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**RECORDING REQUESTED BY
 AND WHEN RECORDED MAIL TO:**

Yolo County Planning and Public Works Dept.
 Attn: Eric Parfrey, Principal Planner
 292 West Beamer Street
 Woodland, CA 95695

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FILED

**Agreement No. 07-275
 DEVELOPMENT AGREEMENT FOR THE E. PARKER PROJECT
 BY AND BETWEEN
 THE COUNTY OF YOLO AND EMERALD HOMES LT, LLC**

NOV 16 2007

ANA MORALES, CLERK OF THE BOARD
 BY [Signature] DEPUTY
 23rd

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this 23rd day of October, 2007, by and between the County of Yolo, a political subdivision of the State of California ("County"), and EMERALD HOMES LT, LLC, a California limited liability company ("Developer" or "E. Parker Developer"), pursuant to California Government Code § 65864 *et seq.* (the "Development Agreement Statute").

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted the Development Agreement Statute, which authorizes the County to enter into an agreement with any person having a legal or equitable interest in real property regarding the development of such property and establishing certain development rights therein.

B. Pursuant to the Development Agreement Statute, the County has adopted certain procedures and requirements for the consideration of development agreements. These procedures and requirements are set forth in Title 8, Chapter 10 of the Yolo County Code. This Agreement has been processed, considered and executed in accordance with those County procedures and requirements.

C. Developer has expressed interest in developing certain real property in Esparto referred to as the E. Parker Property. A legal description of the E. Parker Property is attached hereto as **Exhibit A** and incorporated by this reference. The E. Parker Property is also referred to herein as the "Project Site." This Agreement shall apply to the single-family residential project on the E. Parker Property ("E. Parker Project," "Project" or "E. Parker Subdivision") as defined below.

D. The County has determined that the Project is a development for which this Agreement is appropriate, and it desires to enter into this Agreement. This Agreement will, among other things, eliminate uncertainty in long-term planning in connection with the Project, provide for the orderly development of the Project on a basis consistent with the County's General Plan, provide certain benefits to the County, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted.

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E. In exchange for the benefits to the County that will result from this Agreement, Developer will receive by this Agreement assurance that it may proceed with the Project in accordance with "Applicable Laws," as defined below, and it therefore desires to enter into this Agreement.

F. The E. Parker Property was designated for single-family residential use in the 1996 Esparto General Plan and the zoning map approved concurrently therewith. It is similarly designated in the updated 2007 Esparto General Plan recently approved by the Board of Supervisors. Developer has secured or applied for the other various environmental and land use approvals, entitlements, and permits relating to the development of the Project ("Project Approvals"). These include, without limitation, the following:

1. Tentative Subdivision Map. Before or concurrent with its approval of this Agreement, the Board of Supervisors (also the "Board") has approved Tentative Subdivision Map No. 4755 (also, the "Tentative Subdivision Map" or "TSM") to guide the development of the Project Site. The TSM is attached hereto as **Exhibit B** and incorporated by this reference. The Tentative Subdivision Map has been approved subject to conditions ("TSM Conditions of Approval") and includes sixty-two (62) single-family residential lots, as well as recommended by a majority of the members of the Planning Commission on June 14, 2007, following a public hearing.

2. Mitigated Negative Declaration. The environmental impacts of the Project, including the Project Approvals and Subsequent Approvals (defined below) have properly been reviewed and assessed by the County pursuant to the California Environmental Quality Act (Public Resources Code § 21000 *et seq.*), the CEQA Guidelines (Code of Regulations, Title 14, Section 15000 *et seq.*), and the County's local ordinances. Before or concurrent with its approval of this Agreement, the Yolo County Board of Supervisors ("Board") adopted the mitigated negative declaration (the "MND") prepared for the Project (including this Agreement), adopted a Mitigation Monitoring Plan, and adopted Findings ("Findings"), all recommended by a majority of the members of the Yolo County Planning Commission ("Planning Commission") on June 14, 2007, following a public hearing.

3. Planned Development Zoning. Before or concurrent with its approval of this Agreement by ordinance, the Board adopted a separate ordinance rezoning the Project Site to a new planned development ordinance (Ordinance No. PD-60) applicable only to the Project Site and consistent with the uses set forth in the Esparto General Plan, as well as recommended by a majority of the members of the Planning Commission on June 14, 2007, following a public hearing.

NOW, THEREFORE, in consideration of the promises, covenants, and provisions set forth herein, the receipt and adequacy of which consideration is hereby acknowledged, the parties agree as follows:

AGREEMENT

ARTICLE 1. EFFECTIVE DATE AND TERM

Section 1.01. Effective Date. This Agreement shall become effective upon the thirtieth

(30th) day following the adoption by the Board of the ordinance approving this Agreement, or on the date upon which the Agreement is fully executed by the parties hereto, whichever is later (the “Effective Date”).

Section 1.02. Term. The term of this Agreement (the “Term”) shall commence upon the Effective Date and shall continue for a period of ten (10) years following the Effective Date. In the event Developer does not complete construction of the Project in accordance with all Project Approvals, and all Subsequent Approvals, within ten (10) years following the Effective Date, this Agreement shall automatically terminate, with the exception of those provisions that: (i) impose post-termination obligations upon Developer, and (ii) provide for reimbursements of Developer for construction of circulation improvements which expire at a later date, as further described in Section 4.01.02, below.

ARTICLE 2. DEFINITIONS

Section 2.01. Definitions. The following terms when used in this Agreement shall have the following meanings:

A. “Applicable Laws” means all ordinances, resolutions, rules, minute orders, regulations, design guidelines, and the official policies of the County adopted therein applicable to the development, use, and occupancy of the E. Parker Property in effect as of the Effective Date, including those governing the issuance of permits and approvals for the Project and the planning and zoning policies applicable to the Project, as well as the 2007 Esparto General Plan adopted by the Board of Supervisors on April 17, 2007, but excluding uniform codes such as the Uniform Building Code. Fees and exactions such as those imposed pursuant to the California Mitigation Fee Act (Government Code §§ 66000 *et seq.*) are addressed separately in Section 3.06.E, below.

B. “Board” shall have that meaning set forth in Recital F(2), above.

C. “Capay Cottages Project” shall mean a single-family residential project proposed by the John Deterding Company on property located east of Alpha Street.

D. “CEQA” shall mean the California Environmental Quality Act, Public Resources Code §§ 21000 *et seq.*

E. “Changes in the Law” shall have the meaning set forth in Section 3.08 of this Agreement.

F. “County” shall have the meaning set forth in the Preamble to this Agreement.

G. “Detention Basin Parcel” is the parcel in Tentative Subdivision Map No. 4755 on which the detention basin is proposed to be constructed.

H. “Deterding Projects” shall mean the South of State Route 16 Projects and the Town Center Project proposed by the John Deterding Company (“Deterding”) or a successor developer of those projects. The Capay Cottages Project by Deterding is separately addressed.

- I. "Developer" shall have the meaning set forth in the Preamble to this Agreement.
- J. "Development Standard" shall have the meaning set forth in Section 7.06, below.
- K. "Director" shall mean the Director of the Planning and Public Works Department of the County or his or her designee.
- L. "Effective Date" shall have that meaning set forth in Section 1.01, above.
- M. "Findings" shall have the meaning set forth in Recital F, above.
- N. "General Plan" shall mean the County's General Plan (which includes the updated 2007 Esparto General Plan) in force as of the Effective Date of this Agreement.
- O. "Mitigation Measures" shall have that meaning set forth in section 4.01.03, below.
- P. "Mitigation Monitoring Plan" shall have that meaning set forth in section 4.01.03, below.
- Q. "Mitigated Negative Declaration or MND" shall have the meaning set forth in Recital F, above.
- R. "Orciuoli Project" shall mean a single-family residential project proposed by Castle Companies on property located in the northwest section of Esparto along State Route 16.
- S. "Other Development Projects" shall mean development projects in Esparto and the Capay Valley that will generate new vehicular traffic on State Route 16 and thus are part of the cumulative traffic that contributes to the need for the Alpha Street extension to State Route 16 and the signalized intersection on the highway at County Road 86A. The Orciuoli Project, Capay Cottages, South of State Route 16 Projects, Town Center Project, E. Parker Project, and Story Project are not within the scope of "Other Development Projects," and are defined separately herein.
- T. "Planning Commission" shall have the meaning set forth in Recital F, above.
- U. "Project" shall mean the development in accordance with the Project Approvals and Subsequent Approvals.
- V. "Project Approvals" shall mean the MND and adopted Mitigation Measures, Tentative Subdivision Map, Conditions of Approval and Planned Development Ordinance, each as described in Recital F, above.

W. "South of State Route 16 Projects" shall mean potential development projects on the south corners of County Road 86A at State Route 16 (including a potential gas station, approved Site Plan Zone File 2006-024), Cut and Wrap Facility (meat market), and a potential development project on the 70-acre property to the east of County Road 86A along State Route 16, properties owned or controlled by Deterding or a partnership in which Deterding has an interest.

X. "Story Project" means the single-family residential project on property located along County Road 20X proposed by Emerald Homes LT, LLC (Tentative Subdivision Map No. 4691). "Story Developer" means the developer of the Story Project.

Y. "Subsequent Approvals" shall have that meaning set forth in Section 3.03, below.

Z. "Term" shall have that meaning set forth in Section 1.02, above.

AA. "Town Center Project" shall mean the proposed mixed-use project (pending Zone File 2007-006) by the John Deterding Company on the Town Center properties located in the northwest section of Esparto off State Route 16.

ARTICLE 3. DEVELOPMENT OF THE PROJECTS

Section 3.01. Vested Right to Develop. Unless otherwise provided herein, Developer shall have a vested right to develop the Project within the Project Site in accordance with the terms and conditions of this Agreement, all Applicable Laws, the Project Approvals, and any Subsequent Approvals, including the right to develop within the Project Site the improvements described in the Tentative Subdivision Map, subject to the TSM Conditions of Approval and the MND certified by the Board for the Project.

Section 3.02. Density or Intensity of Use. The permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, and the other terms and conditions of development applicable to the Project Site shall be those set forth in this Agreement, the Project Approvals, any Subsequent Approvals, and the Applicable Laws. Notwithstanding the foregoing, and notwithstanding Section 3.01, above, and Sections 3.03, 3.06 and 3.07, below, should Developer request a substantive amendment to the General Plan, zoning, and/or TSM (or its Conditions of Approval and Mitigation Measures), the County may apply current regulations in effect as of the time the application for amendment is deemed complete to the extent the current regulations relate to the proposed amendment. Neither revised nor new architectural design, elevations and floor plans constitutes such a substantive amendment (also see Section 4.02.02, below, with respect to the Detention Basin Parcel).

Section 3.03. Subsequent Approvals. To the extent necessary or desirable for the development of the Project after this Agreement is recorded, Developer may apply for environmental and land use approvals, entitlements, and permits in addition to the Project Approvals ("Subsequent Approvals") in the same manner as any other similarly-situated person. All application processing fees then applicable for the type of Subsequent Approvals shall apply. The Subsequent Approvals may include, without limitation, the following: amendments of the

Project Approvals; tentative subdivision map; variances and minor or major conditional use permits; site plan approvals; revised architectural design, elevations and/or floor plans; grading permit, final subdivision map and building permits.

Section 3.04. Construction Codes. Pursuant to Yolo County Code § 8-10.205, and recognizing the importance of complying with current safety standards for long-term projects, the parties agree that the County may apply the then-current versions of the Uniform Building, Plumbing, Mechanical, Electrical, Fire, and Grading Codes to the Project throughout the term of this Agreement, provided that the provisions of such uniform codes shall: (i) apply to the Project only to the extent that the applicable code (and the applicable version of the code, as may be amended or revised from time to time) has been adopted by the County and is in force and effect on a County-wide basis; (ii) be interpreted and applied to construction of the Project in a reasonable manner consistent with the express provisions and limits in the particular uniform code provisions adopted by the County; and (iii) be interpreted and applied to the Project in a manner consistent with the generally prevailing interpretation of such provisions under the State Building Standards Code.

Section 3.05. Consistency With General Plan. The County finds that the provisions of this Agreement and the development of the E. Parker Property as approved are consistent with and conform to the General Plan of the County of Yolo, including the 2007 Esparto General Plan (as well as the 1996 Esparto General Plan). The basis for these findings are set forth in greater detail in the Findings adopted in connection with the MND for the Project.

Section 3.06. No Conflicting Enactments. Subject to certain exceptions expressly set forth in this Agreement, the County shall not impose upon or apply to the Project (whether by action of the Board or by initiative, referendum, issuance of a Subsequent Approval or other means) any ordinance, resolution, rule, regulation, official policy, standard, specification, directive, condition or other measure (each individually, a "Development Standard") that is in conflict with the Applicable Laws or that reduces the development rights provided by this Agreement. Notwithstanding the foregoing, the following regulations and provisions shall apply to the development of the property:

A. Application fees and charges of every kind and nature imposed by the County to cover the actual costs to the County of processing developing applications or for monitoring compliance with any Project Approvals or Subsequent Approvals.

B. Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure, provided such procedures are uniformly applied on a County-wide basis to all substantially similar types of development projects and properties.

C. Regulations governing construction standards and similar matters, as set forth in Section 3.04, above.

D. County laws which may be in conflict with the land use entitlements but which are reasonably necessary to protect the public health or safety, provided such County laws and regulations are uniformly applied on a County-wide basis to all substantially similar types of

development projects and properties. However, visitability/universal design features for the Project shall be as set forth in Section 4.01.02.C, below.

