

security acceptable to the County to assure completion of such designated improvements.

3.22 Section Not Used

3.23 Community Facilities District – Services

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

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

3.23.3 Services. The Services CFD shall provide the funding required for

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

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

3.23.4 Special Tax Levy. The Placer County General Plan requires that new development must pay the cost of providing public services that are needed to serve new development, and that but for the Project's obligation to fund the necessary levels of service to the Project, County would not have approved the Entitlements. The County has limited resources to fund such services from existing and future ad valorem property tax revenues and that additional funding as set forth in the Urban Services Plan will be required to maintain levels of service acceptable to County. It is County's objective that new services required by approval of the Specific Plan will not adversely impact the County's general fund obligations or fiscal revenues from existing and future ad valorem property taxes. Although the exact amount of such additional funding is not certain at this time, the Urban Services Plan dated October, 2008, estimates special tax/assessment rates for development within the Community Property (in the aggregate with the assessments to be levied by the CSA described in Section 3.24 below) within a range of \$1,300 to \$1,870 per year for single-family market rate units, up to \$1,250 per year for multi-family market-rate units, and from \$500 to \$900 per year for affordable units depending on the character of the affordable unit. In association with the formation of the Services CFD, Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), agrees to a special tax levy that is sufficient to provide funding for the levels of service as ultimately required by County based upon an updated Urban Services Plan.

It is County's intention to maintain a comparable level of service for other specific areas proposed for development within the County. In the event the County subsequently elects not to maintain a comparable level of service in any new specific plan area approved by the County, the County shall review the levels of service being funded by the special tax levy and may, if it determines in its sole discretion that the

public's interests are best served thereby, adjust the level of service for the Specific Plan to reduce the amount of special taxes authorized to be levied by the Services CFD by an appropriate amount to be consistent with any such reduced level of services in such other specific plan areas.

3.23.5 Public Parcel Exclusion. Any lot or parcel conveyed or to be conveyed to the County or to a School District shall be excluded from any tax levy imposed by the Services CFD so long as such parcels remain in the County's or School District's ownership.

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

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

### 3.24 County Service Area - Services.

3.24.1 Formation. If required by the County, in addition or as an alternative to a Services CFD, prior to either the approval for recordation of the first Final Large Lot Map or the approval of a small lot tentative map for any portion of the property within the Community Property, whichever may occur first, a county service area ("**CSA**") shall be formed that includes the Community Property for the purposes of funding the services identified in the Urban Services Plan dated October, 2008.; provided, however, Master Owner may request County defer the foregoing requirement so that any such CSA may be formed at a later date. Any such request shall be made in writing and submitted to the County Executive Officer, who has sole discretion to

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

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

3.24.3 Waiver of Protest. Subject to Section 4.4, Donor agrees, on behalf of itself and its successors in interest, the Master Owner, the University Property Owner, the Community Developer, and any Project Developer, and subsequent homeowners' or similar associations, that Donor's successors will participate in and will not protest the formation of a CSA or another similar such financing mechanism as may be required by the County to establish and collect funds through assessment or other means for the described services, and that they waive any and all rights to protest formation and continued assessment pursuant to the Majority Protest Act of 1931 (Streets and Highways Code §2800 et seq.) or any similar statute or constitutional provision whether currently existing or hereafter adopted, including but not limited to

any provisions of California Constitution Article XIII C; provided, however, such participation and waiver shall apply only as to the individual property owner's fair share of the services costs to be shared by all developers within the Specific Plan.

3.24.4 Amount of Assessment, Charge or Fee. The Placer County General Plan requires that new development must pay the cost of providing public services that are needed to serve new development, and that but for the Project's obligation to fund the necessary levels of service to the Project, County would not have approved the Entitlements. The County has limited resources to fund such services from existing and future ad valorem property tax revenues and that additional funding as set forth in the Urban Services Plan will be required to maintain levels of service acceptable to County. It is County's objective that new services required by approval of the Specific Plan will not adversely impact the County's general fund obligations or fiscal revenues from existing and future ad valorem property taxes. Although the exact amount of such additional funding is not certain at this time, the Urban Services Plan dated October, 2008, estimates special tax/assessment rates for development within the Community Property (in the aggregate with the special taxes to be levied by the Services CFD described in Section 3.23 above) within a range of \$1,300 to \$1,870 per year for single-family market rate units, up to \$1,250 per year for multi-family market-rate units, and from \$500 to \$900 per year for affordable units depending on the character of the affordable unit. In association with the formation of a CSA, Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), agrees to an assessment amount that is sufficient to provide funding for the levels of service as ultimately required by County based upon an updated Urban Services Plan.

