

Placer County Code Article 15.30: County public facilities fee
Placer County Code Article 15.34: Parks and recreation facilities fee
Placer County Ordinance No. 5321-B: County of Placer—City of Roseville
joint traffic fee
South Placer Regional Transportation Authority: South Placer Regional
Transportation and Air Quality Mitigation Fee

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

Placer County Code Article 13.12: Sewer service system annexation and connection fees
Placer County Code Article 15.28: County road network capital improvement program traffic fee: Dry Creek Zone
Placer County Code Article 15.30: County public facilities fee
Placer County Ordinance No. 5321-B: County of Placer—City of Roseville joint traffic fee
South Placer Regional Transportation Authority: South Placer Regional Transportation and Air Quality Mitigation Fee

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

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

2.5.4.1 Regional Traffic Fee (“County Tier II Fee”). The County is currently in the process of working with the Cities of Lincoln, Rocklin and Roseville (the “**Cities**”) to implement a program whereby projects in new development areas within southwestern Placer County will each pay a traffic fee to fund certain major regional traffic infrastructure projects that provide relief for traffic congestion to Placer County.

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

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

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

building permit issued for an industrial/office/other use building within the Community Property; and (d) within the University Property only, One Thousand Dollars (\$1,000.00) per dwelling unit equivalent for each building permit, based upon the identification and distribution of the number of dwelling unit equivalents per building type to be determined between the County and the University Property Owner as part of the Campus Master Plan approval required by Section 10.2.5 of the Specific Plan and Section 4.3 of this Agreement, to be adjusted annually from the Effective Date by the percentage of change in the 20-Cities Construction Cost Index in the Engineering News Record. If County determines that it may not be feasible to construct any or all of the projects contemplated under the regional fee program because of the decision by the Cities to not impose a similar and equivalent fee, County shall identify the infrastructure project or projects that, in its sole discretion, provide the greatest benefit to County residents in southwestern Placer County and shall utilize the County Tier II Fee accordingly.

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

2.5.4.2 Highways 99/70--Riego Road Interchange Fee. Master Owner shall pay a fee of Three Hundred Dollars (\$300.00) per dwelling unit equivalent for each building permit issued within the Community Property to provide funding for the construction of an interchange at the intersection of State Highways 99/70 and Riego Road in Sutter County ("**99/70--Riego Interchange Fee**"). The 99/70--Riego Interchange Fee is not currently included within the County Tier II Fee. County agrees that in the event the Cities do not adopt a regional traffic fee in an amount equivalent to the County Tier II Fee, County shall allow credit for payment of the 99/70--Riego Interchange Fee as described above against the amount of the then applicable County Tier II Fee. Payment of the 99/70--Riego Interchange Fee shall not be subject to imposition of a similar and equivalent fee by Sutter County. In the event Sutter County

does not agree to impose a similar and equivalent fee on development projects within Sutter County and County determines that it may not be feasible to construct the Highways 99/70--Riego Road interchange, County shall identify the infrastructure project or projects that, in its sole discretion, provide the greatest benefit to County residents in southwestern Placer County and shall utilize the 99/70--Riego Interchange Fee accordingly. The 99/70--Riego Interchange Fee shall be adjusted annually from the Effective Date by the percentage of change in the 20-Cities Construction Cost Index in the Engineering News Record.

2.5.4.3 Southwest Placer Fee (the "SW Placer Fee"). County shall establish and Master Owner shall pay the Southwest Placer Fee ("**SW Placer Fee**") as set forth in the Financing Plan. The SW Placer Fee shall be comprised of the costs for a portion of the infrastructure and equipment that is necessary to support and facilitate the development of the Property and which is required and sized to serve the residents of the Specific Plan and adjacent properties or other specific plan or development projects that may occur in the general vicinity of southwest Placer County. The SW Placer Fee shall include components covering the costs of the following types of infrastructure and equipment which are more specifically described in the Financing Plan: County corporation yard and associated equipment, regional library facilities, regional fire center, fee program formation and administration and fee updates. The County shall take into account comparable types of facilities, infrastructure or equipment, if any, that the University Property Owner may provide that would reduce the amount of the SW Placer Fee applicable to the University Property. Accordingly, the parties acknowledge that the SW Placer Fee applicable to the University Property could be different from the SW Placer Fee applicable to the Community Property.

