

accepts any Drainage Areas or open space areas prior to recordation of such deed restrictions or easements, upon request of Master Owner, County shall convey and sign for recordation against such Drainage Areas any deed restrictions and/or easements that may be required by the Permitting Agency for the Fill Permit or related approvals.

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

The parties also acknowledge that the descriptions for the Public Facilities described in Section 3.15 below are based on preliminary planning information and that the boundaries of these dedicated areas may need to be revised when the final engineering for the roadways and the final plans for the facilities to be located on the Public Facility Sites are approved. As and when such engineering and plans are finalized, Master Owner shall prepare, execute and deliver to County for recordation amended irrevocable offers of dedication, in forms acceptable to the County, with the required amendments to the descriptions to conform with the final plans for the improvements, so long as (i) the total area dedicated by Master Owner is not substantially increased, (ii) dedication of the additional area will not adversely impact in place improvements constructed by Master Owner pursuant to a County approval, and (iii) to the extent applicable and provided Master Owner applies for any necessary approvals and pays all costs of processing, County acknowledges that any area that may have been included as part of the original offer of dedication that is no longer required for the intended purpose may be abandoned back to Master Owner. Subject to the foregoing conditions, Master Owner shall provide the amended dedication when the final engineering for the roadways is completed and prior to approval of the final plans for the facilities to be located on these Public Facility Sites.

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

such actions as may be necessary to adjust the boundaries of the Drainage Areas in the Drainage IODs to be consistent with such Approvals.

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

Nothing in this Agreement shall be construed to limit or restrict the right of the County to require the dedication of an easement for utility purposes related to development of any parcel when such requirement would be otherwise consistent with the reasonable exercise of the police powers of the County and is reasonably related to a requirement to serve the parcel or parcels adjacent to the easement. The County may also, in its sole discretion, approve alternative locations for utilities, such as through parks or open space areas.

3.6 Infrastructure Plan. Any parcel within the Project may be developed when desired by the respective owner thereof provided that the required infrastructure for such Parcel has been constructed in accordance with the Infrastructure Plan approved by the County in conjunction with the Entitlements. The Infrastructure Plan is a separate document on file with the County. The Infrastructure Plan contains detailed information and specifications relating to the construction requirements and timing for the construction of the Backbone Infrastructure. The parties acknowledge that, as of the Effective Date, it is difficult to predict with certainty which specific Parcel or combination of Parcels within the Property will be developed first or the order in which the development of the Parcels will subsequently occur. Consequently, there may be reason from time-to-time to modify the timing for construction of the required infrastructure as specified in the Infrastructure Plan depending upon the circumstances at the time of actual development. If Master Owner believes circumstances warrant any such modification to the Infrastructure Plan, Master Owner may submit a request in writing to the County Planning Director for a meeting and Master Owner and the appropriate County officials or employees shall meet and review the request. If Master

Owner and County mutually agree that a modification of the phasing or sequencing of the required infrastructure is necessary and appropriate, the Infrastructure Plan shall be updated accordingly to reflect any such modifications and any such modification or update of the Infrastructure Plan shall not require any amendment to this Agreement.

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

3.8 Common Infrastructure. The Common Infrastructure, consisting of major on-site and off-site road, grading, sanitary sewer, potable and recycled water, drainage and erosion control and dry utility improvements that are generally described in the Financing Plan and that are more specifically described in Table 1 and schematically depicted on Exhibit B of the Infrastructure Plan (the "**Common Infrastructure**"). Master Owner shall be obligated to design, permit and construct the Common Infrastructure as described in the Infrastructure Plan. All or a portion of the obligation to design, permit and construct the Common Infrastructure may be allocated to Community Developer pursuant to the Community Acquisition Agreement or other agreements between Master Owner and Community Developer. The following conditions precedent shall be satisfied prior to issuance by the County to Community Developer or any Project Developer of the first building permit, excluding any building permit for model homes issued in accordance with applicable County Code requirements, on any parcel or lot within the Plan Area: (i) the design for the construction of the Common Infrastructure shall be completed and approved by the County or applicable public agency; (ii) all required permits, agreements and approvals for the construction of the Common Infrastructure, including without limitation any Fill Permits or streambed alteration agreements, shall be obtained; (iii) adequate security (i.e., cash, letters of credit or other such security provided for under the County Code), to the satisfaction of the County securing the completion of the Common Infrastructure, shall be posted with the County or applicable public agency; (iv) construction contract(s) for all of the Common Infrastructure shall have been entered into by Master Owner; (v) construction of the Common Infrastructure shall be completed and accepted by County; and (vi) Master Owner shall have complied with all other conditions of the applicable small lot tentative subdivision map, County Code section(s), or conditional use permit(s).