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

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

3.24.6 Undeveloped Property Exemption. County expressly agrees that,

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

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

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

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

No later than thirty (30) days after written request from County (or such other date as County and Master Owner may agree) and periodically as requested by County thereafter until County costs of Specific Plan implementation activities have become

self-supporting through the payment of application fees or the collection of SW Placer Fee and other revenues, Master Owner shall deposit with the County a sum identified by County to provide advance funding for County to pay for County administration and staff for tasks required to be performed by County to facilitate development of the Property by Master Owner under this Agreement as generally described above. Master Owner shall also deposit such funds from time to time as may be necessary to pay for any consultants retained by the County that are needed to assist County with such tasks. County shall provide a regular accounting of the utilization of said funds and shall not utilize such funds when otherwise not necessary because of the receipt of sufficient fee revenues in association with an application by Master Owner for which a processing fee is otherwise required.

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

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

3.29 EIR Mitigation Measures. Notwithstanding any other provision in this Agreement to the contrary, as and when Master Owner elects to develop the Property, Master Owner shall be bound by, and shall perform, all mitigation measures contained in the Plan EIR related to such development which are adopted by County and are identified in the Mitigation Monitoring Plan as being a responsibility of Master Owner. Master Owner specifically agrees to pay to the County a fee per dwelling unit equivalent to provide funding to the City of Roseville for fair share costs of the mitigation of impacts on the City of Roseville circulation system associated with the development of the Specific Plan (the "**Roseville Impact Fee**") as required by Mitigation Measure 6.12-1. Once established, the Roseville Impact Fee may be adjusted if the methodology utilized by County and the City of Roseville to calculate the Roseville Impact Fee is revised during County and City's determination of the impacts to County's circulation system from development projects within the City.

3.30 Waiver. In consideration of the benefits received pursuant to this Agreement, Donor, on behalf of itself and its respective heirs, successors in interests and assigns, waives any and all causes of action which it might have under the

ordinances of the County of Placer or the laws of the State of California or the United States with regard to any otherwise uncompensated or under-compensated conveyance or dedication of land or easements over the Property or improvements that are specifically provided for in this Agreement, that are required in conjunction with changes to this Agreement or the Specific Plan that are requested by Master Owner, or that are logically implied by this Agreement.

#### ARTICLE 4. THE UNIVERSITY PROPERTY

4.1 University Property Owner Share of Developer Infrastructure. The University Property Owner is assigned a proportionate cost share in the Financing Plan, based on projected usage of Developer Infrastructure.

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

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

required plans and drawings and, if necessary, obtaining any and all other required permits and any required supplemental environmental analysis.

4.4 University Property Owner's Participation in the Infrastructure CFD and Services Districts. Notwithstanding Section 3.21 above, the University Property Owner may, in the University Property Owner's sole discretion, elect to have the University Property included within or excluded from the Infrastructure CFD formed pursuant to Section 3.21 hereinabove and/or a newly-formed community facilities district for the purpose of financing the acquisition of a portion or portions of the infrastructure facilities within the University Property. Unless the University Property Owner and the County enter into a University Property In Lieu Services Agreement (as defined below), the University Property shall be included within existing or newly-formed Services Districts pursuant to Sections 4.4.1 and 4.4.2 below. Notwithstanding the foregoing, the University Property Owner and the County may elect to enter into a separate agreement to implement a plan consistent with the Urban Services Plan to address funding necessary for the required services in accordance with the Urban Services Plan attributable to the University Property, which required County services may be adjusted based on the level of comparable services provided internally by the University Property Owner as identified in the Campus Master Plan (a "**University Property In Lieu Services Agreement**").