(a) Initial Establishment of SW Placer Fee. County shall determine the initial amounts of the SW Placer Fee based upon estimated costs of construction of the included infrastructure and estimated purchase costs of the included equipment as described in the Finance Plan, as updated at the time of initial establishment.

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

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

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

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

Metropolitan Area Consumer Price Index for All Urban Consumers over the twelve-month period preceding each anniversary date of the Effective Date. As provided in Section 2.5.4.4 above, in the event that Master Owner proposes and County approves Urban Services Lump Sum Payments as provided in Section 2.5.4.4 above, the Urban Services Shortfall Fee shall be adjusted accordingly.

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

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

2.5.5 Adjustment of Development Mitigation Fees and New Development Mitigation Fees and Application of Project Development Fees. County shall adjust Development Mitigation Fees and New Development Mitigation Fees from time-to-time

when it deems it necessary and in the interests of the County to do so. All such adjustments shall be done in accordance with County policy governing the assumptions and methodology governing adjustments of County fees generally and in accordance with the Mitigation Fee Act or other applicable law. All applications of the Project Development Fees on a dwelling unit equivalent basis shall be applied in accordance with County policy governing the calculation of dwelling unit equivalents generally applicable to comparable County fee programs.

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

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

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

2.6.1 Satisfaction of Affordable Obligation; Affordable Unit Allocation.

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

- (i) a lump sum fee of Five Million Forty Thousand Dollars (\$5,040,000.00), to be paid prior to the issuance of the first building permit within the Plan Area; provided, however, if the lump sum amount is not paid by the

second anniversary of the Effective Date for any reason (including the tolling of this Agreement pursuant to Section 1.3.4 herein), this amount shall be adjusted by the percentage of change in the 20-Cities Construction Cost Index in the Engineering News Record from said second anniversary date up to the date of payment; or

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

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

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

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

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

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

Payment of the Very Low Income Donation, in whichever manner elected by Master Owner, shall be documented as part of the Master Owner Certificate described in Section 3.3 below. Any failure to pay the applicable Very Low Income Donation when required shall be deemed a failure to fund required Major Development Costs and shall render any previously issued Master Owner Certificate void until such failure is cured. Prior to the issuance of the first building permit within either the

University Property or Community Property, Master Owner shall notify the County of its election for payment of the Very Low Income Donation. If Master Owner elects to pay either the lump sum fee or the graduated in-lieu fees pursuant to Section 2.6.1.1(i) or 2.6.1.1(ii) above, Master Owner shall notify the County as and when it pays either the lump sum fee or graduated in-lieu fee. The failure of Master Owner to pay the Very Low Income Donation in the manner selected by Master Owner shall constitute an event of default under this Agreement.

The Very Low Income Donation shall be deposited by the University Property Owner into a segregated income-producing account and shall be held in trust to be used solely for the construction of very low income housing units as approved by County in the Campus Master Plan required by the Specific Plan and Section 4.3 below. The Campus Master Plan shall specify the location and timing of construction by the University Property Owner of one hundred twenty-six (126) units of housing on the University Property which shall be available to qualifying very low income households. The University Property Owner shall be obligated to construct such very low income housing units and to operate and maintain such units as affordable to very low income households in accordance with the approved Campus Master Plan. This obligation to construct, operate and maintain these units as affordable to very low income households shall not be limited by the amount of the Very Low Income Donation received by the University Property Owner.

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

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

confirm the University Property Owner's satisfaction of its obligation to maintain and operate the units as affordable to very low income households for said 30-year period.