E. Except as otherwise expressly set forth herein, increases in fees which currently exist and are applicable to the Project and which increases are applied on a County-wide basis shall apply to the Project ("Existing Fees"). In light of the cumulative circulation improvements Developer has committed to construct, as set forth in Section 4.01.02.B, below, and the other Developer obligations described in Section 4.01, the park and recreation facilities fee per unit shall be the amount set forth in Condition of Approval No. 57, and Developer shall receive a credit for the Esparto Bridge Development Impact Fee as provided in Section 4.01.02.B.4, below. Any mitigation or exaction fees, excepting the Existing Fees, adopted after the date of this Agreement shall not be imposed on the Project. Provided, however, Developer may elect to pay the subsequently adopted agricultural conservation in-lieu fee to satisfy the County's current one to one agricultural conversion mitigation standard instead of securing an agricultural conservation easement on prime soils acceptable to the County at the same ratio.

Section 3.07. Initiatives, Referenda and Moratoria.

Section 3.07.01. If any Development Standard is enacted or imposed by initiative or referendum, or by the Board directly or indirectly in connection with any proposed initiative or referendum, which Development Standard would conflict with the Applicable Laws or reduce the development rights provided by this Agreement, such Development Standard shall not apply to the Project.

Section 3.07.02. Without limiting the generality of any of the foregoing, no moratorium or other limitation (whether relating to the rate, timing, phasing or sequencing of development) affecting building permits or any other entitlements to use that are or are to be approved, issued or granted within the County or portions of the County, shall apply to the Project.

Section 3.08. State and Federal Law. As provided in California Government Code § 65869.5, this Agreement shall not preclude the application to the Project of changes in laws, regulations, plans or policies, to the extent that such changes are specifically mandated and required by changes in state or federal laws or regulations and are otherwise applicable to the Project irrespective of the existence of this Agreement ("Changes in the Law"). In the event that Changes in the Law prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended, or performance thereof delayed, as may be necessary to comply with the Changes in the Law, and the parties shall take such action as may be required pursuant to Section 8.06 (Excusable Delay; Extension of Time for Performance) of this Agreement.

Section 3.09. Compliance With Government Code § 66006. As required by Government Code § 65865(e) for Agreements approved after January 1, 2004, the County will comply with the requirements of Government Code § 66006 pertaining to the payment of fees for the development of the Project.

Section 3.10. Pursuant to Government Code § 66452.6(a), the term of any parcel map or tentative subdivision map on the Project Site shall automatically be extended to coincide with the Term of this Agreement.

ARTICLE 4. OBLIGATIONS OF DEVELOPER AND THE COUNTY

Section 4.01. Obligations of Developer.

Section 4.01.01. Generally. The parties acknowledge and agree that the execution of this Agreement by the County is material consideration for both Developer's acceptance of, and agreement to comply with, the terms and conditions of the Project Approvals and (as and when they are issued) Subsequent Approvals.

Section 4.01.02. Development Obligations, Payments, and Miscellaneous Contributions. The following specific development obligations for the Project are in addition to any Conditions of Approval or Mitigation Measures and constitute community benefits of the Project:

A. Contribution to New Season Community Development Corporation for Yolo Avenue Streetscape Improvements in Downtown Esparto. The goal of the New Season Community Development Corporation ("New Season CDC") is to promote the revitalization of downtown Esparto in order to attract and keep new businesses to serve the local community. Toward that end, New Season CDC is working with the County and Caltrans to make changes to Yolo Avenue that will calm and slow down traffic. New Season CDC is also working with both agencies to make landscape, lighting and pedestrian ("streetscape") improvements in the public right of way to enhance the appearance of the downtown. As a community benefit, Developer has agreed, upon approval of its final subdivision map for the Project, to place One Hundred Twenty-Five Thousand Dollars (\$125,000) in an escrow account, to be used by New Season CDC to make streetscape improvements in the public right-of-way on Yolo Avenue in downtown Esparto. The terms of that commitment are further described in the letter agreement between New Season CDC and Developer, dated September 14, 2007. A copy of that letter is attached hereto as Exhibit C and incorporated by this reference. The specific improvements to be constructed must be reviewed and approved by the County and Caltrans.

B. Construction of Circulation Improvements for the Extension of Alpha Street Across Lamb Valley Slough to State Route 16 and a Full Intersection at State Route 16/County Road 86A to Accommodate a Future Signal.

1. Background. The 2007 Esparto General Plan includes the East Esparto Circulation Plan, which is based on the East Esparto Circulation Study by Fehr & Peers and input from the Planning and Public Works Department and Esparto Citizens Advisory Committee. The East Esparto Circulation Plan calls for the extension of Alpha Street from Plainfield Street across Lamb Valley Slough to State Route 16 and a signalized intersection at State Route 16 and County Road 86A. The Alpha Street extension improvements will allow East Esparto traffic to avoid Yolo Avenue when traveling to or from the east on State Route 16. Those improvements will reduce unnecessary traffic on Yolo Avenue and help allow for successful implementation of traffic calming measures and enhancement of that streetscape, which in turn will help to achieve the goal of the County and local community to revitalize



downtown Esparto and its commercial base. The signalized intersection on State Route 16 will improve circulation along the highway. Under the California Environmental Quality Act (CEQA) and State Planning and Zoning Law, the County may require new development to pay its fair share cost for the County to construct the Alpha Street extension and County Road 86A signal improvements, in this case determined by a development's percentage of the overall cumulative traffic in Esparto based on 2030 buildout under the 2007 Esparto General Plan. However, those fair share contributions through a fee benefit program, or other appropriate means, do not achieve the County's goal that the following improvements be constructed at an early stage by one or more of the developers of near term projects, including the E. Parker Developer and Story Developer:

(a) The extension of Alpha Street from Plainfield Street to State Route 16 and right turn in and out improvements on State Route 16, timely constructed in order to provide an acceptable level of service along Yolo Avenue well before the last near term development is completed.

(b) Full pavement improvements on State Route 16 at the County Road 86A intersection, for its future signalization if authorized by the County and Caltrans based on warrants or other considerations and when required for acceptable levels of service.

2. Developer's Commitment to Construct Circulation Improvements.

Developer has agreed to construct a significant portion of the above-described circulation improvements as community benefits, subject to reasonable reimbursements from the developers of other projects in Esparto and Capay Valley, including specific reimbursements from the Orciuoli Project and Deterding Projects that are anticipated to be acceptable to those two developers. The County acknowledges that by accepting the obligation to complete the improvements, Developer is accepting more financial risk than other developers who make the reimbursement payments described below and, therefore, is entitled to reimbursements for its actual costs to complete the cumulative circulation improvements except for a percentage amount equivalent to the E. Parker Project and Story Project percentage share of 2030 General Plan traffic, as determined by Fehr & Peers in Table 1 of its supplemental Technical Memorandum dated March 2, 2007, to the East Esparto Circulation Study on file with the County. Actual costs, as that term is used in this Article 4, are defined in subsection B.9, below. The circulation improvements to be constructed by Developer are as follows:

(a) Construction of Alpha Street Extension from Plainfield to State Route 16. If the E. Parker Subdivision is constructed after the Story Project (the County leaves it up to the two developers which project is constructed first), the E. Parker Developer shall construct the extension of Alpha Street from Plainfield Street over Lamb Valley Slough to State Route 16 and right turns in and out on State Route 16. If instead the Story Project is constructed second, the E. Parker Developer shall construct an interim secondary vehicle access from the east end of Adan Street to State Route 16 and right turns in and out on State Route 16 pending completion of the full Alpha Street extension to State Route 16, as further described in Condition of Approval No. 29. Any additional improvements required by Caltrans at State Route 16 shall be considered part of the cumulative improvements to be constructed by the E. Parker Developer. The construction undertaken by the E. Parker Developer in accordance with

this subsection (a) shall be completed prior to the issuance of certificates of occupancy for more than forty (40) residential units in the E. Parker Subdivision, unless a later time is approved by the Director.

(b) Construction of Full Intersection Improvements at County Road 86A and State Route 16. Developer shall construct the full pavement improvements on State Route 16 at the County Road 86A intersection described in Condition of Approval No. 29 for that intersection to address cumulative traffic. This includes left turn lanes and right turn lanes on the highway to the north and south, and improvements as otherwise may be identified by Caltrans in the encroachment permit. A traffic signal at the intersection is not one of Developer's construction obligations under this Agreement or any other approval or entitlement granted in connection with the Project. The County will not require curb and gutter improvements along State Route 16, and has concluded that an earthen drainage swale is sufficient. The parties recognize, however, that Caltrans has the authority to require other drainage improvements within its right-of-way. Any such additional improvements required by Caltrans shall be considered part of the cumulative improvements to be constructed by the E. Parker Developer. Construction of all improvements undertaken by the E. Parker Developer in accordance with this subsection (b) shall be completed prior to the issuance of certificates of occupancy for more than forty (40) residential units in the E. Parker Subdivision, unless a later time is approved by the Director.

3. Fair Share Reimbursements to Developer from the Orciuoli Project, Story Project, and Deterding Projects for Developer's Actual Costs to Construct Cumulative Circulation Improvements. The estimated cost by Laugenour & Meikle for Developer to complete the full Alpha Street extension is one million, one hundred fifteen thousand, six hundred fourteen dollars and twenty-five cents (\$1,115,614.25). Said estimate is attached hereto as **Exhibit D** and incorporated by this reference. The estimated cost by Laugenour & Meikle for Developer to construct the improvements on State Route 16 at the County Road 86A intersection is five hundred eighty-four thousand, eight hundred eighty-five dollars (\$584,885). Said estimate is attached hereto as **Exhibit E** and incorporated by this reference. These estimates are for reference purposes only. Reimbursements from the Orciuoli Project, Story Project, and the anticipated reimbursement from the Deterding Projects for their fair share of actual costs to construct the cumulative circulation improvements are as follows:

(a) Orciuoli Project Reimbursements for Cumulative Circulation Improvements. The developer of the Orciuoli Project (Castle Principles or "Castle") has agreed through its development agreement and condition of approval no. 73 of its tentative subdivision map to pay to the County four hundred fifty thousand dollars (\$450,000) to reimburse the E. Parker Developer and/or the Story Developer for construction of the Alpha Street Extension, and the intersection improvements at County Road 86A and State Route 16. Said amount represents the Orciuoli Project's fair share of the two circulation improvements based on its near term traffic share (see its near term traffic percentages as determined by Fehr & Peers in Table 3 of its supplemental Technical Memorandum dated March 2, 2007, to the East Esparto Circulation Study). If Developer or any other party authorized by the County (including but not limited to the Story Developer or Deterding) constructs the extension, the County shall provide reimbursement to that party from the amount paid by Castle. One-half of the reimbursement amounts shall be paid by Castle to the County prior to approval of the first

phased final subdivision map for the Orciuoli Project and the second half paid prior to approval of the second phased final subdivision map. In the unlikely event the total actual costs for the entire Alpha Street extension and the cumulative intersection improvements are less than nine hundred thousand dollars (\$900,000), the Orciuoli Project's two reimbursement payments shall be adjusted by the County and refunded to Castle so the total amount does not exceed fifty percent (50%) of the actual costs.

(b) Deterding Projects Reimbursements for Cumulative Circulation Improvements. The County will use its best efforts to collect the following reimbursements from the John Deterding Company or its successor as part of future approvals of the Deterding Projects, for cumulative circulation improvements (all based on the per unit maximum reimbursement payment from the Orciuoli Project developer). The reimbursements paid for each of the Deterding Projects are intended to represent their fair share of the actual cost of the cumulative circulation improvements based on existing information regarding the amount of near term traffic attributable to the Deterding Projects. For the residential portions of the Deterding Projects, the payment to the County shall be two thousand eight hundred dollars (\$2,800) per single family unit, paid prior to final subdivision map approval, and one thousand nine hundred sixty dollars (\$1,960) per multi family unit, paid prior to final subdivision map approval. For commercial uses in the Deterding Projects, the payment shall be one dollar (\$1.00) per gross square foot of building and for light industrial uses fifty cents (\$0.50) per gross square foot, paid prior to issuance of a building permit for the particular building. Provided, however, that no payment shall be required for a Cut and Wrap Facility on County Road 86A. These reimbursement payments do not address other potential cumulative or project circulation impacts, based on future studies, for any pending or future Deterding Projects (i.e., Deterding Projects other than the gas station and Capay Cottages), and the mitigation, conditions or exactions that may be required by the County to address such other circulation impacts, or any other conditions that may be required by the County for any of those projects. Provided, however, the Town Center Project shall not be required to pay for the cost of the signal on State Route 16 at County Road 86A in light of its reimbursement payment for its near term share of the intersection pavement improvements and the Alpha Street extension (if the Story Developer and/or E. Parker Developer do not require a full reimbursement from the Town Center Project, then this exception as to the signal will not apply to the extent of the difference between the full reimbursement amount and the amount, if any, actually paid by the Town Center Project as reimbursement). However, a development project on the 70-acre property may be responsible for all or part of the signal on State Route 16 at County Road 86A and additional access improvements on State Route 16.

(c) Capay Cottages Contribution. In lieu of making reimbursement payments, Deterding has agreed in the conditions of approval for Capay Cottages to construct a grind/overlay on Alpha Street from Grafton Street to Plainfield Street. No pavement widening is included. The estimated cost is forty thousand dollars (\$40,000). Deterding has also agreed in the Capay Cottages conditions of approval that if the actual costs to construct the grind/overlay do not exceed ninety hundred thousand dollars (\$90,000), the difference between that amount and the actual costs shall be paid to New Season CDC for its use in constructing downtown streetscape improvements. All such actual costs shall be reasonable in the Director's judgment for the purpose of making this determination.

