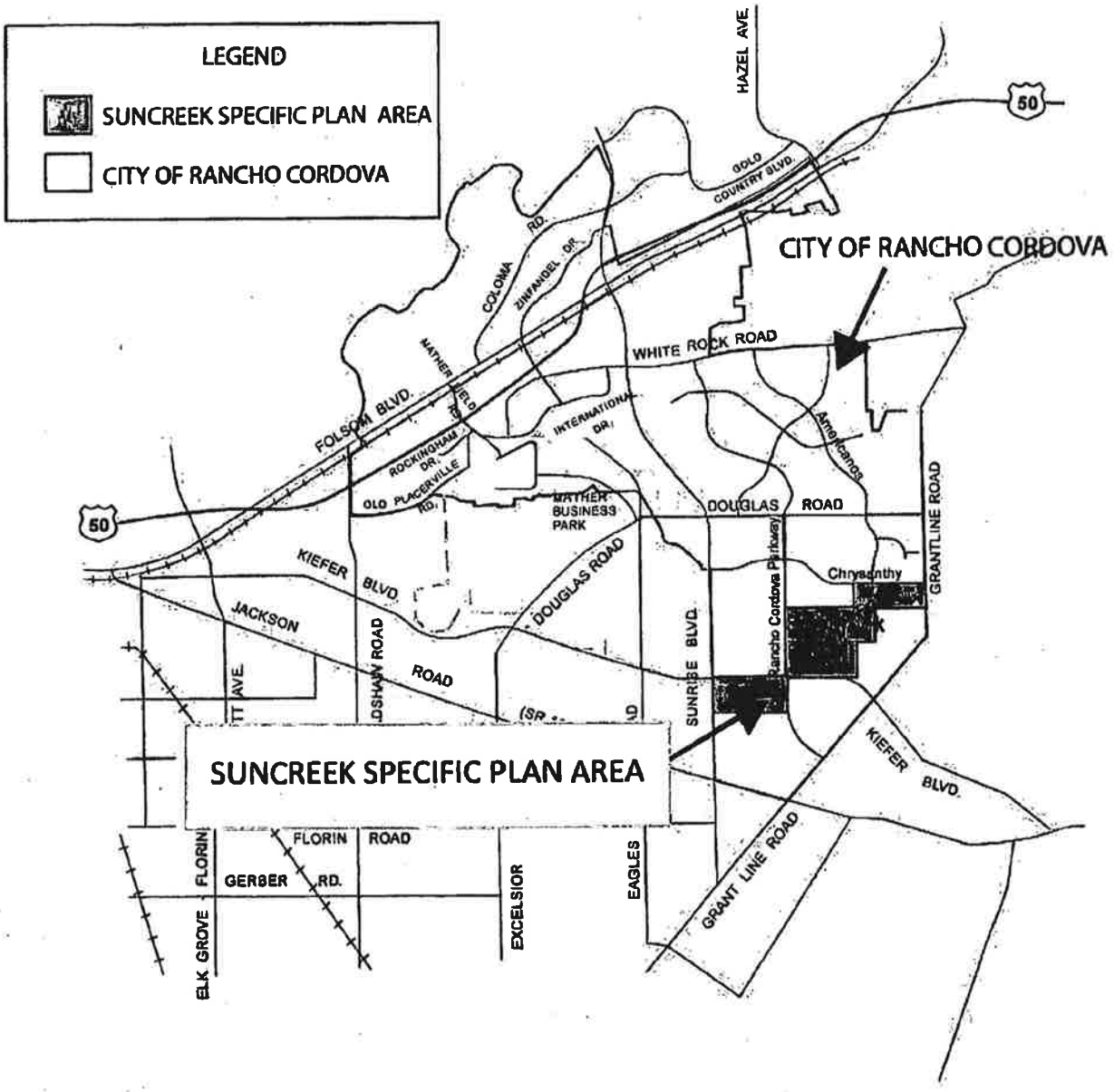

Exhibit 6.1

Map of Park and Neighborhood Green Land Dedications

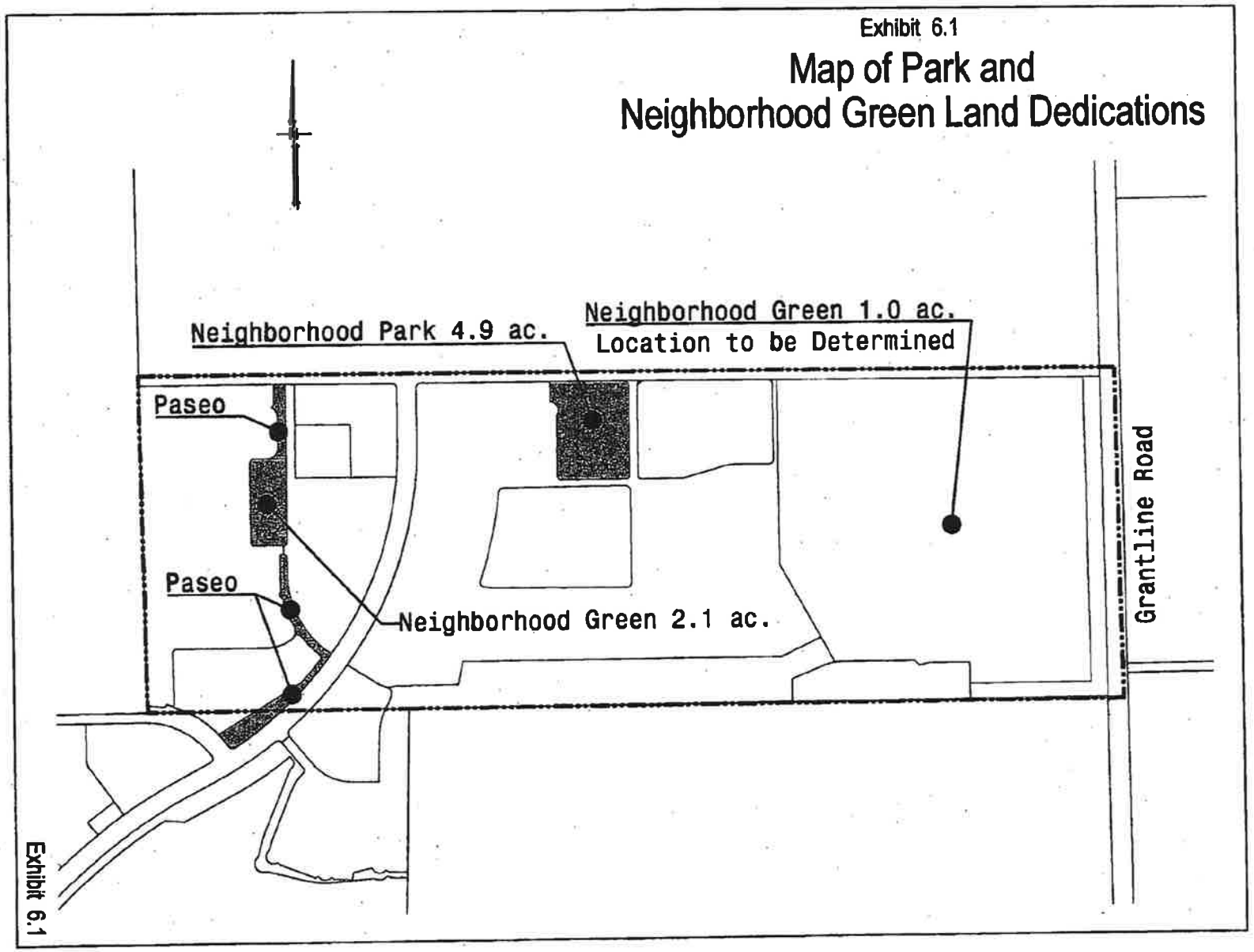

Exhibit 6.1

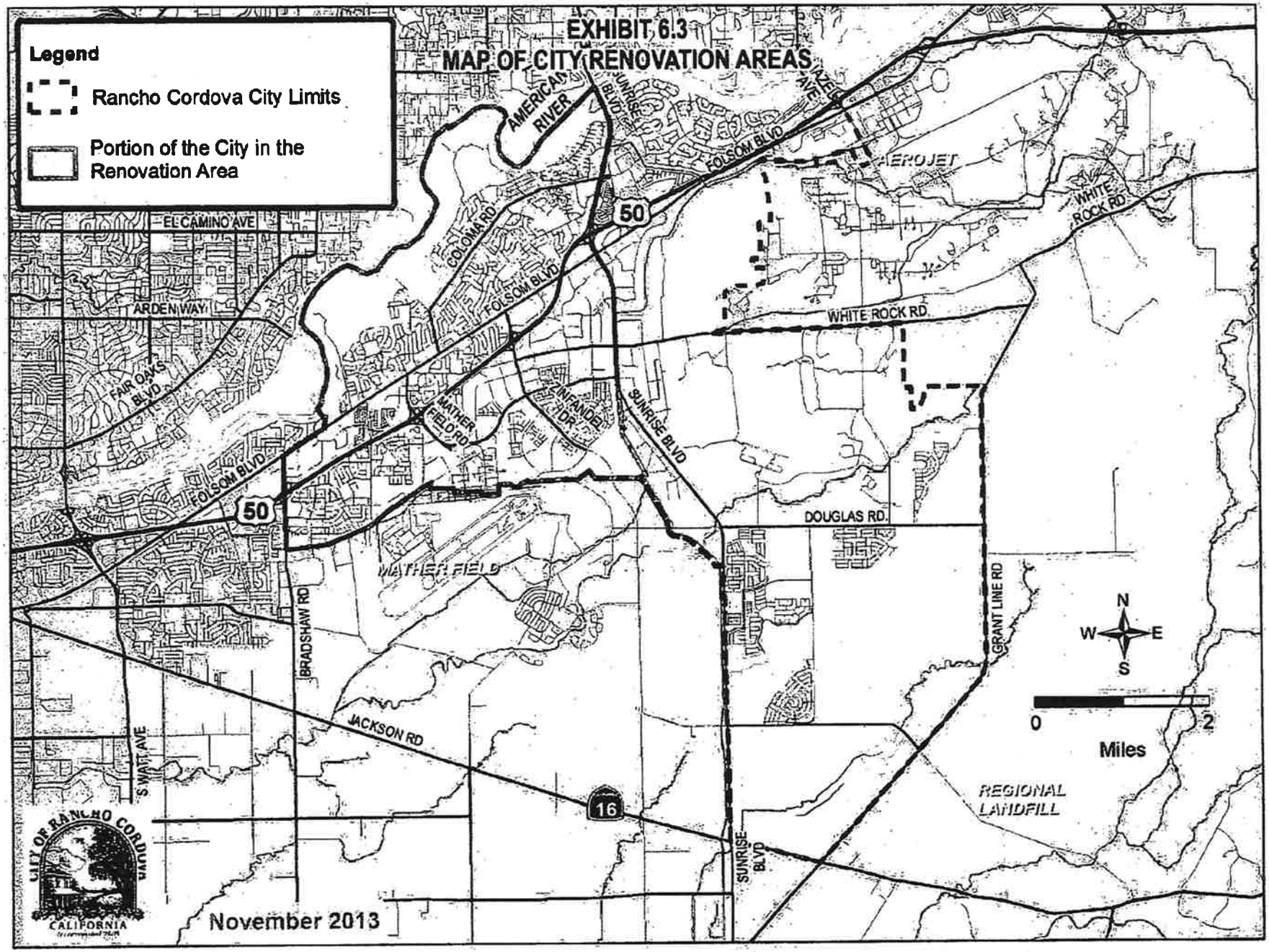
EXHIBIT 6.3
MAP OF CITY RENOVATION AREAS
Legend
Rancho Cordova City Limits
Portion of the City in the Renovation Area
AMERICAN RIVER
SUNRISE BLVD
FOLSOM BLVD
HAZEL AVE
EL CAMINO AVE
COLOMA RD
50
ARDEN WAY
FAIR OAKS BLVD
MATHER FIELD RD
ZINFANDEL DR
WHITE ROCK RD
DOUGLAS RD
MATHER FIELD
BRADSHAW RD
GRANT LINE RD
JACKSON RD
S WATT AVE
16
REGIONAL LANDFILL
N
W
E
S
0
2
Miles
CITY OF RANCHO CORDOVA
CALIFORNIA
November 2013

EXHIBIT C

FORM OF ASSIGNMENT

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO SUNCREEK PROJECT
(Parcel(s) ___ of the _____ Property)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this _____ day of _____, 201_, by and between _____, a _____(hereinafter "Assignor"), and _____, a _____ (hereinafter "Assignee").

RECITALS

On_____, 2013, the City of Rancho Cordova and entered into that certain agreement entitled "Development Agreement By and Between the City of Rancho Cordova and _____ Relative to the SunCreek Project (hereinafter the "Development Agreement")." Pursuant to the Development Agreement, Assignor agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Sacramento County on _____, 201__, as Instrument No. 201__-_____.

Assignor intends to convey a portion of the Subject Property to Assignee, commonly referred to as Parcel _____, and more particularly identified and

described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel").

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

ASSIGNMENT AND ASSUMPTION

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

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

Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Assignor under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, and so long as Assignor has paid City any and all fees or amounts due to City arising out of the Development Agreement, the processing of the Entitlements, and the development of the Assigned Parcel, Assignee shall become substituted for and as the "Developer" under the Development Agreement with respect to the Assigned Parcel, and Assignor shall be released of and from any obligations or liabilities under the Development Agreement with respect to the Assigned Parcel.