2.6.1.2 Low Income Units. The low income affordable unit obligation shall be satisfied by the Master Owner recording a deed restriction in perpetuity on Parcel 15 within the Community Property, or such other site(s) designated by Master Owner or Community Developer consistent with the Specific Plan, to accommodate four percent (4%) of the total residential units allocated within the Community Property. The deed restriction shall be recorded prior to the issuance of the first building permit on any property within the Community Property and shall limit the use of the subject portion of the Community Property to the provision of low income affordable housing only, with the form of such deed restriction being subject to the review and approval of County Counsel. The portion of the Community Property to be subject to the deed restriction shall be not less than 6.35 acres zoned for a minimum of twenty (20) units per acre so as to support one hundred twenty-seven (127) units of low income affordable housing. At the time Master Owner records the deed restriction, Master Owner shall also execute and record an irrevocable offer to dedicate the site(s) to County free and clear of the deed restriction which, in the event an application for a low income project has not been received by the County within fifteen (15) years of the date of approval of this Agreement, the County may in its sole discretion at any time thereafter accept. Irrespective of whether the County has chosen to accept the offer of dedication, the Master Owner shall, prior to the issuance of the 2500th building permit within the Community Property, have caused all Frontage Improvements and stubs for utilities to be installed and operational to provide access to and service for the affordable housing site(s).

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

2.6.2 Agreement Required. Prior to the approval of each final residential lot subdivision map within a parcel designated in this Agreement to provide affordable purchase opportunities, the parties shall enter into County's then current form of Affordable Purchase Housing Agreement for the residential purchase units affordable to moderate-income households. Similarly, prior to the issuance of a building permit for a multifamily development designated in this Agreement to provide affordable rental opportunities, the parties shall enter into County's then current form of Affordable

Rental Housing Agreement for the residential rental units affordable to low-income households. Both agreements shall require that the affordable housing be maintained as affordable units for a period of 30 years (from the initial occupancy of the affordable unit), unless a longer period is required by the type of financing utilized to construct the unit(s), and shall limit sales, resales and rentals of such units to qualified affordable households, subject to permissible hardship exceptions. Upon the expiration of the term of the affordable agreement, no further resale or rental restrictions shall apply with respect thereto; similarly, the deed restriction related to the provision of low income affordable housing units shall terminate upon expiration of the term of its affordable agreement.

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

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

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

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

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

2.7 Wetlands Fill Permits.

2.7.1 Master Owner Obligation. To the extent required to develop the Property, and to construct the Backbone Infrastructure (as defined in Section 3.7 below) and Public Facilities (as defined in Section 3.15 below), Master Owner shall obtain from the U.S. Army Corps of Engineers or other applicable permitting agency (the "**Permitting Agency**") a permit or permits (the "**Fill Permit**") to fill specific wetland resources prior to construction of the Backbone Infrastructure, the Public Facilities, and the development of the Property. Master Owner shall diligently pursue and obtain issuance of the Fill Permit and any amendment, modification or supplement thereto, or any additional Fill Permits if required, in order to implement the Project, including but not limited to off-site improvements. Such Fill Permit or Permits shall be obtained prior to the approval for recordation of the first Final Large Lot Map; provided, however, Master Owner may request County defer the foregoing requirement so that any such Fill Permit or Permits may be obtained at a later date, so long as such deferral does not extend the time to obtain a Fill Permit or Permits beyond the approval by the County of a grading plan or improvements plans for any portion of the Project. Master Owner shall keep County apprised of the progress of its efforts to obtain any necessary Fill Permit or Permits, and any such request shall be made in writing and submitted with