(d) Deterding Reimbursements for its County Road 86A Project Access. In addition to reimbursements for cumulative circulation improvements as provided hereinabove, Deterding (or its successor) shall reimburse Developer for the actual costs Developer incurs to construct State Route 16 improvements that would in any event be reasonably necessary to provide appropriate access to the south at County Road 86A with development of the South of State Route 16 Projects on the west and east side of County Road 86A, assuming no cumulative traffic and the E. Parker Project never developed. Those required improvements for ingress and egress to County Road 86A with new development only at that intersection on the south side are more fully described in the depiction and cost estimate for those south side improvements attached as Exhibit F and incorporated by this reference. The cost estimate for those south side improvements is ninety thousand, one hundred and fifty-four dollars (\$90,154). The scope of improvements described therein has been accepted by the Developer and the County as reasonable for purposes of this reimbursement provision. If the gas station (or another one of the South of State Route 16 Projects except for the Cut and Wrap Facility on County Road 86A) is constructed by Deterding (or its successor) after the E. Parker Project proceeds, then Deterding (or its successor) shall pay one hundred thousand dollars (\$100,000) to the County prior to issuance of the certificate of occupancy for the gas station (or approval of a final subdivision map or building permit for another of the South of State Route 16 Projects, whichever occurs first). If the actual costs for those south side improvements, as that limited set of improvements is conceptually depicted in Exhibit F and in which a cost estimate is included, are less than one hundred thousand dollars (\$100,000), the County shall return the balance when the improvements are accepted by the County and the actual costs are identified by the Director. If the actual costs to complete the improvements depicted in Exhibit F are more than said amount, the balance shall be paid to the County for reimbursement to Developer by the next South of State Route 16 Projects (other than the cut and wrap meat market on County Road 86A), prior to approval of its final subdivision map or building permit, whichever occurs first. Those determinations shall be based on actual costs that are reasonable in the Director's judgment. Said reimbursement payments for south side ingress and egress intersection improvements do not address potential cumulative or project traffic impacts, based on future studies, for any future South of State Route 16 Projects, or otherwise required for the gas station per Site Plan Zone File 2006-024, and the mitigation, conditions and exactions that may be required by the County for those projects to address such other circulation impacts, and any other conditions that may be required by the County for those projects. These reimbursement payments do not address the future installation of a signal at the intersection on State Route 16 at County Road 86A. Deducting the actual costs of the south and north side access improvements as depicted in Exhibit F, the balance of the actual costs for Developer to construct the State Route 16 intersection improvements at County Road 86A shall be considered cumulative for which Developer is entitled to receive reimbursement from Deterding (or its successor) under subsection 3.(c), above, the Story Developer, potentially the Orciouli Project, and from Other Development Projects under subsection 4, below.

(e) Story Project Contribution. If the Final Subdivision Map for the Story Project is approved before the Final Subdivision Map for the Parker Project, the Story Developer shall pay to the County two hundred nineteen thousand dollars (\$219,000) for reimbursement to the E. Parker Developer (or any other entity that constructs one or both of the cumulative circulation improvements), as the Story Project's fair share of the cumulative circulation improvements. This amount is proportional to the amount to be paid for the Orciouli

Project stated in subsection 3.(a), above, based on the respective number of units in each project. Said reimbursement amount shall be paid to the County prior to approval of the Final Subdivision Map for the Story Project. If the E. Parker Project does not proceed during the Term of this Agreement and no other party is eligible for reimbursement for construction of the cumulative circulation improvements described above, then the County may apply the two hundred thousand nineteen dollars (\$219,000) (plus any accrued interest) to circulation improvements in Esparto in its sole discretion.

(f) Earlier Construction of County Road 86A Intersection Cumulative Circulation Improvements by Deterding (or successor). If the gas station or other South Side of State Route 16 Projects or Other Development Projects proceeds before the E. Parker Project, then the County will only require reimbursement payments from those projects for cumulative traffic improvements that will be constructed thereafter by the E. Parker Developer. If any entity other than the E. Parker Developer constructs some of the cumulative intersection improvements (i.e., improvements in addition to the south access improvements depicted in **Exhibit F**), then a proportional share of the reimbursements received by the County that would otherwise be paid to the E. Parker Developer if it constructed that portion of the cumulative traffic improvements shall be paid to that entity. Alternatively, if Deterding, E. Parker Developer, and the County agree, Deterding may be credited a mutually acceptable amount for the additional actual costs on the reimbursement amounts it would otherwise pay for South of State Route 16 Projects described above in subsection 3.(b). If the E. Parker Project is constructed after full intersection improvements are completed by Deterding, then the County shall pay Deterding the reimbursement amounts the County receives that would otherwise go to the E. Parker Developer (under subsection 12, below, this may include one-half of reimbursements the E. Parker Developer would otherwise have received for this circulation improvement until maximum reimbursement amount is received). In that circumstance, the E. Parker Developer shall pay to the County a reimbursement amount that is equal to twenty-eight hundred dollars (\$2,800) per single family unit in the E. Parker Project, adjusted proportionally to take into account the actual costs incurred by the E. Parker Developer if it constructs the Alpha Street extension (not including its secondary access portion of that improvement as depicted in **Exhibit F**), as determined by the Director in its reasonable judgment. Said amount shall be paid by the E. Parker Developer to the County prior to final subdivision map approval, and upon receipt the County shall pay it to Deterding. The provisions herein for full reimbursement applicable to Developer shall apply to any reimbursements due to Deterding under this provision for the County Road 86A intersection cumulative improvements that Developer otherwise would construct. For example, if Deterding makes the full intersection improvements as part of its development of the 70-acre parcel, Deterding will be entitled to reimbursement of its actual costs, minus the project's share of 2030 cumulative traffic, as it may be updated to include that project's traffic, and the actual costs of south access improvements depicted in **Exhibit F**. Any other pavement improvements on State Route 16 or for other access required for that particular project and installation of a signal at County Road 86A are not included in the reimbursements, and will be addressed separately. The Director shall use his reasonable judgment to determine the maximum amount of reimbursement to which Deterding is entitled (which may be addressed in a separate Development Agreement between the County and Deterding).

(g) Maximum Reimbursement to Developer. Reimbursement payments from the Orciuoli Project, Story Project, and Deterding Projects, plus any reimbursements received from Other Development Projects, shall in no event result in the E. Parker Developer (or Story Developer) receiving reimbursements for more than the combined actual costs of the two cumulative traffic circulation improvements that are in excess of the amount representing the percentage share of cumulative traffic from the E. Parker Project and the Story Project described in Table 1 of the supplemental Technical Memorandum by Fehr and Peers dated March 2, 2007. In addition, for the purpose of determining the maximum reimbursement available to Developer from the Orciuoli Project, Story Project, the Deterding Projects, and Other Development Projects with respect to the Alpha Street extension, the Director shall not include the actual costs to construct the E. Parker Project's secondary access portion of the extension, as that limited set of improvements is conceptually depicted in Exhibit E and in which a cost estimate is included. For the purpose of making this determination for the State Route 16 improvements at County Road 86A, the Director also shall not include the actual costs to construct that portion of the pavement for left turn movements and right turn lanes in and out of the E. Parker Project if there were no other cumulative projects, as that limited set of improvements is conceptually depicted in Exhibit F and in which a cost estimate is included. The improvements depicted in Exhibit F and the secondary access portion of the improvements depicted in Exhibit E are not considered cumulative circulation improvements.

(h) County's Best Efforts to Secure Reimbursement Payments from the Orciuoli Project, Story Project, and Deterding Projects. The County shall use its best efforts to obtain and transfer to Developer the reimbursement payments described above from the Orciuoli Project, Story Project, and the Deterding Projects. All actual costs for which reimbursements are provided shall be reasonable in the Director's judgment.

4. Reasonable Reimbursements for Developer from Other Development Projects up to Maximum Amount. In addition to the reimbursements from the Orciuoli Project, Story Project, and Deterding Projects for cumulative circulation improvements, the County shall use its best efforts to secure reasonable reimbursements from Other Development Projects. The County acknowledges that even with the reimbursements described above from the Orciuoli Project, Story Project, and Deterding Projects, Developer will be paying more than its fair share to construct these two 2030 cumulative traffic improvements, and accepting the risks associated with being responsible for their construction (e.g., higher construction costs than estimated, increased mitigation costs, design constraints, and interest). Therefore, the County shall use its best efforts to secure reasonable reimbursements for Developer from developers of Other Development Projects in Esparto and the Capay Valley that cumulatively contribute to traffic on Yolo Avenue and State Route 16 in Esparto within the downtown and at the County Road 86A intersection. The goal is to reimburse Developer for all its actual costs for cumulative traffic improvements other than an amount equal to its fair share contribution based on the Project's percentage share of 2030 General Plan buildout traffic as determined by Fehr & Peers per Table 1 of its supplemental Technical Memorandum dated March 2, 2007, to the East Esparto Circulation Study. Toward that end, reimbursement payments from Other Development Projects, after taking into account reimbursements paid for the Orciuoli Project, Story Project, and Deterding Projects, shall in no event result in the E. Parker Developer (or Story Developer) receiving reimbursements for that percentage of the combined actual costs of the two cumulative traffic circulation improvements that are in excess

of an amount representing the percentage share of cumulative traffic from the E. Parker Project and the Story Project described in Table 1 of the supplemental Technical Memorandum by Fehr and Peers dated March 2, 2007. In addition, for the purpose of determining the full reimbursement available to Developer from Other Development Projects with respect to the Alpha Street extension, the Director shall not include the actual costs to construct the E. Parker Project's secondary access portion of the extension, as that limited set of improvements is conceptually described in Exhibit E and in which a cost estimate is provided. For the purpose of making this determination for the State Route 16 improvements at County Road 86A, the Director also shall not include the actual costs to construct that portion of the pavement for left turn movements and right turn lanes in and out of the E. Parker Project if there were no other cumulative projects, as that limited set of improvements is conceptually depicted in Exhibit F and in which a cost estimate is provided.

(a) Reimbursement from Adjoining Property to the East of E. Parker Project. The adjoining property east of the E. Parker Property shall not be considered one of the Other Development Projects for purposes of the reimbursement provisions in the above subsection if the subdivision approved on the adjoining property east of the E. Parker Property requires use of Alpha Street on the E. Parker Subdivision as frontage access. Instead, the County shall use its best efforts to secure reimbursement from that developer based on the following formula: an amount equal to the number of approved units in that subdivision, divided by the sum of the number of approved units in the E. Parker Subdivision (62) plus the number of approved units in that subdivision, times the actual costs to extend Alpha Street on the south side of Lamb Valley Slough to State Route 16 and the improvements on State Route 16 for right turns in and out. The reimbursement amount shall be paid to the County at final subdivision map for reimbursement to Developer.

(b) County's Best Efforts. The County shall use its best efforts in its negotiations on and conditions of approval for Other Development Projects to secure reimbursement payments to Developer for the two cumulative circulation improvements, as described above, to be paid to the County prior to approval of the final subdivision map approval or first building permit for the particular other project, whichever occurs first.

5. Esparto Bridge Fee Waiver for E. Parker Project and Collection Through Reimbursements. The County acknowledges that even with potential reimbursements, as described above, Developer will likely be paying more than its fair share to construct these two 2030 cumulative traffic improvements, including the risks associated with being responsible for their construction (e.g., higher construction costs than estimated, management costs, mitigation costs; design constraints, bonding costs, interest). For that reason and since a road crossing of Lamb Valley Slough is one of the cumulative circulation improvements, Developer shall receive a credit for the Esparto Bridge Development Impact Fee established by the County in Ordinance No. 1329, otherwise payable with each building permit. Instead, the County will secure the fees through reimbursements. Once reimbursements for the Alpha Street extension exceed five hundred and fifty thousand dollars (\$550,000), forty percent (40%) of any additional reimbursement amount received from Other Development Projects shall be paid to the County for deposit into Fund 122, Budget Unit 299-1, up to the amount of the waiver of the Esparto Bridge Development Impact Fee, with any reimbursements thereafter secured fully paid to

Developer until it receives the full amount paid to the County and is otherwise reimbursed to the maximum extent provided herein.

6. Waiver of Plan-checking Fees for Cumulative Circulation Improvements. The County shall waive plan-checking fees for the Alpha Street extension and State Route 16 improvements at Alpha Street and County Road 86A.

7. Cooperation with Caltrans to Secure Encroachment Permits on State Route 16. The County shall fully cooperate and work with Developer to secure the necessary encroachment permits from Caltrans in the scope of improvements on State Route 16 supported by the County and Developer. If Developer is unable to secure, under the procedures outlined in the Subdivision Map Act at Government Code Section 66462.5, the offsite right-of-way required in order to construct a portion of one of the public circulation improvements, then Developer shall not be required to construct that portion of the circulation improvement and the design shall be modified accordingly.

8. Security for Circulation Improvements. Condition of Approval No. 29 of Tentative Map No. 4755 describes the required circulation improvement plans that must be approved by the County prior to approval by the Board of Supervisors of the Final Subdivision Map for the E. Parker Subdivision. All circulation improvements to be constructed by Developer in accordance with this Agreement shall be secured in the same manner as any other public improvements subject to a subdivision improvement agreement entered into pursuant to the Subdivision Map Act and related local requirements. Developer will provide all such securities at an appropriate time, and the parties will cooperate to establish the timeframe for the provision of securities in the subdivision improvement agreement for this Project.

9. Reimbursement for Actual Costs. Actual costs shall be used to determine the maximum amount of reimbursements appropriately paid to Developer. Only actual costs for the completion of these two circulation improvements that are reasonable in the Director's judgment (i.e., not including excessive cost overruns or other expenses that could feasibly have been reduced or eliminated to complete the improvements required by the County and Caltrans) shall be used for purposes of making such reimbursement determinations. The estimates in the exhibits are included for reference only, and are not binding on the Developer or on any parties who may later provide reimbursements. However, in determining appropriate reimbursement amounts under this Agreement, the Director may use these estimates together with other available evidence to determine whether Developer's actual cost of constructing the circulation improvements covered by this Agreement were reasonable. Developer agrees to provide the County with all information and documents reasonably requested by the Director for the purpose of determining actual costs and the reasonableness thereof.