#### 4.4.1 University Property Services CFD.

4.4.1.1 Formation of University Property Services CFD; Inclusion Within Existing Services CFD. In the event the University Property has elected not to enter into a University Property In Lieu Services Agreement as provided in Section 4.4 above, prior to the issuance of a building permit for any building located on the University Property, the University Property shall either be included within the existing Services CFD formed pursuant to Section 3.23 above, or a new Services CFD shall be formed that includes the University Property for the purposes of funding services for the University Property as identified in the Urban Services Plan dated October, 2008. In the event the University Property Owner elects to have the University Property included within an existing Services CFD formed pursuant to Section 3.23 above, the University Property will be a separate improvement area within such existing Services CFD, designed to allow such Services CFD to levy the special taxes necessary to address funding necessary for the required services in accordance with the Urban Services Plan attributable to the University Property, as may be adjusted based on the level of comparable services provided internally by the University Property Owner under the Campus Master Plan. In either case, the University Property Owner shall consent to and cooperate in such formation and the imposition of any special tax necessary to fund the services. Upon formation, the University Property Owner shall consent to the levy of such special taxes as are necessary to fund the services obligations for the University Property as identified in the Urban Services Plan dated October, 2008, in

amounts consistent with Section 4.4.1.4 and hereby acknowledges that any such special tax is necessary to provide services in addition to those provided by County to the University Property before the Specific Plan was approved. Sections 4.4.1.2, 4.4.1.3, 4.4.1.4 and 4.4.1.5 shall only be applicable in the event (i) the University Property Owner has elected not to enter into a University Property In Lieu Services Agreement, and (ii) the University Property Owner elects to either have the University Property annexed to an existing Services CFD (as a separate improvement area) or be included within a newly-formed Services CFD.

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

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

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

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

funding for the levels of service as ultimately required by County based upon an updated Urban Services Plan and based on the level of comparable services provided internally by the University Property Owner as identified in the Campus Master Plan.

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

#### 4.4.2 University Property CSA.

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

Sections 4.4.2.2, 4.4.2.3, 4.4.2.4 and 4.4.2.5 shall only be applicable in the event (i) the University Property Owner has elected not to enter into a University Property In Lieu Services Agreement, and (ii) the University Property Owner elects either to have the University Property annexed to an existing CSA (with a separate improvement area) or included within a newly-formed CSA.

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

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

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

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

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

4.6 Use Restriction on University Property. Donor, on behalf of itself and its successors in interest (including the Master Owner and the University Owner), covenants and agrees that for a period of fifty (50) years from the Effective Date, the use of the University Property shall be limited to the design, development and operation of an institution of higher education which is accredited by one or more accrediting agencies recognized by both the United States Secretary of Education and the Council for Higher Education Accreditation, and which awards bachelor's and/or other degrees and certificates (a "University"). Design, development and operation of a University may include the use of the University Property for various buildings and infrastructure required to support the University, including but not limited to administrative offices, classrooms and laboratories, recreational and residential facilities, and ancillary uses and facilities which are associated with, are related to, and otherwise further the educational objectives of the University, including, by way of example but not limitation, research and business parks to house entities which do business with, or on behalf of, the University (such as the Stanford Business Park), medical clinics, hospitals and offices, religious structures, and supporting retail facilities and lodging facilities including, but not limited to, a hotel/conference center. As provided in Section 1.3.5 above, the use restriction contained in this Section 4.6 shall survive the expiration or earlier termination of this Agreement.

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

## ARTICLE 5. COUNTY OBLIGATIONS

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

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

5.2.1 Credits Generally. To the extent Master Owner advances the cost, either in cash or through its participation in the Infrastructure CFD, for the siting and construction of infrastructure that is included within existing, or will be included in future, Development Mitigation Fees, Project Development Fees, SW Placer Fees, New Development Mitigation Fees, or any other fees applicable to the Project, County shall grant to the Master Owner a credit for the amount of such costs advanced or deemed

advanced to be applied against the applicable fee obligations for the Project to the extent such costs advanced have been included as one of the cost components in the calculation of the applicable fee program. With respect to the credits granted to the Master Owner, the credits shall be personal to the Master Owner and Master Owner shall have the right to allocate such credits between the Master Owner, the University Property Owner, the Community Developer, and any Project Developers, which allocations shall be provided in writing to the County via the Master Owner Certificate and which allocations may be revised and/or reallocated between the Master Owner, the University Property Owner, the Community Developer, and any Project Developers, from time to time. The parties acknowledge that the County shall be entitled to apply the credits granted to Master Owner pursuant to this Section 5.2 in the manner set forth in any applicable Master Owner Certificates or any subsequent reallocation confirmed in writing by the Master Owner that is provided to the County.

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

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

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

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

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

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

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

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

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

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

respect to such improvement. Master Owner shall relinquish and the reimbursing owner shall receive an equivalent amount of fee credits allocable, if any, to the improvements for which such reimbursement was paid.