In the event the Common Infrastructure is not completed and accepted by County and Master Owner (or Community Developer or a Project Developer) applies for a building permit for any portion of the Property, County may deny the issuance of the building permit until such time as the Common Infrastructure is accepted by County, or until Master Owner (or Community Developer or the Project Developer) enters into an agreement acceptable to County providing for the completion of the improvements to

the full satisfaction of County. Master Owner shall be responsible for all costs of care and maintenance of the Common Infrastructure until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

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

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

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

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

3.10 Performance Driven Infrastructure. In addition to the Common Infrastructure required prior to commencement of development of the Property and the Parcel Specific Infrastructure required pursuant to the timing requirements provided in Section 3.9 above, Master Owner shall be obligated, in accordance with the timing requirements set forth in this Agreement and the Infrastructure Plan, to design and construct specific sets of infrastructure improvements as those improvements are specifically described in Table 3 and schematically depicted on Exhibit D of the Infrastructure Plan (the "**Performance Driven Infrastructure**"), in accordance with the timing requirements set forth in Table 3 of the Infrastructure Plan and the requirements of any applicable small lot subdivision map(s), County Code section(s), and conditional use permit(s). In the event the required Performance Driven Infrastructure is not designed and commenced in accordance with the timing requirements and Master Owner (or Community Developer or a Project Developer) applies to record the

applicable final small lot final subdivision map for any portion of the Property, County may deny the recordation of the small lot final subdivision map until such time as the required Performance Driven Infrastructure is commenced, or until Master Owner (or Community Developer or the Project Developer) enters into an agreement acceptable to County providing for the completion of the improvements to the full satisfaction of County.

From and after such commencement, and subject to any Permitted Delay pursuant to Section 6.4 below, Master Owner will diligently proceed with the construction of the applicable Performance Driven Infrastructure until completion no later than eighteen (18) months after the commencement of construction. In the event the Performance Driven Infrastructure is not completed and accepted by County in a timely manner and Master Owner (or Community Developer or a Project Developer) applies for a building permit for any portion of the Property, County may deny the issuance of building permits until such time as the Performance Driven Infrastructure is accepted by County, or until Master Owner (or Community Developer or the Project Developer) enters into an agreement acceptable to County providing for the completion of the improvements to the full satisfaction of County. During construction, Master Owner shall be responsible for all costs of care and maintenance of the Performance Driven Infrastructure until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance. All or a portion of the obligation to design, permit and construct the Performance Driven Infrastructure may be allocated to Community Developer pursuant to the Community Acquisition Agreement or other agreements between Master Owner and Community Developer.

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

3.10.2 Park Frontage Improvements. A portion of the Performance Driven Infrastructure consists of certain park frontage improvements described in the

Infrastructure Plan (the "**Park Frontage Improvements**"). These Park Frontage Improvements shall be completed as and when required by the timing requirements set forth in Table 3 of the Infrastructure Plan, or an improvement agreement between the Community Developer or any Project Developer and County with timing acceptable to County for such construction shall be executed and adequate security therefore acceptable to County shall be posted.

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

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

3.11.1 Baseline/Watt Intersection. Master Owner shall be required to design, permit and construct the Baseline/Watt Intersection in accordance with the schematic design for a six-lane intersection as shown in Exhibit 3.11.1(a), subject to final design approval by the County. In the event Master Owner and County agree that Master Owner's cost to design, permit and construct the six-lane intersection as shown

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

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

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

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

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

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

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

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

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

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

when Master Owner applies for the small lot final map creating the 1000th residential lot within the Plan Area, County may deny the final map until such time as Master Owner enters into an agreement acceptable to County providing for the completion of the Baseline/ Pleasant Grove Road South Intersection to the full satisfaction of County. Master Owner shall be responsible for all costs of care and maintenance of the Baseline/ Pleasant Grove Road South Intersection until such time as County accepts it as provided herein. As a condition of acceptance, Master Owner shall warrant that the work shall be free of defects in workmanship and material for a period of one (1) year after acceptance.