10. Reasonable Interest on Actual Costs. Reimbursement payments from Other Development Projects to the County that are made after Developer completes circulation improvements shall also, to the extent it is legally feasible, include a reasonable rate of interest, determined by the Director, on the actual costs of the cumulative circulation improvements from the date each one is accepted as complete. The accrued interest received by the County shall be paid to Developer as part of the reimbursement, and such interest amounts are not subject to the cap on reimbursement set forth elsewhere in this Article 4.

11. Reimbursement Payments held in Trust by County. If the reimbursing developer's project proceeds before the cumulative circulation improvements by the Developer are complete, the County shall hold the reimbursement funds paid at the required time in trust. In this circumstance, the appropriate reimbursement amounts for developers of Other Development Projects shall be determined based on updated cost estimates that are reasonable in the Director's judgment. Once the circulation improvements by Developer have been accepted as complete by the County and Caltrans, reimbursement funds previously received by the County shall be paid to Developer. If the County has any funds remaining after all reimbursements have been made in accordance with this Agreement, they will be returned to those who paid them (in proportion to the amount that each paid for reimbursement purposes) unless otherwise agreed by the County and any of those parties.

12. Reimbursement Payments to Be Paid Equally to E. Parker Developer and Story Developer. Provided that the cumulative circulation improvements are constructed by Developer, unless otherwise directed in writing by both the E. Parker Developer and the Story Developer, if the Story Developer constructs the Alpha Street extension the County shall pay one-half of any reimbursements to Developer for the 86A intersection improvements and pay (continuing to hold in trust until acceptance, if necessary) the other half to the Story Developer for the Alpha Street extension, until one of those two developers is fully reimbursed for its actual costs to the maximum amount allowed, and reimbursements received thereafter shall be fully paid to the other developer until it is fully reimbursed for its actual costs to the maximum amount allowed, along with any interest payments from Other Development Projects. If instead another party (i.e., neither the Story or E. Parker Developer) builds one of these cumulative circulation improvements and the E. Parker Developer builds the other, the Director shall apportion the reimbursements in the same manner, unless otherwise agreed in writing by the constructing parties or the Director determines in his reasonable judgment that another method to apportion the reimbursements is more equitable.

13. Reimbursement Example. An example of how the reimbursement might work is attached hereto as **Exhibit G** and incorporated by this reference. That example is for illustrative purposes only, and it does not alter the meaning or effect of any term of this Agreement.

14. Sunset of Reimbursement Obligations. The reimbursement obligations described herein shall sunset ten (10) years following the acceptance of both the 86A intersection improvements on State Route 16 and the Alpha Street extension over Lamb Valley Slough to State Route 16 by the County and Caltrans as complete.

15. Effect of Failure to Secure Reimbursements. If for any reason, reimbursements as described in this Section 4.01.02.B are not included as part of the approval of development projects described above that are approved prior to approval of the final subdivision map for either the E. Parker Project or Story Project, then Developer shall only be obligated to construct the secondary vehicle access from the east end of Adan Street to State Route 16 and any related State Route 16 improvements and the improvements on State Route 16 minimally required for the fourth leg of the County Road 86A/State Route 16 intersection as the primary access for the E. Parker Subdivision. In that event, the County may implement a traffic impact mitigation fee program, or use any other appropriate means, to cover the cost of County

construction of the Alpha Street extension and the signalized intersection on State Route 16 at County Road 86A, and secure the necessary funding from sources other than the E. Parker Developer and Story Developer (with the exception of the percentage share assigned to those two development projects in the study used by the County to support a fee program that includes the two cumulative circulation improvements, which shall be paid by those projects at the time of each building permit issued after adoption of the program in an amount that does not exceed the portion of the fee that is attributable to the two cumulative circulation improvements).

16. Unforeseen Circumstances. In addressing cumulative circulation improvements in this Agreement, the County and Developer have attempted to cover certain readily foreseeable scenarios involving construction of those improvements, reimbursements, and related issues. The County and Developer also recognize, however, that circumstances not covered by those provisions may arise. Such circumstances could include a scenario where another party constructs the improvements and thus, as a matter of fairness, is entitled to reimbursement. If this occurs, the Developer recognizes that the County presently intends to offer the same or similar terms regarding reimbursement to any other party, including but not limited to Deterding or any developer of Other Future Projects, that is willing to construct either (or both) of the cumulative circulation improvements sooner than is reasonably expected under this Agreement. Accordingly, the County and Developer agree to negotiate in good faith to amend this Agreement to address such circumstances if and when they arise. This provision does not obligate either party to enter into an amendment, but only to negotiate in good faith to attempt to reach an appropriate compromise. Such a compromise may include a commitment by the E. Parker Developer to make the same payments required of other developers under this Agreement, either at the time of Final Subdivision Map or at the time of building permit issuance, and also to pay any fees that are waived by specific provisions of this Agreement (i.e., bridge fees and certain plan-checking fees). In any such compromise it is expected that Developer will be reimbursed for all its actual costs incurred with respect to the cumulative circulation improvements (e.g. engineering fees, permitting cost).

C. Construction of Standard and Optional Visitability/Universal Design Features in Single-Family Homes.

1. Developer has agreed as a further community benefit to include the following "visitability" or "universal design" features as standard in the homes in the E. Parker Subdivision:

(a) One no step, accessible entrance to house shall be provided. A no step accessible entrance means: (i) 34" net clear width, measured between face of door and stop when door is in 90° position, (ii) a threshold no greater than 1/2" with 45° bevel, (iii) 60" x 60" level landing area next to and outside of entry, (iv) minimum 3' wide path of travel to the accessible entry from the vehicle unloading area, with slope in any direction not to exceed 5% maximum running slope and 2% maximum cross slope, and (v) a vehicle unloading area with a level landing not less than 40" wide. At Developer's election, the no step accessible entrance shall be through either the front entry or garage entry to the house. If the no step accessible entrance is the front entry, then the 3' wide accessible path of travel from the garage driveway may connect to side of porch; if it is the garage entry to the house, then the garage slab may slope to create 1/2" threshold with 45° bevel at garage entry, with the garage slope not to exceed

2%. At Developer's election, the vehicle unloading area may be at the top of the driveway or be the slab within the garage. An alternative design may be proposed by Developer and agreed to by the Chief Building Official.

(b) One interior accessible route from accessible entry to accessible first floor bathroom, common use room, kitchen and bedroom, 36" wide and level shall be provided. For two-story houses, no accessible bedroom on first floor is required and the first floor bathroom may be a powder room/half-bath. Each accessible room shall have 32" net clear opening. The kitchen shall include 36" wide path of mobility provided there is no island.

(c) Rocker light switches on first floor.

(d) Light switches, receptacles, and environmental and alarm controls shall be at accessible height between 42" and 48".

(e) Grab bar backing on accessible first floor bathroom at side and back of toilet.

(f) Single-action level door and hardware on accessible bathroom and accessible house entry.

(g) If front entry is accessible house entry, then locate door bell between 42" and 48" from finished floor/grade.

2. Developer has agreed as a further community benefit to offer the following optional visitability/universal design features, to be installed at Developer's cost if requested by a buyer:

(a) Grab bars in accessible bath.

(b) Anti-scald devices included for faucets in kitchen and accessible bathroom.

(c) Single-action hardware for all doors.

(d) One additional eyehole in front door between 42" and 48" and the other higher eyehole.

3. Developer has agreed as a further community benefit to offer the following optional visitability/universal design features at buyer's cost:

(a) Work/floor space in front of kitchen sink of 30" x 48" and base cabinet pullout/lazy susan shelves in that work space location in front of the sink (if no kitchen island).

(b) Removable base of sink in accessible bathroom.

(c) Shower with threshold no greater than 1/2" with 45° bevel (only single-story houses).

(d) These optional features must be requested by buyer prior to house construction that involves the requested option. In other words, the builder must not be required to remove, replace or modify any existing construction to provide the requested optional feature.

4. Developer shall provide confirmation acceptable to the Planning and Public Works Director that the standard and optional features described above will be available in each home prior to the issuance of the first building permit.

D. Lamb Valley Slough Channel Improvements, Pedestrian Trail and Tot Lot. Per Condition of Approval No. 20, Developer has agreed to make channel improvements to Lamb Valley Slough on its property to convey 100-year stormwater flows even though the subdivision does not drain into that slough. Developer is doing so because the County wants to improve the channel as a precedent for other similar improvements along Lamb Valley Slough. Developer is also providing a pedestrian trail on the south levee of Lamb Valley Slough as the start of a public trail along the slough and trails within the Project. Developer is also providing a tot lot access as an additional recreational improvement. Developer shall receive a credit on park fees for its bonded cost to construct the trails and the tot lot. Each of these improvements shall be included among the public improvements covered by the subdivision improvement agreement to be subsequently prepared and approved for this Project, and shall be subject to the same security requirements as other improvements included in that agreement.

Section 4.01.03. Mitigation Monitoring Plan Implementation. Concurrent with its certification of the MND prepared for the Project, the Board adopted mitigation measures to lessen or avoid the significant effects of the Project ("Mitigation Measures"). They are included as Conditions of Approval Nos. 61-66 for Tentative Subdivision Map No. 4755. Concurrent with its adoption of the Mitigation Measures, the Board also adopted a mitigation reporting or monitoring program ("Mitigation Monitoring Plan). In consideration of the County entering into this Agreement, Developer agrees to comply with all of the Mitigation Measures and the Mitigation Monitoring Plan. The Mitigation Measures shall be fully enforceable pursuant to this Agreement, and Developer agrees to cooperate in good faith with the County in its implementation of the Mitigation Monitoring Plan adopted by the Board. The provisions of this Section shall survive the termination or expiration of this Agreement.

Section 4.02. Obligations of the County.

Section 4.02.01. Generally. In consideration of Developer entering into this Agreement, the County agrees that it shall comply with all Project Approvals and (as and when they are issued) Subsequent Approvals, and shall consider for approval and cooperate with processing all applications for the Subsequent Approvals as provided in this Agreement. Specifically, the County shall cooperate in providing for and allowing stormwater and drainage improvements within County right-of-way and drainage easement locations as may be necessary to provide adequate stormwater control for the Project and in securing encroachment permits from Caltrans consistent with this Agreement, the Tentative Subdivision Map and the TSM Conditions of

Approval. The County will be a co-applicant for resource agency permits for the crossing of and improvements to Lamb Valley Slough. The County shall also use its best efforts to secure the reimbursements and agrees to provide the fee credits and waivers set forth in Sections 4.01.02.B and D, above.

Section 4.02.02. Detention Basin Parcel. The County agrees that if Developer secures an alternative location to detain its stormwater (e.g., on the adjoining property to the south) acceptable to the County, and Developer requests a tentative subdivision map to subdivide the Detention Basin Parcel in the E. Parker Subdivision for residential use, the County will consider the application and may apply current regulations to the subdivision of the Detention Basin Parcel portion of the Project. The rest of Project area shall continue to be subject to Applicable Laws. The County further agrees that, if requested by Developer, the offer of dedication with respect to the Detention Basin Parcel may provide for a two-step County acceptance of that offer: first, County acceptance of an easement over the Detention Basin Parcel during the term of this Agreement (improvement securities shall be released upon County acceptance of the easement); and second, County acceptance of fee simple ownership of the Detention Basin Parcel effective upon expiration of said term unless a tentative subdivision map has been approved for residential use of said parcel prior to the expiration of this Agreement, in which case the County agrees to rescind its acceptance of the easement and Developer withdrawal of its offer of fee simple dedication, effective on the date of the County's written determination that the relocated detention basin is complete and operational and the County's acceptance of its dedication.

ARTICLE 5. AMENDMENT

Section 5.01. Amendment of the Agreement. This Agreement may be amended from time to time, in whole or in part, by mutual written consent of the parties hereto or their successors-in-interest, in accordance with the provisions of California Government Code §§ 65867, 65867.5, and 65868, and Title 8, Chapter 10 of the Yolo County Code. Except as provided under Title 8, Chapter 10 of the Yolo County Code and Government Code § 65865.1, or this Agreement, no amendment shall have any force or effect unless it is set forth in writing, signed by the duly authorized representatives of each of the parties hereto, and recorded in the Official Records of the County of Yolo.

The cost to the County in processing a proposed amendment shall be paid by Developer. Developer shall pay any and all normal application fees. Any amendment to this Agreement which does not relate to the (i) Term; (ii) permitted uses of the Project Area; or (iii) conditions, terms, restrictions, or requirements for subsequent discretionary actions, shall not require notice or public hearing before the parties may execute an amendment hereto. Such amendment may be approved by a Board resolution.

Notwithstanding the foregoing, however, the Director may approve an amendment to this Agreement which is (i) minor when considered in light of the Project as a whole, and (ii) consistent with the general intent of the provision(s) to be amended. Any such amendment may be approved by the Director without prior notice or a public hearing by executing a memorandum of understanding with Developer. Any memorandum of understanding must be in

writing and signed by the parties, but need not be recorded in the Official Records of the County of Yolo.

Section 5.02. Amendment Exemptions. No amendment of a Project Approval or Subsequent Approval shall require an amendment to this Agreement. Instead, any such amendment, including any conditions, mitigation measures, and other restrictions associated with the amendment, automatically shall be deemed to be incorporated into the Project and vested under this Agreement.

ARTICLE 6. THIRD PARTY LITIGATION

Section 6.01. Third Party Litigation Concerning Review or Approval of Project. Developer and its successors, heirs, and assigns agree to indemnify and defend the County in the event any legal action or proceeding is commenced by any person or entity against the County, its elected officials, officers, employees, agents, and independent contractors, arising out of or in any way connected with this Agreement or the County's approval of the Project, issuance of the Project Approvals or Subsequent Approvals, certification of the MND or other actions taken to comply with CEQA, or any other action taken by the County in connection with the Project. In providing any defense under this Section, Developer shall use counsel reasonably acceptable to the County Counsel. The provisions of this Section shall survive the termination or expiration of this Agreement.