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

The Notice Address described in Section 20 of the Development Agreement with respect to the Assigned Parcel shall be:

_____

_____

_____

Attn: _____

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

ASSIGNOR:	ASSIGNEE:
_____,	_____,
a _____	a _____
By:	By:
_____	_____
Print Name:_____	Print Name:_____
Title: _____	Title: _____

2196334.1

CONFIRMATION OF PAYMENT OF OUTSTANDING FEES
RELATED TO DEVELOPMENT OF ASSIGNED PARCEL

Upon request of _____, the Developer of the Assigned Parcel described herein, and based on the review of the City's files related to the development of the Assigned Parcel and the obligations allocable thereto, the undersigned, as the City Planning Director or designated representative thereof, hereby confirms that the Developer appears to have paid to the City any and all fees or amounts allocable to the Assigned Parcel and due to the City under or arising out of the Development Agreement, the processing of the Entitlements, and/or the development of the Assigned Parcel. This confirmation may be relied upon by Assignor to relieve Assignor of any continuing obligation as Developer with respect to the Assigned Parcel upon this Assignment becoming effective; provided, however, in the event of any mistake or error by the City in making this determination, the City shall not be prohibited or limited hereby from enforcing the obligation to pay any such fees or amounts allocable to the Assigned Parcel subsequently determined to be due with respect thereto.

_____
By:_____
Title:_____

Exhibit 7.3.3

Map Outlining Grantline 220 Property

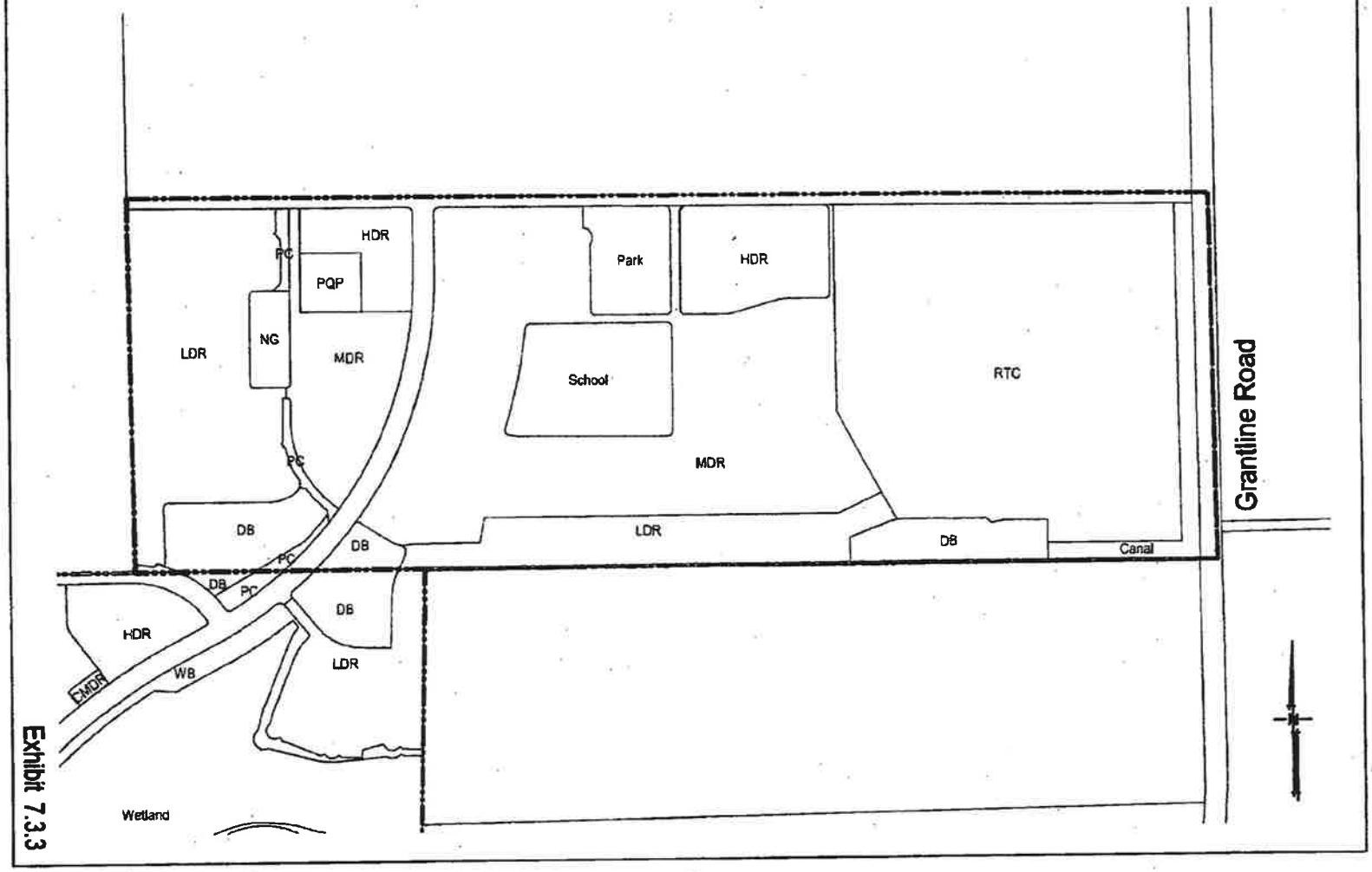

Exhibit 7.3.3