justification therefor to the County Executive Officer, who has sole discretion to decide to grant an extension of time for performance of this obligation. If the Fill Permit or Permits include conditions which impact or limit any public uses, operations or improvements to be conveyed pursuant to this Agreement, or which will result in any costs to County for monitoring, reporting, or maintenance under the Fill Permit after the conclusion of any monitoring period required of Master Owner by the Permitting Agency, any such conditions shall be subject to the prior review and approval by County. County is in the process of developing a comprehensive habitat conservation plan, commonly referred to as the Placer County Conservation Plan, and acknowledges that, upon approval of the Fill Permit, to the extent permitted by law, the County will not seek to impose any additional conditions or requirements on Master Owner to mitigate the impacts of development of the Project on wetlands, notwithstanding any additional conditions or requirements that may subsequently be contained within the Placer County Conservation Plan. The parties hereto anticipate that the Project will mitigate the impacts of such wetland fills through a combination of on-site preservation, off-site preservation and/or on-site and off-site creation of wetland resources.

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

2.7.3 Facilities Included in Fill Permit. Master Owner shall use its best efforts to ensure that the approval of its Fill Permit includes development of the bike paths, water quality structures and drainage and flood control facilities, and any other similar improvements described in the Specific Plan and this Agreement. In this regard, Master Owner shall consult with County and include to the extent known or planned the approximate location of proposed bike paths, passive recreation areas, water quality

structures and drainage and flood control facilities on all maps and/or exhibits accompanying all Fill Permit applications to ensure all proposed open space improvements are disclosed and considered by the Permitting Agency during processing of the Fill Permit and drafting of permit conditions. If any significant modifications are proposed which conflict in any manner with the Entitlements related thereto and to the planned location and improvement of the improvements as a result of approval of the Fill Permit, the revised relocation of such improvements shall be resubmitted to the County for review. The County may approve or deny any request to relocate any of the improvements and the review of such modifications shall be made in accordance with CEQA, which may only require the County to determine, if supported by CEQA, that such relocation substantially conforms with the EIR and approvals related thereto.

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

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

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

County, to make all necessary findings to acquire such interest, including a finding of public necessity.

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

In the event after notification by Master Owner, County or any of the other jurisdictions determines not to proceed with acquisition of the real property interests at that time and Master Owner is unable thereby to construct the required improvements, Master Owner shall deposit with County: (a) adequate funds or other security acceptable to County for all costs that the jurisdiction may reasonably incur should it, at some future time, initiate eminent domain proceedings to acquire the real property, and; (b) adequate funds or other security acceptable to County for all costs of construction of the improvements required to be constructed by Master Owner that are not being constructed due to the lack of public ownership of the necessary real property.

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

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

It is possible that at some time in the future the cost of acquiring some or all of the real property interests necessary for the construction of public improvements under this Section 2.8 may be included within a traffic fee program established or

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

2.9 Abandonment of Right-of-Way Located Within Country Acres Road.

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

ARTICLE 3. MASTER OWNER OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

The University Property Owner's, the Community Developer's, or any Project Developer's right to obtain approval of a Final Large Lot Map or Final Development Entitlement to develop the Property or any portion thereof is contingent on the University Property Owner, the Community Developer, or such Project Developer

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

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

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

3.4. Offers of Dedication for Developer Infrastructure.

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

3.4.2 County Acceptance of IODs. Except as expressly provided for by this Agreement, all dedicated areas and any other property to be conveyed in fee or by easement to County pursuant to this Agreement shall be with good and marketable title, free of any liens, financial encumbrances, special taxes, or other adverse interests of record, subject only to those exceptions approved by County in writing. The foregoing shall not preclude inclusion of such public property within a financing services district, so long as the levy or assessment authorized thereby is zero (0) while the property is used for public purposes. Master Owner shall, for each such conveyance, provide to County, at Master Owner's expense, a current preliminary title report, a CLTA standard coverage title insurance policy in an amount specified by County, and a Phase 1 site assessment for hazardous waste approved by the County. In the event the Phase 1 site assessment indicates the potential presence of any hazardous waste or substance, County may require additional investigation be performed at Master Owner's expense. Master Owner shall bear all costs of providing good and marketable title and of providing the property free of hazardous wastes or substances.

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