Section 6.02. Third Party Litigation Concerning Construction or Operation of Project. Developer and its successors, heirs, and assigns agree to indemnify and defend the County in the event any legal action or proceeding is commenced by any person or entity against the County, its elected officials, officers, employees, agents, and independent contractors, arising out of or in any way connected with Developer's construction or operation of the Project, with the exception of claims for damages arising solely through the active negligence or willful misconduct of elected officials, officers, employees, agents, or independent contractors of the County. In providing any defense under this Section, Developer shall use counsel reasonably acceptable to the County Counsel. The provisions of this Section shall survive the termination or expiration of this Agreement.

Section 6.03. Advance Payment of Defense Costs. To secure its obligation under this Article 6, the County may require, upon the filing of a lawsuit or other legal proceeding contemplated in Section 6.01, Developer to make an initial advance deposit of money sufficient to fund the expenses reasonably likely to be incurred by the County during the first six months of defending such suit. Thereafter, the County may require Developer to make regular monthly advance deposits sufficient to ensure that the County has a defense fund that is adequate to cover defense costs reasonably likely to be incurred during the succeeding six month period. The provisions of this Section shall survive the termination or expiration of this Agreement.

ARTICLE 7. PERIODIC REVIEW

Section 7.01. Conducting the Periodic Review. Pursuant to Yolo County Code § 8-10.701 and Government Code § 65865.1, the Director shall review the extent of good faith

compliance by Developer with the terms of this Agreement on an annual basis, on or before the anniversary date of the recordation of this Agreement. A component of the Periodic Review is an annual monitoring report to be submitted to the Director by Developer within thirty (30) days of each anniversary date or, alternatively, within thirty (30) days of receiving a written request for such report from the Director, whichever occurs first. The procedure for the Periodic Review shall be as set forth in Title 8, Chapter 10 of the Yolo County Code, as may be amended from time to time, provided that any such amendments shall apply only to the extent that they do not conflict with the express terms of this Agreement.

ARTICLE 8. DEFAULT AND REMEDIES FOR DEFAULT

Section 8.01. Default. No party shall be in default under this Agreement unless it has failed to perform under the Agreement for a period of thirty (30) days after written notice from the other party of an event of default. The notice of an event of default shall specify in detail the nature of the alleged default and the manner in which the default may be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably be cured within such 30-day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed to satisfy such requirement. Evidence of default may also arise in the course of periodic review as set forth in Article 7 of this Agreement. The 30-day notice period shall not apply if the default is of such a nature that it cannot be cured, in which event the non-breaching party shall be entitled to proceed in accordance with the remaining provisions of this Article.

Section 8.02. Remedies and Termination. After the expiration of the thirty (30) day period (or longer, as applicable), the party alleging default may, at its option, institute legal proceedings under this Agreement or give notice of its intent to terminate the Agreement pursuant to California Government Code § 65868 and relevant provisions of the Yolo County Code or may pursue such other administrative remedies as may be appropriate. Following notice of intent to terminate, the matter shall be scheduled for a public hearing before the Board to review and consider the matter within thirty (30) days. Except to the extent that California law may contain different notice or hearing requirements, notice of the public hearing shall be provided in accordance with the provisions of Yolo County Code § 8-10.801, and the public hearing shall be conducted in accordance with the provisions of Yolo County Code § 8-10.802. Following consideration of the evidence presented in the review, if no resolution is reached, the party alleging the default may give written notice of the termination of this Agreement and pursue any and all remedies that may be available in law or equity, including but not limited to specific performance or the rescission of this Agreement. The County may also refuse to issue a building permit for any structure on the E. Parker Property if the permit applicant owns or controls property subject to this Agreement and if such applicant or any entity or person controlling such applicant is in default under the terms and conditions of this Agreement unless such default is cured or this Agreement is terminated. In no event, however, shall either party be liable to the other for money damages for any default or breach of this Agreement.

Section 8.03. Specific Performance. The parties acknowledge that monetary damages and remedies at law are generally inadequate and that specific performance is an appropriate

remedy for the enforcement of this Agreement and should be available to all parties for the following reasons:

A. Due to the size, nature, and scope of the Project, it may not be practical, or possible, to restore the Project Site to its pre-existing condition once implementation of this Agreement has begun. After such implementation, Developer may be foreclosed from other choices it may have had to utilize the Project Site and provide for other benefits. Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement, and will be investing even more significant time and resources in implementing the Project in reliance upon the terms of this Agreement, and it will not be possible to determine the sum of money that would adequately compensate Developer for its efforts. By the same token, the County will have invested substantial time and resources and will have permitted potentially irreversible changes to the Project Site, and it will not be possible to determine a sum of money that would adequately compensate the County for such undertakings.

B. The use of the Project Site for the purposes and uses described in this Agreement and in the Project Approvals is unique.

Section 8.04. Cumulative Remedies. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including suits for declaratory relief, specific performance, injunctive relief, and relief in the nature of mandamus. All of the remedies described above shall be cumulative and not exclusive of one another, and the exercise of any one or more of the remedies shall not constitute a waiver or election with respect to any other available remedy. Provided however, if the County fails to secure from any developer(s) the reimbursement(s) provided for in this Agreement for Developer with respect to the cumulative traffic improvements it completes, the County shall not be responsible to pay for said reimbursement(s) from its own funds and shall not be subject to a claim by Developer for monetary damages.

Section 8.05. Venue; Applicable Law; Attorneys Fees. Venue for all legal proceedings shall be the Superior Court for the State of California, County of Yolo. This Agreement shall be construed and enforced in accordance with the laws of the State of California. The prevailing party in such litigation, as determined by the Court, shall be awarded reasonable attorneys' fees in addition to statutory costs.

Section 8.06. Excusable Delay; Extension of Time for Performance. In addition to the specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, acts of terrorism, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by governmental entities other than the County, enactment of conflicting state or federal laws or regulations, new or supplementary environmental laws or regulations enacted by the state or federal government, or litigation. An extension of time for such cause, including an extension of the Term, may be granted in writing by the unaffected party for the period of the excusable delay or longer, or as may be mutually agreed upon.

ARTICLE 9. MISCELLANEOUS PROVISIONS

Section 9.01. Incorporation of Recitals and Preamble. The Recitals contained in this Agreement, and the introductory preamble preceding the Recitals, are hereby incorporated into this Agreement as if fully set forth herein.

Section 9.02. Covenants. All of the provisions of this Agreement shall be binding upon the parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of the E. Parker Property, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws including, without limitation, California Civil Code § 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the E. Parker Property, as appropriate, runs with the E. Parker Property, and is binding upon the owner of all or a portion of the E. Parker Property and each successive owner during its ownership of such property.

Section 9.03. Right to Assign; Non-Severable Obligations. Except as otherwise provided herein, Developer shall have the right to sell, encumber, convey, assign, or otherwise transfer, in whole or part, its rights, interests and obligations to a third party during the term of this Agreement. No assignment shall be effective, however, until the County approves the assignment by action of its Board of Supervisors and the assignee enters into a written agreement with the County to perform the all of the legal obligations of Developer under this Agreement that are reasonably related to the rights and interests proposed for assignment. Approval shall not be unreasonably withheld, provided: (i) the assignee has the financial ability to meet the obligations proposed to be assigned and to undertake and complete the obligations of this Agreement affected by the assignment; and (ii) the proposed assignee has adequate experience with residential developments, as appropriate, of comparable scope and complexity to the Project to be undertaken within the Project Site and has successfully completed such developments.

Section 9.04. Unapproved Transfers or Assignments Void. Any assignment or attempted assignment in violation of Section 9.03, above, shall be unenforceable and void and shall not release Developer from any of its obligations hereunder.

Section 9.05. Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in fully force and effect unless amended, modified, or terminated by mutual consent of the parties. Notwithstanding the foregoing, if a Court of competent jurisdiction over this Agreement determines that the vested rights provided by this Agreement are invalid, void or unenforceable, the Developer may (in its sole discretion) terminate this Agreement by providing written notice of such termination to the County.

Section 9.06. Other Necessary Acts. Each party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out the Project

Approvals, Subsequent Approvals, and to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

Section 9.07. Construction. Each reference in this Agreement to any of the Project Approvals or Subsequent Approvals shall be deemed to include any amendment of the Project Approvals or Subsequent Approvals, whether or not the particular reference refers to or contemplates such amendment. This Agreement has been reviewed and revised by legal counsel for both the County and Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

Section 9.08. Conflicts with Yolo County Code. The provisions of Title 8, Chapter 10 of the Yolo County Code, entitled "Development Agreements," are incorporated herein by this reference. However, in the event of a conflict between a specific provision of the Yolo County Code and a specific provision of this Agreement, this Agreement shall prevail.

Section 9.9. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

Section 9.10. No Joint Venture or Partnership. The County and Developer hereby renounce the existence of any form of joint venture, partnership, or other legal entity between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between the County and Developer.

Section 9.11. Notices.

Section 9.11.01. All notices required by this Agreement will be deemed to have been given when made in writing and delivered or mailed to the respective representatives of the County and Developer at their respective addresses, as follows:

For the Developer:

Emerald Homes LT, LLC
Attn: Jeffrey Lynn Robinson
634 N. Santa Cruz Ave, Suite 100
Los Gatos, CA 95030

With a copy to:

Mark L. Armstrong
412 Cliffside Drive
Danville, CA 94526

For the County:

Yolo County Administrative Officer
625 Court Street, Room 202
Woodland, CA 95695

With a copy to:

Yolo County Counsel
625 Court Street, Room 201
Woodland, CA 95695

Section 9.11.02. In lieu of written notice to the above addresses, any party may provide notices through the use of facsimile machines provided confirmation of deliver is obtained at the

time of transmission of the notices and provided the following facsimile telephone numbers are used:

To the Developer:	Emerald Homes LT, LLC Mark L. Armstrong	(408) 399-4397 (925) 831-9081
To the County:	County Administrative Officer County Counsel	(530) 666-8147 (530) 666-8279

Section 9.11.03. Any party may change the address or facsimile number to which such communications are to be given by providing the other parties with written notice of such change at least fifteen (15) calendar days before the effective date of such change.

Section 9.11.04. All notices will be effective upon receipt and will be deemed received through delivery if personally served or served using facsimile machines, or on the fifth day following deposit in the mail if sent by first class mail.

Section 9.12. No Third Party Beneficiaries. This Agreement is not intended to, and will not be construed to, create any right on the part of a third party to bring an action to enforce any of its terms.

Section 9.13. Authorized Representatives. The persons executing this Agreement on behalf of the parties hereto affirmatively represent that each has the requisite legal authority to enter into this Agreement on behalf of their respective party and to bind their respective party to the terms and conditions of this Agreement. The persons executing this Agreement on behalf of their respective party understand that both parties are relying on these representations in entering into this Agreement.

ARTICLE 10. ENTIRE AGREEMENT, COUNTERPARTS, AND EXHIBITS

This Agreement constitutes the entire agreement between the County and Developer and supersedes all prior negotiations, representations, or other agreements, whether written or oral, between the same parties with respect to the matters covered herein. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

- | | |
|------------------|--|
| <u>Exhibit A</u> | Legal Description of E. Parker Property |
| <u>Exhibit B</u> | Tentative Subdivision Map No. 4755 |
| <u>Exhibit C</u> | New Season Community Development Corporation Grant Letter Agreement |
| <u>Exhibit D</u> | Estimates and Depictions for the Alpha Street Extension and E. Parker Secondary Access Improvements |
| <u>Exhibit E</u> | Estimate and Depiction for State Route 16/County Road 86A Intersection Improvements |
| <u>Exhibit F</u> | Estimate and Depiction for the South Side Ingress and Egress Improvements at State Route 16/County Road 86A Intersection |

ARTICLE 11. RECORDATION

Pursuant to Government Code § 65868.6, no later than ten (10) days after the County enters into this Agreement, the County Clerk shall record an executed copy of this Agreement in the Official Records of the County of Yolo.

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

Emerald Homes LT, LLC

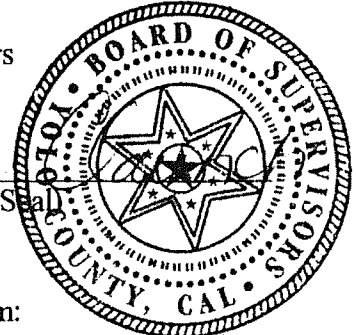
By: [Signature]
Jeffrey Lynn Robinson
Its: Manager

COUNTY OF YOLO

By: [Signature]
Mariko Yamada, Chair
Board of Supervisors

Attest:
Ana Morales, Clerk
Board of Supervisors

By: [Signature]
Deputy (Seal)



Approved as to Form:
Robyn Truitt Drivon, County Counsel

By: [Signature]
Philip J. Pogledich, Senior Deputy

ACKNOWLEDGMENT

State of California
County of Contra Costa

On October 31, 2007, before me, Suzanne Oertel Farlin, a Notary Public, personally appeared Jeffrey Lynn Robinson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(~~s~~) whose name(~~s~~) (is) are subscribed to the within instrument, and acknowledged to me that (he) she/they executed the same in (his) her/their authorized capacity(~~ies~~), and that by (his) her/their signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Suzanne Oertel Farlin



(Seal)

ACKNOWLEDGMENT

State of California
County of Yolo

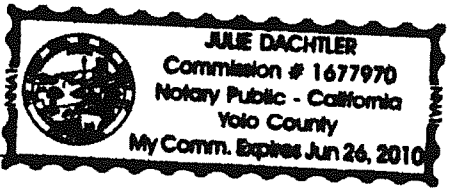
On November 16, ²⁰⁰⁷ before me, Julie Dachtler, Notary Public
(here insert name and title of the officer)

personally appeared Mariko Yamada

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

WITNESS my hand and official seal.

Signature *Julie Dachtler*



(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF E. PARKER PROPERTY

Legal Description of E. Parker Property

The land described herein is situated in the State of California, County of Yolo, unincorporated area, and is described as follows:

Parcel 3, Parcel Map No. 4350, filed April 3, 1988 in book 1998 of maps, page 36, Yolo County Records.

