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RECORDING REQUESTED BY:

City Clerk
City of Patterson
P.O. Box 667
1 Plaza
Patterson, CA 95363

AND WHEN RECORDED RETURN TO:

City of Patterson
P.O. Box 667
1 Plaza
Patterson, CA 95363
Attn: City Manager

Northeast Territories Patterson, LP
11 Plaza, Suite G
Patterson, CA 95363
Attn: Joe Hollowell

(Space Above For Recorder's Use Only)

DEVELOPMENT AGREEMENT BY AND BETWEEN THE
CITY OF PATTERSON
AND
NORTHEAST TERRITORIES PATTERSON, LP
AND
RELATING TO THE DEVELOPMENT KNOWN AS
"THE VILLAGES OF PATTERSON"
AT PATTERSON, CALIFORNIA

[Ordinance No. 681 Adopted on December 19, 2006]

COUNTERPART EXECUTION ORIGINAL

EXECUTION COPY

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DEVELOPMENT AGREEMENT BY AND BETWEEN THE
CITY OF PATTERSON
AND
NORTHEAST TERRITORIES PATTERSON, LP
AND
RELATING TO THE DEVELOPMENT KNOWN AS
"THE VILLAGES OF PATTERSON"
AT PATTERSON, CALIFORNIA

THIS DEVELOPMENT AGREEMENT ("**Agreement**") is entered into as of December 19, 2006, by and between the CITY OF PATTERSON, a general law city, organized and existing under the laws of the State of California ("**City**") and NORTHEAST TERRITORIES PATTERSON, LP, a California limited partnership ("**Developer**"), pursuant to the authority of Section 65864 et seq. of the Government Code. Developer and City are, from time to time, hereinafter referred to individually as a "Party" and collectively as the "Parties." This Agreement is entered into with reference to the following facts:

RECITALS

A. In order to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic costs of development, the Legislature of the State of California adopted Section 65864 et seq. of the Government Code ("Development Agreement Statute"), which authorizes the City to enter into a development agreement with any person/entity having a legal or equitable interest in real property providing for the development of such property and establishing certain development rights therein.

B. Pursuant to the Development Agreement Statute, the City has adopted rules and regulations establishing procedures and requirements for consideration of development agreements. This Agreement has been processed, considered, and executed in accordance with those City rules and regulations.

C. In June, 1992 the City passed Resolution No. 92-38 which amended the City's General Plan by adding certain land to the City's General Plan Planning Area, which land is now the subject of this Agreement.

D. Developer is the owner or optionor of certain parcels of land ("Land") consisting of the parcels listed in the chart attached as Exhibit "A" hereto. The legal description of the Land is set forth in Exhibit "B" attached hereto. Developer represents that as of the recordation of this Agreement on the Land it will have a legal or equitable interest in the Land.

E. It is the intent of Developer to develop the Land as a master planned community in conformance with and governed by this Agreement and the Project Approvals (as defined below).

F. The development of the Land in accordance with this Agreement and the Project Approvals will provide for orderly growth within the City, consistent with the goals, policies, and other provisions of the City's General Plan. Development of the Land is expected to take

place in multiple phases as determined by Developer and consistent with the Project Approvals.

G. City recognizes that the economic success of the Project (as defined below) depends greatly upon the following:

(i) Developer will be requesting the formation of one or more Financing Districts to fund certain Public Facilities Improvements or other improvements and City agrees to consider the formation of such Financing Districts. The failure to form any Financing District shall not create any liability for the City, but the City acknowledges that the Developer has indicated the importance to the Developer of utilizing land secured financing to construct necessary Public Facilities Improvements.

(ii) The assurance to Developer that no Growth Control Measure will apply to the Project. In this regard, City hereby certifies that there are currently no adopted or effective Growth Control Measures that apply to the Project or that would restrict the ability of Developer to complete the Project.

H. For the reasons recited herein, Developer and City have determined that the Land and the Project are the type of development for which this Agreement is appropriate. This Agreement will eliminate uncertainty in planning and provide for the orderly development of the Land and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted.

I. In exchange for these benefits to the City, together with the public benefits that will result from the development of the Land pursuant to the Project Approvals (as defined below), Developer desires to receive the assurance that it may proceed with development of the Land including receipt of building permits and construction of the Project in accordance with the terms and conditions of this Agreement.

J. The Parties shall cooperatively collect all documents mentioned in this Agreement and place them in a three ring binder to be maintained at all times by the City Clerk. Two true and correct conformed copies of such binder shall be prepared and given to Developer and Community Development Director of the City respectively. The Parties shall rely on the documents in such binder to determine the approvals granted by the City and the ordinances, policies and regulations in effect at the Effective Date of this Agreement.

NOW, THEREFORE, in consideration of the promises, covenants, and provisions set forth herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS

The following terms shall have the meanings set forth below for purposes of this Agreement:

1.1 “**AB 1600**” means the Mitigation Fee Act (Government Code Sections 66000-66025).