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

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

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

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

### 5.3 Applications for Permits and Entitlements.

5.3.1 Action by County. County agrees that it will accept, in good faith, for processing review and action, all applications for development permits or other

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

5.3.2 Review and Approval of Improvement Plans, Final Subdivision Maps and Inspections. Timely review and approval of Master Plans required hereunder, improvement plans, tentative and final subdivision maps, design review, and building permits, and inspection of constructed facilities and residential and non-residential dwellings is important in achieving the success of the Project. To assure these services will be provided to the Project on a timely basis, if Master Owner so requests, Master Owner and County may enter into a separate agreement on mutually agreeable terms that will establish the time periods for timely review, approval and inspections by County and the commitment of the Master Owner to pay all costs incurred by County to provide such timely review, approval and inspections. Unless such an agreement is entered into, nothing in this Agreement shall be construed to otherwise require County to hire or retain personnel for the purposes of evaluating, processing or reviewing applications for permits, maps or other entitlements or for the design, engineering or construction of public facilities in excess of those for which provision is made in the normal and customary budgeting process or fee schedules of County.

5.3.3 Maps and Permits. Provided that the necessary Services CFD and/or CSA has been or will at the time of the requested final approval be formed and authorized to levy the special taxes against the applicable portion of the Property in accordance with Sections 3.23 and 3.24 hereof, and provided that Master Owner or, if applicable pursuant to Section 4.4, the University Property Owner, is in full compliance with the conditions of approval of any Subsequent Entitlement and the terms of this

Agreement, County shall not refrain from approving final residential lot subdivision maps nor shall it cease to issue building permits, certificates of occupancy or final inspections for development of the Property that is consistent with the Entitlements and applicable County ordinances and provisions of the Subdivision Map Act. Prior to such formation, County shall accept, for review, processing and approval, consistent with the Entitlements, applications for tentative residential lot and non-residential subdivision and parcel maps and for tentative and final large lot subdivision or parcel maps consistent with the parcels described by the Specific Plan for the Property.

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

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

5.5 Waiver of Protest Rights. In conjunction with any proceedings creating an assessment district or other applicable financing mechanism for which provision is made in this Agreement, Donor, on behalf of itself and its successors in interest (including the Master Owner, the University Property Owner, the Community Developer, and any Project Developer), waives herewith any right to protest that it may have.

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

## ARTICLE 6. DEFAULT, REMEDIES, TERMINATION

6.1 General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either party to perform any term or provisions of this Agreement shall constitute a default. In the event of alleged default or breach of any term or condition of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days notice in writing specifying the nature

of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30)-day period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings or for purposes of cessation of processing, approving and/or issuing any Subsequent Entitlements or building permits.

After notice and expiration of the thirty (30)-day period, the other party to this Agreement at its option may institute legal proceedings pursuant to this Agreement or give notice of intent to terminate this Agreement pursuant to California Government Code Section 65868 and regulations of County implementing said Government Code Section. Following notice of intent to terminate, the matter shall be scheduled for consideration and review by the Board of Supervisors within thirty (30) calendar days in the manner set forth in Government Code Sections 65865, 65867 and 65868 and County regulations implementing such Sections.

Following consideration of the evidence presented in said review before the Board of Supervisors, either party alleging the default by the other party may give written notice of termination of this Agreement to the other party.

Evidence of default may also arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code Section 65865.1. If either party determines that the other party is in default following the completion of the normally scheduled periodic review, said party may give written notice of default of this Agreement as set forth in this Section, specifying in said notice the alleged nature of the default, and potential actions to cure said default and shall specify a reasonable period of time in which such default is to be cured. If the alleged default is not cured within thirty (30) days or within such longer period specified in the notice, or if the defaulting party waives its right to cure such alleged default, the other party may terminate this Agreement.

6.2 Annual Review. County shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith substantial compliance by Master Owner with the terms of this Agreement. Such periodic review shall be limited in scope to compliance with the terms of this Agreement pursuant to Section 65865.1 of the Government Code and the monitoring of mitigation in accordance with Section 21081.6 of the Public Resources Code of the State of California. Notice of such annual review shall include the statement that any review of obligations of Master Owner as set forth in this Agreement may result in termination of this Agreement. A finding by County of good faith compliance by Master Owner with the terms of this Agreement shall be conclusive with respect to the performance of Master Owner during the period preceding the review. Master Owner shall be responsible for the cost reasonably and directly incurred by the County to conduct such annual review, the payment of which