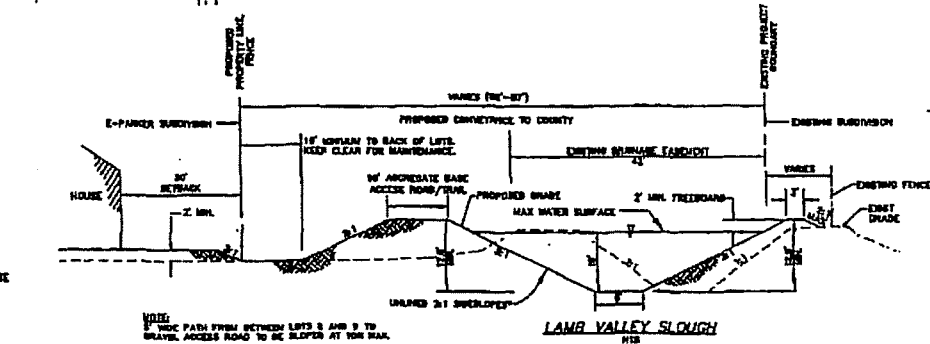
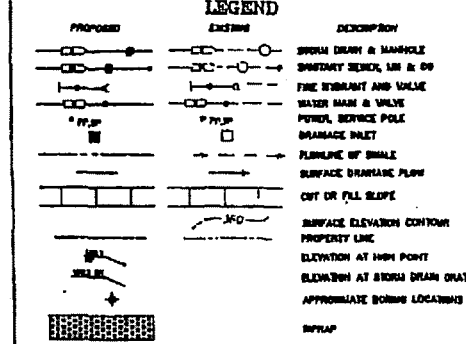
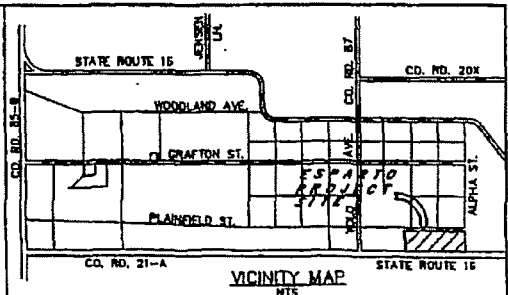
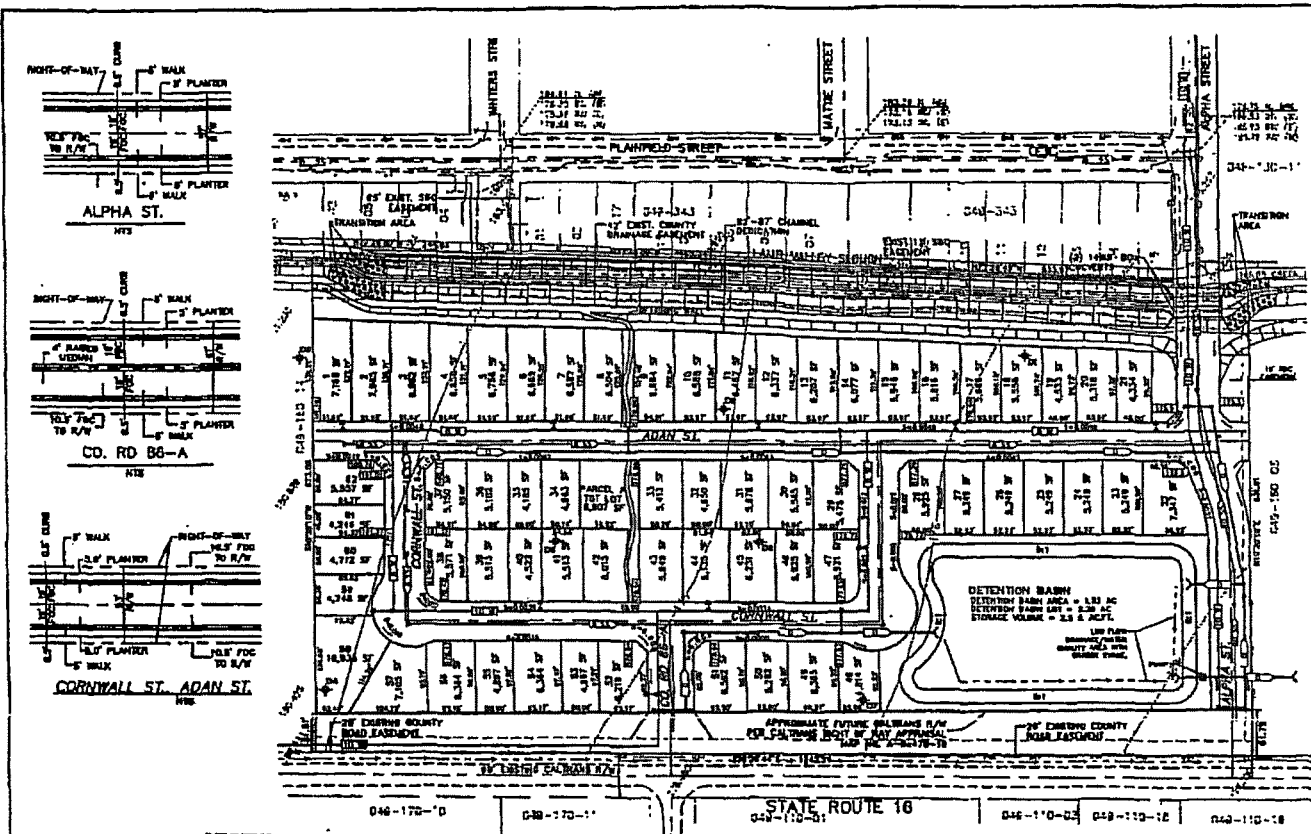
Containing 16.88 acres, more or less.

Assessor's Parcel Number 049-160-15.

End of Description.

EXHIBIT B

TENTATIVE SUBDIVISION MAP NO. 4755



OWNER/SUBOWNER: EMERALD HOMES LT, LLC
 ATTN: JEFFREY LYNN ROBINSON
 834 N. SANTA CRUZ AVE. SUITE 100
 LOS GATOS, CA 95030
 (408) 389-4363

ENGINEER/SURVEYOR: LAUGENOUR & MENKLE
 808 COURT STREET
 WOODLAND, CALIFORNIA 95885
 (530) 462-1755

EXISTING USE: VACANT

PROPOSED USE: SINGLE-FAMILY RESIDENTIAL

EXISTING ZONING: R1-PD

PROPOSED ZONING: R1-PD

SEWER SERVICE: ESPARDO COMMUNITY SERVICES DISTRICT

STORM DRAIN SERVICE: ESPARDO DRAINAGE BASIN - (100 YR / 10 YR RELEASE)

WATER SERVICE: ESPARDO COMMUNITY SERVICES DISTRICT

GAS & ELECTRIC SERVICE: PACIFIC GAS & ELECTRIC

TELEPHONE SERVICE: AT&T

FLOOD ZONE: ZONE AE & ZONE X PANEL NO. 8042303350C

GROSS AREA: 18.86 ACRES

NUMBER OF LOTS: 82

DENSITY PER NET ACRE: 7.8 UNITS/ HCT ACRE
 (A PLANNED DEVELOPMENT PROJECT)

DENSITY PER GROSS ACRE: 3.7 UNITS/ GROSS ACRE
 (A PLANNED DEVELOPMENT PROJECT)

APN: 049-180-18



TENTATIVE SUBDIVISION MAP NO. 4755
E. PARKER

LOCATED IN A PORTION OF BLOCKS 15, 28
 AND 27 OF THE BONYARD TRACT RECORDED
 IN BOOK 1 OF MAPS, AT PAGE 8 YOLO
 COUNTY RECORDS



EXHIBIT C

**NEW SEASON COMMUNITY DEVELOPMENT CORPORATION
GRANT LETTER AGREEMENT**

EMERALD HOMES LT, LLC
a California limited liability company
634 North Santa Cruz Avenue, Suite 100
Los Gatos, CA 95030-4361
Telephone: (408) 399-4393
Facsimile: (408) 399-4397

September 14, 2007

New Season Community Development Corporation
Attn: Hanan Bowman, Executive Director
16915 Yolo Avenue
P. O. Box 799
Esparto, CA 95627

Re: \$250,000 Grant for Esparto Downtown Yolo Avenue Streetscape Improvements

Dear Mr. Bowman:

As you know, Emerald Homes LT, LLC ("Emerald Homes") has made an unsolicited offer to provide a grant to New Season Community Development Corporation ("New Season CDC") in the amount of \$250,000, to be used to make streetscape improvements in the public right of way on Yolo Avenue in downtown Esparto in order to enhance its appearance. Emerald Homes has offered this grant to make these public improvements in downtown Esparto, because our company supports the goal of New Season CDC to promote the revitalization of downtown Esparto and thereby help attract and also keep new businesses to serve the local community. We appreciate very much the strong efforts of New Season CDC and Capay Valley Vision toward the economic revitalization of downtown Esparto. We recognize those efforts, once successful, will benefit future residents in our subdivisions.

Earlier at different times, Mark Armstrong and/or I have reviewed basic terms and conditions of the grant with New Season CDC representatives, including Sue Heitman, Jim Durst and you, who in turn reviewed them with your Board of Directors. For mutual consideration, this \$250,000 grant is formally made by Emerald Homes to New Season CDC on the following terms and conditions:

1. The scope of streetscape improvements funded by the grant shall be landscaping, irrigation, street lighting, and pedestrian walkways and benches. New Season CDC shall use the grant funds exclusively for the actual cost to construct these streetscape improvements in the public right of way.

2. The Yolo County Planning Commission has recommended approval of the "E. Parker Residential Subdivision," namely Tentative Subdivision Map #4755, its Conditions of Approval and the Development Agreement for the E. Parker Project. The grant is conditioned on approval by the Board of Supervisors of Tentative Subdivision Map #4755, its Conditions of Approval and the Development Agreement for the E. Parker Project, essentially as recommended by County staff and the Planning Commission. The grant is also conditioned on approval by the Board of Supervisors of the "Story Residential Subdivision," namely Tentative Subdivision Map

New Season Community Development Corporation
Attn: Hanan Bowman, Executive Director
September 14, 2007
Page 2

#4691, its Conditions of Approval and the Development Agreement for the Story Project, essentially as recommended by County staff and the Planning Commission. The Board of Supervisors is scheduled to consider both subdivisions in September.

3. Emerald Homes shall fund one-half the grant amount on approval by the Board of Supervisors of a E. Parker Final Subdivision Map that is in substantial compliance with Tentative Subdivision Map #4755 and its Conditions of Approval. The other half shall be funded upon Board approval of a Story Final Subdivision Map that is in substantial compliance with Tentative Subdivision Map #4691 and its Conditions of Approval. Within ten business days after Board of Supervisors approval of each map, one-half the grant amount shall be deposited by Emerald Homes in an escrow account opened at a local bank chosen by New Season CDC.

4. Funds from the escrow account shall be released to New Season CDC in its requested amount within ten business days after New Season CDC notifies Emerald Homes in writing that Caltrans and Yolo County have conceptually endorsed the streetscape improvements proposed to be funded, in whole or in part, by the grant. Construction of the streetscape improvements shall commence within twelve months from the date the last of the E. Parker Final Subdivision Map and the Story Final Subdivision Map has been approved; if not, any unexpended grant money shall be returned to Emerald Homes on its written request.

5. New Season CDC shall also provide Emerald Homes with regular updates on the progress of completing the streetscape improvements funded by the grant and an accounting confirming the grant funds have been used for the stated purpose of constructing the streetscape improvements.

6. The terms and provisions of this letter agreement shall benefit and be binding on and fully enforceable against the successors and assigns of New Season CDC and Emerald Homes. The proper venue to enforce this agreement or for its breach is stipulated to be Yolo County. If any action at law or in equity is commenced to enforce or interpret the terms of this agreement, then the prevailing party to such action shall be entitled to reasonable attorneys' fees and costs, in addition to other relief to which it may be entitled. This agreement represents the entire agreement between the parties and supersedes any and all other agreements, either oral or in writing, between the parties with respect to this grant. Any modifications shall be effective only if it is in writing, signed by the party to be charged. This agreement shall be deemed to be jointly prepared by the parties hereto, and neither will claim the benefit of the rule of interpretation of this State, by statute or otherwise, which could cause ambiguities in this agreement to be interpreted against the party who drafted it. The waiver by one party hereto of any breach of any term or condition of this agreement shall not be deemed a waiver of any subsequent breach for the same or other terms and conditions of this agreement. This agreement may be executed in two original counterparts.

If the form of this letter agreement and the commitments provided by Emerald Homes and New Season CDC in this letter are acceptable to the Board of Directors, then Jim and Sue should sign

New Season Community Development Corporation
Attn: Hanan Bowman, Executive Director
September 14, 2007
Page 3

both original counterparts on behalf of the corporation in the signature block below. Please return one original counterpart to me. Again, Emerald Homes thanks the people in New Season CDC, as well as Capay Valley Vision, for all their efforts on behalf of the Esparto community.

Sincerely,

Emerald Homes LT, LLC,
a California limited liability company

By: 

Jeffrey L. Robinson
Its: Manager

Understood and agreed. The Board of Directors has authorized the undersigned to execute this agreement on behalf of the corporation.