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

3.12 Frontage Improvements; Subdivision/Discretionary Permit Infrastructure.

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

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

3.12.3 Road Improvement Standards. All improvements to be installed by Master Owner shall comply with the Specific Plan Roadway Section Standards. Unless the Specific Plan provides otherwise, the design and construction of all improvements shall be in accordance with County's Land Development Manual, as

amended and updated from time-to-time. The rights-of-way required for such road improvements shall be as set forth in the Specific Plan, or, if not shown in the Specific Plan, then as set forth in the County's Land Development Manual and General Specifications. As to any road improvements to be constructed by Master Owner hereunder, Master Owner shall have the responsibility of securing any and all local, state and federal permits necessary for such construction. Any and all road improvements to be constructed within the University Property shall comply with the Campus Master Plan.

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

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

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

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

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

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

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

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

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

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

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

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

determines that construction is not being diligently pursued, County may, in its sole discretion, subject to the provisions of Section 6.1 below, suspend issuance of building permits for residential units to Master Owner until either (1) completion of construction, or (2) County is satisfied that construction is being diligently pursued.

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

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

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

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

3.15.4 Parks and Open Space. The park facilities described in this Section 3.15.4 are included with the definition of Public Facilities as provided in Section 3.15 above. The terms and conditions of Section 3.15.1 through 3.15.3 above apply to the parties' respective obligations concerning the park facilities as do the additional provisions contained in this Section 3.15.4.

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

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

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

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

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

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

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

provisions:

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

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

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

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

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

3.16 Sewer Master Study. A Sewer Master Study for providing sewer service to the developed properties within the Plan Area has been completed and approved by the County. The Sewer Master Study includes information on wastewater generation

rates, peaking factors, location, placement and sizing of gravity pipelines, force mains, lift stations, and other necessary infrastructure. Updates to the Sewer Master Study will be necessary and shall be done as required by conditions of approval for small lot tentative subdivision maps for the Property.

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

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

3.17.2 Other Agency Approvals. Prior to the issuance of any grading permit, or approval of any improvement plans, or recordation of a final small lot subdivision map for any development within an affected drainage shed of the Community Property, Master Owner shall obtain, at its expense, all permits and agreements as required by other agencies having jurisdiction over drainage, water quality or wetlands issues (the "**Other Agency Approvals**"), including, but not limited to, the Regional Water Quality Control Board ("**RWQCB**"), the U.S. Army Corps of Engineers and the California Department of Fish and Game for all the Permanent Drainage Facilities planned to be located within or serving such drainage shed.

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

3.17.3 Construction of Permanent Drainage Facilities. Master Owner shall design and construct the drainage facilities, channels, culverts and conduits required to convey the design storm water flows through each drainage shed and any sub-sheds in

the Plan Area consistent with the Drainage Master Plan, any conditions of approval for small lot tentative maps and the Other Agency Approvals and in conjunction with the requirements set forth in the Infrastructure Plan.

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

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

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

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

3.20 School Sites and Fee Agreements. The Plan Area falls within three school districts. Center Joint Unified School District (CJUSD) is located in the east portion of the Plan Area, and the Elverta Joint Elementary School District (EJESD) and the Twin Rivers Unified School District (TRUSD) are located in the west portion of the Plan Area. A site for a possible private high school, accommodating approximately 1,200 students, is provided within the University Property. The existing school district boundaries fall in the middle of the Community Property, near proposed 8th Street. A slight boundary adjustment is proposed to create an even swap of territory between the school districts and allow the attendance boundary to fall along the proposed street and parcel boundaries. The above described boundary adjustment is depicted on Exhibit 3.20 and shall occur prior to recordation of the first small lot subdivision map.

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

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

3.21 Community Facilities District – Project Infrastructure.

3.21.1 Formation. Subject to Section 4.4 below, if Master Owner so requests, County shall in good faith consider the formation of one or more community facilities districts for the purpose of financing the construction and/or acquisition of a portion or portions of the public infrastructure and facilities within the Plan Area (an **"Infrastructure CFD"**). The infrastructure and facilities that may be constructed and/or acquired with Infrastructure CFD funds include, without limitation, Developer Infrastructure and other such public facilities of the County located within the Plan Area and/or required to serve development of the Plan Area (**"CFD Improvements"**). Formation of an Infrastructure CFD shall be pursuant to and consistent with the requirements of this Agreement, applicable County policies and the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.).

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

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

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

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

3.21.2 Effect of CFD Financing on Credits and Reimbursements.

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

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