New Season Community Development Corporation

By: _____

Jim Durst
Its: President

By: _____

Sue Heitman
Its: Secretary

EXHIBIT D

**ESTIMATES AND DEPICTIONS FOR THE ALPHA STREET EXTENSION AND
E. PARKER SECONDARY ACCESS IMPROVEMENTS**

ALPHA STREET EXTENSION, SEE EXHIBIT E, PG.1

TOWN OF ESPARTO, YOLO COUNTY

ENGINEER'S OPINION OF COST FOR ALPHA STREET EXTENSION IMPROVEMENTS

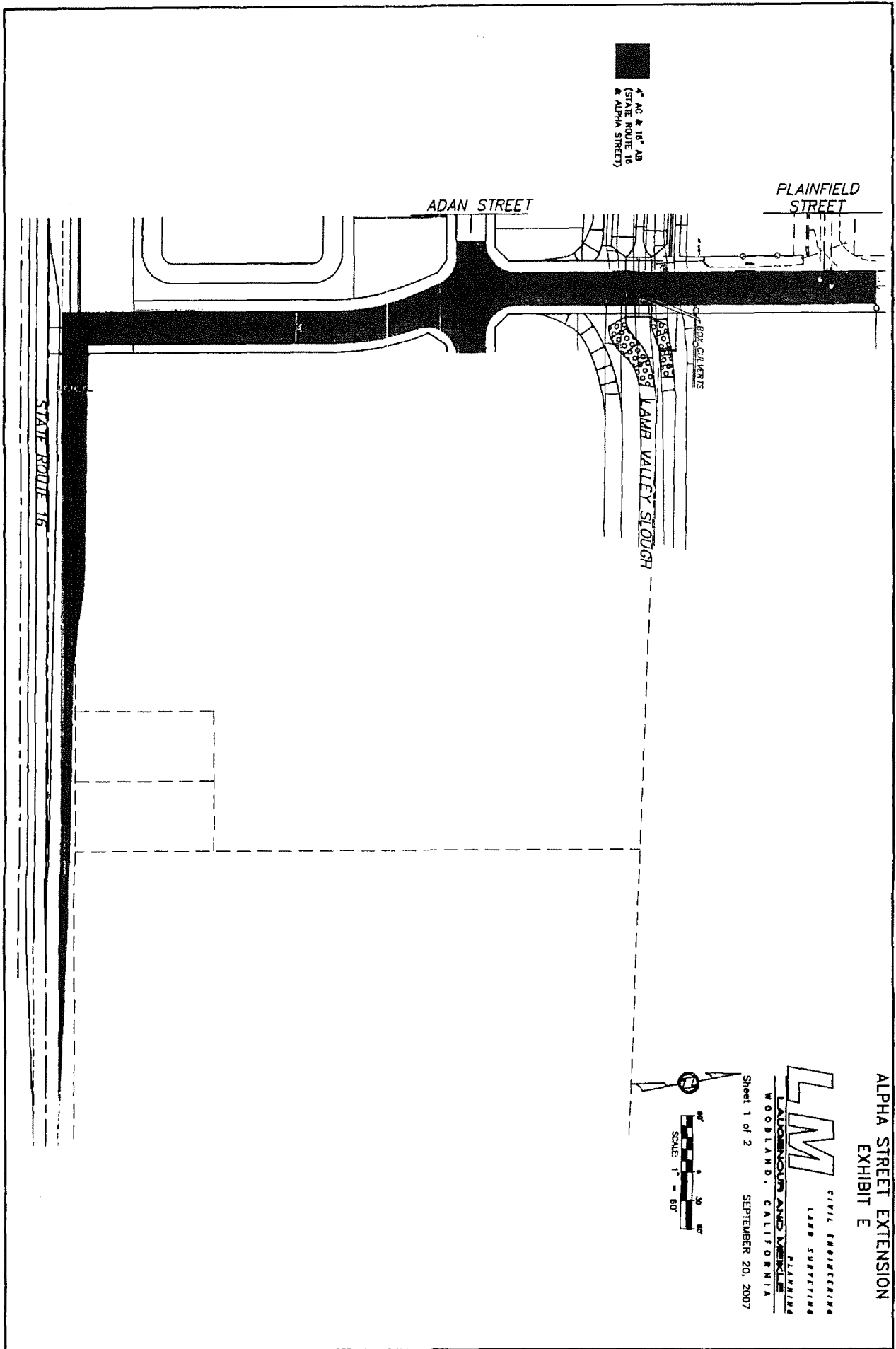
(FROM NORTH SIDE OF PLAINFIELD ST. TO STATE ROUTE 16, INCLUDES

DECELERATION LANE ON STATE ROUTE 16)

BASED ON: TENTATIVE MAP NO. 4755 DATED MAY 30, 2007

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE
1	SITE PREPARATION, MOBILIZATION, CLEANING & GRUBBING	1 JOB	LUMP SUM	15,000.00
2	ROUGH GRADING	1 JOB	LUMP SUM	15,000.00
3	4" AC & 16" AB (T.I. = 7.0)	48,448 SF	4.50	218,016.00
4	INSTALL CURB & GUTTER ON BOTH EAST & WEST SIDE OF ALPHA STREET	1,592 LF	25.00	39,800.00
5	INSTALL MONOLITHIC SIDEWALK ON BOTH THE EAST & WEST SIDE	7,960 SF	5.50	43,780.00
6	LANDSCAPING (ON ALPHA STREET)	7,960 SF	5.00	39,800.00
7	15" STORM DRAIN PIPE	157 LF	75.00	11,775.00
8	STREET LIGHTS, INCLUDING CONDUIT, WIRES, BOXES, ETC.	2 EACH	3,000.00	6,000.00
9	ACCESSIBLE RAMPS CURB & SIDEWALK CR TO CR ON 4" AB	4 EACH	2,500.00	10,000.00
10	SAWCUT EXISTING PAVING (ON STATE ROUTE 16, DECELERATION LANE)	874 LF	1.00	874.00
11	SIGNING & STRIPING	1 JOB	LUMP SUM	15,000.00
12	ROW TO ROW GRADING	90,744 SF	0.60	54,446.40
13	POWER POLE RELOCATION	2 EACH	20,000.00	40,000.00
14	INSTALL BOX CULVERTS/ BRIDGE	1 JOB	LUMP SUM	340,000.00
15	TRAFFIC CONTROL	1 JOB	LUMP SUM	15,000.00
CONSTRUCTION SUBTOTAL				\$864,491.40
20% CONTINGENCY (PRIOR TO PLANS)				\$172,898.28
5% ENGINEERING FEES				\$43,224.57
TRAFFIC ENGINEERING				\$25,000.00
PERMITTING AND MITIGATION FEES FOR BRIDGE CROSSING				\$50,000.00
ALPHA STREET EXTENSION IMPROVEMENTS TOTAL				\$1,155,614.25

Plot with 16.65x26 and to extents



E. PARKER SECONDARY ACCESS, SEE EXHIBIT E, PG.2

TOWN OF ESPARTO, YOLO COUNTY

ENGINEER'S OPINION OF COST FOR E. PARKER SECONDARY ACCESS
IMPROVEMENTS (FROM NORTH SIDE OF ADAN ST. TO STATE ROUTE 16,
INCLUDES RIGHT TURN LANE TAPER ON STATE ROUTE 16)

BASED ON: TENTATIVE MAP NO. 4755 DATED MAY 30, 2007

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE
1	SITE PREPARATION, MOBILIZATION, CLEANING & GRUBBING	1 JOB	LUMP SUM	10,000.00
2	ROUGH GRADING	1 JOB	LUMP SUM	10,000.00
3	4" AC & 16" AB (T.I. = 7.0)	29,179 SF	4.50	131,305.50
4	INSTALL CURB & GUTTER ON BOTH EAST & WEST SIDE OF SECONDARY ACCESS	856 LF	25.00	21,400.00
5	INSTALL MONOLITHIC SIDEWALK ON BOTH THE EAST & WEST SIDE	4,280 SF	5.50	23,540.00
6	LANDSCAPING (ON SECONDARY ACCESS)	4,280 SF	5.00	21,400.00
7	STREET LIGHTS, INCLUDING CONDUIT, WIRES, BOXES, ETC.	1 EACH	3,000.00	3,000.00
8	ACCESSIBLE RAMPS CURB & SIDEWALK CR TO CR ON 4" AB	2 EACH	2,500.00	5,000.00
9	SAWCUT EXISTING PAVING (ON STATE ROUTE 16, TAPER LANE)	570 LF	1.00	570.00
10	SIGNING & STRIPING	1 JOB	LUMP SUM	10,000.00
11	ROW TO ROW GRADING	48,792 SF	0.60	29,275.20
12	TRAFFIC CONTROL	1 JOB	LUMP SUM	15,000.00
CONSTRUCTION SUBTOTAL				\$280,490.70
20% CONTINGENCY (PRIOR TO PLANS)				\$56,098.14
5% ENGINEERING FEES				\$14,024.54
E. PARKER SECONDARY ACCESS IMPROVEMENTS TOTAL				\$350,613.38

Plot with 16.65x26 and to extents

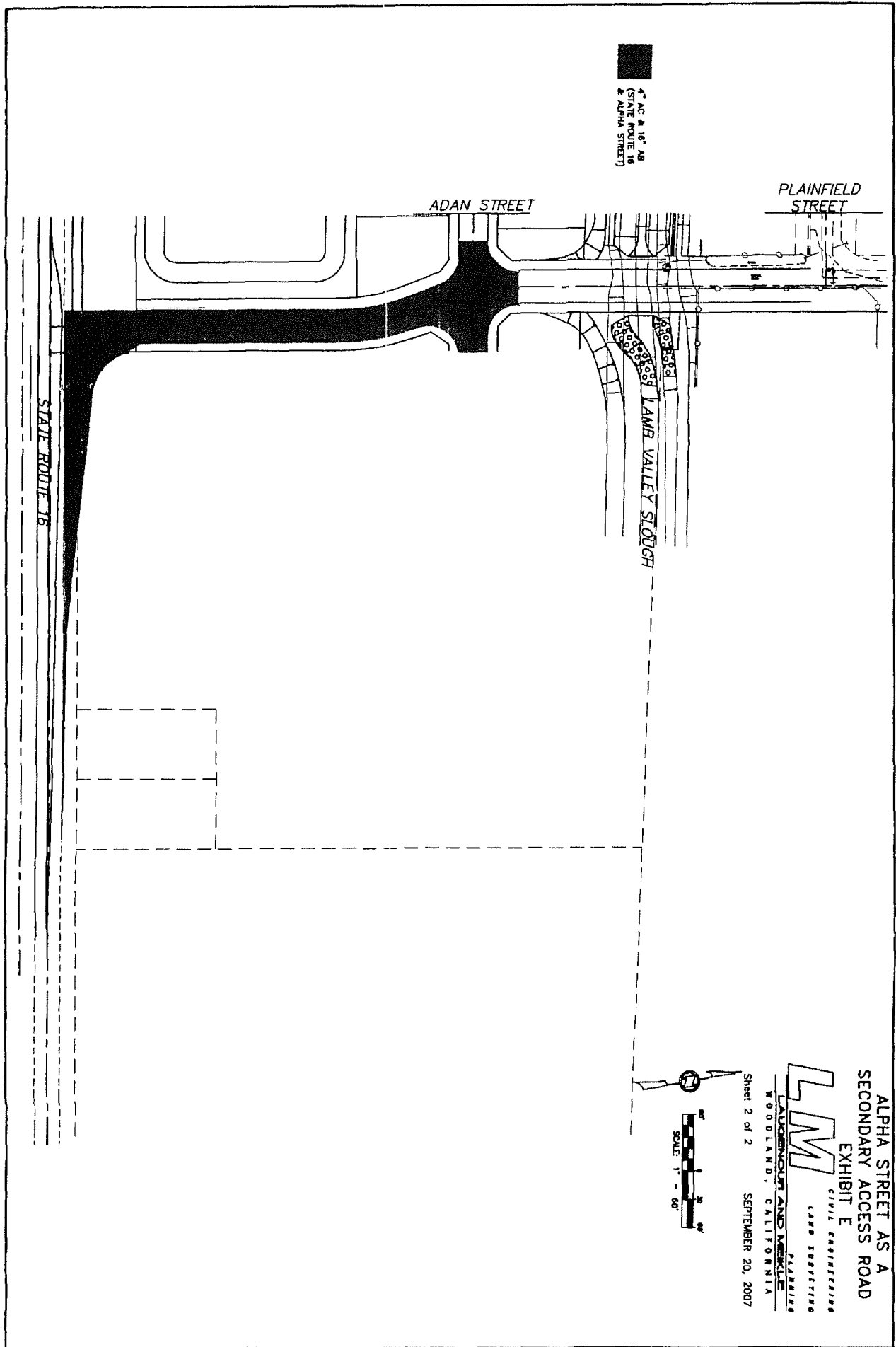


EXHIBIT E

**ESTIMATE AND DEPICTION FOR STATE ROUTE 16/COUNTY ROAD 86A
INTERSECTION IMPROVEMENTS**

STATE ROUTE 16 @ 86 A, SEE EXHIBIT E

TOWN OF ESPARTO, YOLO COUNTY

ENGINEER'S OPINION OF COST FOR STATE ROUTE 16 CONSTRUCTION IMPROVEMENTS

EXCLUDING CONSTRUCTION FOR: SIGNAL AND LANDSCAPING

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE
1	SITE PREP, MOBILIZATION, CLEARING AND GRUBBING	1 JOB	LUMP SUM	32,000.00
2	ROUGH GRADING	1 JOB	LUMP SUM	17,000.00
3	4" AC & 16" AB (INCLUDES 8' SHOULDER ON NORTH & SOUTH SIDE OF ST. ROUTE 16 ALONG FRONTAGE. IMPROVEMENTS AT THE INTERSECTION OF 86A & STATE ROUTE 16 INCLUDE RIGHT TURN LANE SOUTHBOUND FROM ST. ROUTE 16, LEFT TURN LANE NORTHBOUND FROM ST. ROUTE 16, LEFT TURN LANE SOUTHBOUND FROM ST. ROUTE 16, AND RIGHT TAPER NORTHBOUND FROM ST. ROUTE 16.)	51,048 SF	5.25	268,002.00
4	SAWCUT EXISTING PAVING	2,082 LF	1.00	2,082.00
5	SIGNING AND STRIPING	1 JOB	LUMP SUM	15,000.00
6	MAINTAINING TRAFFIC CONTROL AND PUBLIC SAFETY	1 JOB	LUMP SUM	10,000.00
7	GRIND AND OVERLAY	63,216 SF	1.50	94,824.00
8	INSTALL CONDUIT FOR FUTURE TRAFFIC LIGHT INSTALLATION AT 86A & STATE ROUTE 16 INTERSECTION	1 JOB	LUMP SUM	5,000.00
CONSTRUCTION SUBTOTAL				\$443,908.00
20% CONTINGENCY (PRIOR TO PLANS)				\$88,781.60
5% ENGINEERING				\$22,195.40
TRAFFIC ENGINEERING				\$25,000.00
CALTRANS PLAN CHECK FEE DEPOSIT				\$5,000.00
SR16 CONSTRUCTION TOTAL				\$584,885.00

1' AC & 18" AB
(STATE ROUTE 16 &
ALPHA STREET)
GRIND & OVERLAY
(STATE ROUTE 16)

SEE ABOVE

SEE ABOVE

ALPHA ST.

ALPHA ST.

SEE BELOW

SEE BELOW



Sheet 1 of 1 SEPTEMBER 20, 2007

LMM
LUDENSCHEM AND MENDEL
WOODLAND, CALIFORNIA
PLANNERS
LAND SURVEYING
CIVIL ENGINEERING

STATE ROUTE 16 & 86A
INTERSECTION IMPROVEMENTS
EXHIBIT E

EXHIBIT F

**ESTIMATE AND DEPICTION FOR THE SOUTH SIDE INGRESS AND EGRESS
IMPROVEMENTS AT STATE ROUTE 16/COUNTY ROAD 86A INTERSECTION**

(SOUTH) INTERSECTION IMPROVEMENTS TO SR16 AND 86A (SEE EXHIBIT F, PAGE 1)
TOWN OF ESPARTO, YOLO COUNTY

ENGINEER'S OPINION OF COST FOR IMPROVEMENTS AT SR16 AND 86A
 DUE TO DEVELOPMENT OF GAS STATION BASED ON CALTRANS
 FIGURE 405.7 (PUBLIC ROAD INTERSECTION)

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE
1	SITE PREP, MOBILIZATION, CLEARING AND GRUBBING	1 JOB	LUMP SUM	5,000.00
2	ROUGH GRADING	1 JOB	LUMP SUM	3,000.00
3	4" AC & 16" AB	7,603 SF	5.25	39,915.75
4	GRIND AND OVERLAY	10,090 SF	1.50	15,135.00
4	SAWCUT EXISTING PAVING	1 JOB	3,000.00	1,000.00
5	SIGNING AND STRIPING	1 JOB	LUMP SUM	1,000.00
6	MAINTAINING TRAFFIC CONTROL AND PUBLIC SAFETY	1 JOB	LUMP SUM	2,000.00
CONSTRUCTION SUBTOTAL				\$67,050.75
20% CONTINGENCY (PRIOR TO PLANS)				\$13,410.15
5% ENGINEERING				\$3,352.54
TRAFFIC ENGINEERING				\$1,341.02
CALTRANS PLAN CHECK FEE DEPOSIT				\$5,000.00
SR16 CONSTRUCTION TOTAL				\$90,154.45

**Prices based on construction bids for Lopez (Ryland Homes) subdivision 3/7/2006

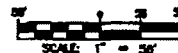
LEGEND



4" AC & 1 1/2" AB (7,803 SF)

GRIND & OVERLAY (10,080 SF)

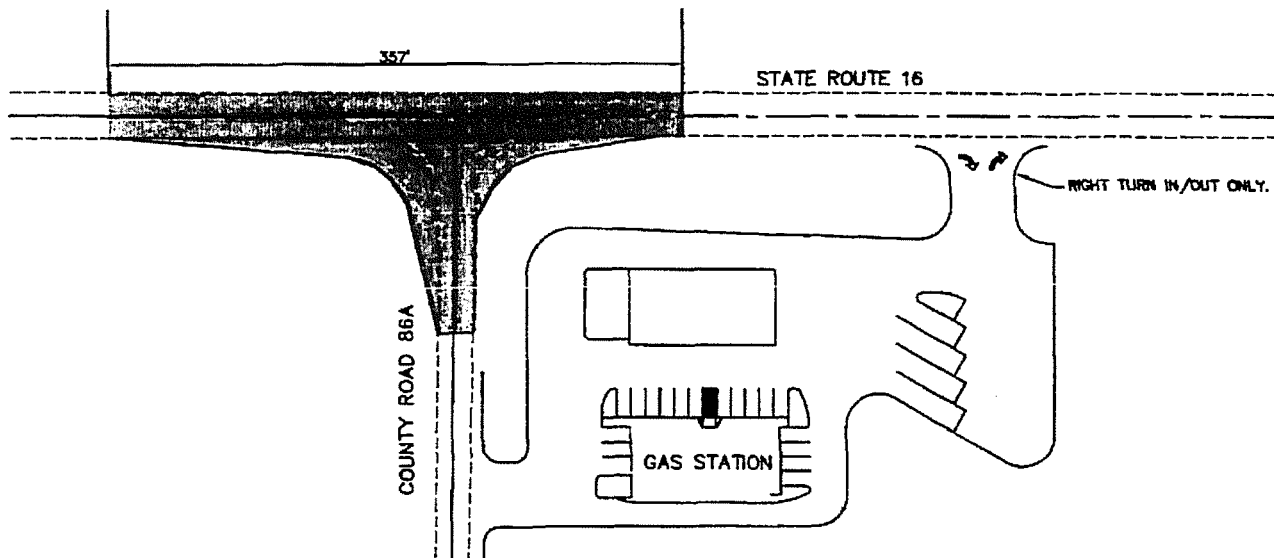
EXHIBIT 'F' PAGE 1*
STATE ROUTE 16 & 86A
INTERSECTION IMPROVEMENTS REQUIRED FOR JOHN
DETERDING GAS STATION
(BASED ON CALTRANS HIGHWAY DESIGN MANUAL FIGURE
405.7 PUBLIC ROAD INTERSECTION)



SCALE 1" = 30'

LM CIVIL ENGINEERING
LAND SURVEYING
PLANNING
LAUDENBACH AND MERRILL
WOODLAND, CALIFORNIA

Sheet 1 of 2 OCTOBER 5, 2007



* THIS INTERSECTION IS WITHIN CALTRANS RIGHT OF WAY AND WILL REQUIRE AN ENCROACHMENT PERMIT FROM CALTRANS IN ORDER TO BE CONSTRUCTED. CALTRANS MAY REQUIRE MORE IMPROVEMENTS THAN ARE SHOWN ON THIS EXHIBIT.

(NORTH) INTERSECTION IMPROVEMENTS TO SR16 AND CR86A (SEE EXHIBIT F, PAGE 2)
TOWN OF ESPARTO, YOLO COUNTY

ENGINEER'S OPINION OF COST FOR IMPROVEMENTS AT SR16 AND 86A
 DUE TO DEVELOPMENT OF E. PARKER SUBDIVISION BASED ON
 CALTRANS FIGURE 405.7 (PUBLIC ROAD INTERSECTION)

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE
1	SITE PREP, MOBILIZATION, CLEARING AND GRUBBING	1 JOB	LUMP SUM	5,000.00
2	ROUGH GRADING	1 JOB	LUMP SUM	3,000.00
3	4" AC & 16" AB	9,032 SF	5.25	47,418.00
4	GRIND AND OVERLAY	10,090 SF	1.50	15,135.00
4	SAWCUT EXISTING PAVING	1 JOB	3,000.00	1,000.00
5	SIGNING AND STRIPING	1 JOB	LUMP SUM	1,000.00
6	MAINTAINING TRAFFIC CONTROL AND PUBLIC SAFETY	1 JOB	LUMP SUM	2,000.00
CONSTRUCTION SUBTOTAL				\$74,553.00
20% CONTINGENCY (PRIOR TO PLANS)				\$14,910.60
5% ENGINEERING				\$3,727.65
TRAFFIC ENGINEERING				\$1,491.06
CALTRANS PLAN CHECK FEE DEPOSIT				\$5,000.00
SR16 CONSTRUCTION TOTAL				\$99,682.31

**Prices based on construction bids for Lopez (Ryland Homes) subdivision 3/7/2006

LEGEND

4" AC & 18" AS (9,032 SF)

GRIND & OVERLAY (10,088 SF)

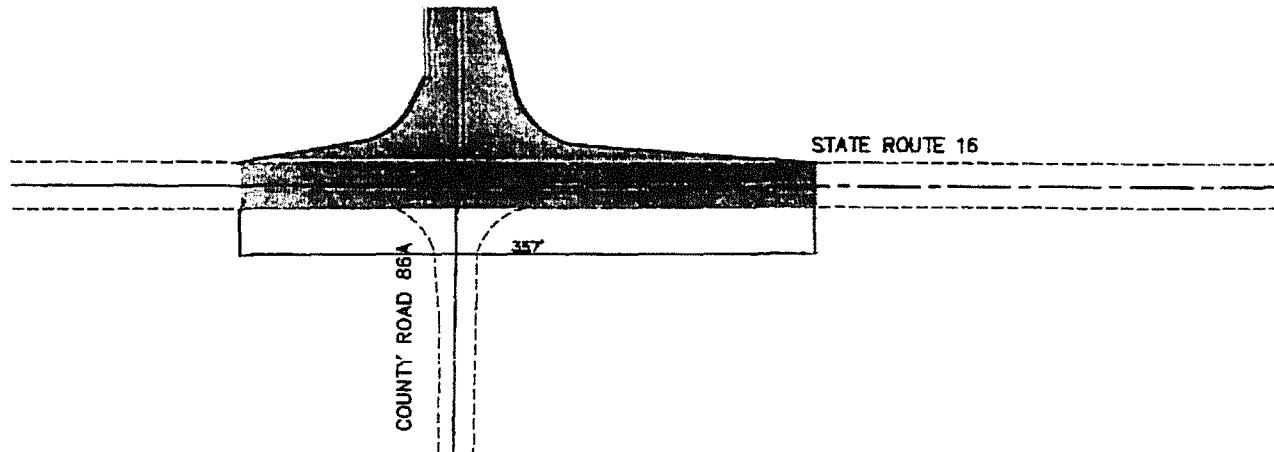
EXHIBIT 'F' PAGE 2*
STATE ROUTE 16 & 86A
INTERSECTION IMPROVEMENTS REQUIRED FOR E. PARKER
(BASED ON CALTRANS HIGHWAY DESIGN MANUAL FIGURE
405.7 PUBLIC ROAD INTERSECTION)



SCALE: 1" = 50'

LM CIVIL ENGINEERING
LAND SURVEYING
PLANNING
LAUGENDOR AND NEALE
WOODLAND, CALIFORNIA

Sheet 2 of 2 OCTOBER 5, 2007



* THIS INTERSECTION IS WITHIN CALTRANS RIGHT OF WAY AND WILL REQUIRE AN ENCROACHMENT PERMIT FROM CALTRANS IN ORDER TO BE CONSTRUCTED. CALTRANS MAY REQUIRE MORE IMPROVEMENTS THAN ARE SHOWN ON THIS EXHIBIT.

EXHIBIT G

EXAMPLE OF REIMBURSEMENT SCENARIO UNDER ARTICLE 4

An example of how the reimbursement might work is as follows. The Orciuoli Project proceeds first. It makes its two reimbursement payments to the County, which holds those payments in trust. The E. Parker Project proceeds next, before the Story Project and Deterding's gas station project. The E. Parker Developer constructs the intersection improvements at State Route 16 and County Road 86A and the secondary access at the end of what will be Alpha Street, between Adan Street and State Route 16. The Director determines all the actual costs for that construction after they are accepted as complete. The County pays one-half the Orciuoli Project reimbursement amount held in trust to the E. Parker Developer. The Story Developer later constructs the extension of Alpha Street. The Director determines all of the actual costs for that construction. It is more than \$900,000. The County pays the remaining half of the Orciuoli Project reimbursement amounts held in trust to the Story Developer. The gas station proceeds next and, prior to the issuance of its certificate of occupancy, pays one hundred thousand dollars (\$100,000), and the County reimburses the E. Parker Developer that amount. The County has determined the actual costs incurred by the E. Parker Developer for the south side access improvements depicted in Exhibit F are one hundred ten thousand dollars (\$110,000). Deterding pays the \$10,000 difference (between the total cost and the amount previously paid) to the County prior to approval of the next final subdivision map (or building permit as to a commercial or light industrial building) for one of its other South of State Route 16 Projects, plus whatever it owes for cumulative circulation improvements based on the single family unit, multi-family unit, commercial and light industrial formula. The County then reimburses the E. Parker Developer the ten thousand dollars (\$10,000) difference and upon receipt allocates the cumulative reimbursements from that other South of State Route 16 Project fifty-fifty between the E. Parker Developer and the Story Developer. The Town Center Project final subdivision map is filed after the Story Developer and E. Parker Developer complete the two improvements, and Deterding pays the required reimbursement amount, at that time or at building permit for commercial uses, of two hundred seventy five thousand dollars (\$275,000) for cumulative circulation improvements to the County (calculated based on the number and type of units and commercial square footage in the approved Town Center Project), and the County upon receipt pays it fifty-fifty to the E. Parker Developer and the Story Developer (the maximum payment due to the two developers has not yet been reached). Two of the Other Development Projects receive building permits and pay reasonable reimbursement amounts, including interest, determined by the County. The E. Parker Developer is fully reimbursed with less than half of that amount. The balance is paid Story Developer. A final subdivision map for Deterding's project on its 70-acre property is approved and reimbursement is paid in the amount of seventy five thousand dollars (\$75,000), because with that amount the E. Parker Developer and Story Developer are reimbursed to the maximum amount, plus the interest from Other Development Projects and bridge fee waiver amount previously paid to the County through earlier reimbursements.