1.2 “**AB 1600 Capital Facilities Fees**” means the City’s capital facility programs and resulting fee schedule, specifically the Villages of Patterson Residential Fees, Villages of Patterson Downtown Core Fees, and Villages of Patterson Light Industrial/Commercial Fees as set forth on Exhibit “C-1,” Exhibit “C-2,” and Exhibit “C-3,” respectively.

1.3 “**Affordable Housing Ratio**” means the current ratio of Affordable Units to total Units, as articulated in the City’s General Plan and the City’s Municipal Code, more fully described in Section 4.6.

1.4 “**Affordable Housing**” or “**Affordable Units**” means Units within the Project that will be developed, offered to, and sold or rented to very low, low, or moderate income households, as those terms are presently defined in state law.

1.5 “**Agreement**” means this Development Agreement entered into by and between the City and Developer relating to the development known as “The Villages of Patterson.”

1.6 “**Allocations**” means issuance of all necessary building permits and providing all related municipal services customarily provided by the City to serve development such as the Project.

1.7 “**CEQA**” means the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.)

1.8 “**City**” means the City of Patterson.

1.9 “**City Council**” means the City Council of the City of Patterson.

1.10 “**Conditions of Approval**” means those conditions and requirements with which Developer will be required to comply in order to develop the Project and occupy the Land, as outlined in Exhibit “E.”

1.11 “**Construction Cost Index**” means the Cost of Construction Index prepared by the Construction News Recorder. In the event the Construction News Recorder no longer publishes such data, then the most equivalent index shall be used.

1.12 “**Developer**” means Northeast Territories Patterson, LP, a California limited liability partnership, and includes Developer’s assignees and/or successors-in-interest, as permitted under Section 17.1 of this Agreement.

1.13 “**Development Plan**” means the master planned community generally depicted for the Project in the Preliminary Development Plan as prepared by Developer, approved by the City on December 12, 2006, by Resolution No. 2006-122, and

maintained by the City Clerk consistent with Recital J, as may be amended from time to time in compliance with this Agreement.

1.14 “Effective Date” means the thirtieth (30th) day following the adoption by the City Council of an ordinance approving this Agreement, or the date upon which this Agreement is executed by Developer and by the City, whichever is later.

1.15 “Effective Standards” are the rules, regulations, standards, general plan policies, conditions, ordinances or resolutions governing the City’s adjudicative and/or legislative decisions regarding the land use approval process for the Project and the permitted uses of the Project (collectively “Rules”), including those addressing the density and intensity of use, design, improvement, construction, and building standards, occupancy and specifications applicable to the Project and all on-site, off-site and off-tract improvements and appurtenances in connection therewith in force on the Effective Date of this Agreement.

1.16 “Equivalent Dwelling Unit(s) or EDUs” shall mean the equivalent number of Units for a particular land use designation for purposes of allocation, collection and reimbursement of infrastructure fees.

1.17 “Final “A” Map, Final “A-B Combo” Map, and Final “B” Map” means and refers to final subdivision maps for the Land prepared by Developer pursuant to the State Subdivision Map Act (Government Code Sections 66410 et seq.) that conform with the Project Approvals, and which are further described below:

(a) Final “A” Map means one or more final subdivision maps that create so-called maxi-parcels or super pads that follow Phase boundaries within the Project, which maxi-parcels or super pads shall be specifically identified on the applicable final subdivision map as (a) not creating any right to build Units within the boundaries of such maxi-parcels or super pads and, instead, (b) creating a legal parcel for conveyances and/or financing purposes only.

(b) Final “A-B Combo” Map means one or more Final “A” Maps that include the creation of buildable lots for Units along and/or adjacent to Spine Roads within the Project.

(c) Final “B” Map means one or more final subdivision maps that create buildable lots for Units within the maxi-parcels or super pads created by a Final “A” Map or a Final “A-B Combo” Map.

(d) Unless otherwise specifically indicated in this Agreement, any generic reference to a final map or final subdivision map shall mean and refer to a Final “B” Map or a Final “A-B Combo” Map for the applicable portion of the Land.

1.18 “Final Environmental Impact Report” or “FEIR” means that detailed environmental statement prepared by the City for The Villages of Patterson (SCH # 2006032043) under CEQA as defined in section 15362(b) of the California CEQA Guidelines and certified by the City Council on December 12, 2006 by Resolution 2006-121.

1.19 “Financing Districts” means, collectively, one or more Mello-Roos Community Facilities Districts, 1913-1915 Limited Obligation Improvement Assessment Districts, or other similar districts that the Developer may agree to and that the City may form for the purpose of facilitating the long-term financing of the planning, design, construction, acquisition or expansion of Public Facilities Improvements or other improvements, including those shown on the Summary of Public Facilities Improvements attached hereto as Exhibit “D-1,” but only to the extent legally permissible under applicable law. A condition to the City’s issuance of building permits for the Project shall be the encumbering of the Land with Financing Districts in accordance with the Financing Plan or on such terms and conditions as mutually agreed by the City and Developer unless Developer chooses not to participate in Financing Districts and provides the Public Facilities through other financing mechanisms acceptable to the City such that the installation of the Public Facilities is assured as necessary to serve the Project and otherwise as described in Exhibit “D-1”.

1.20 “Financing Plan” means the proposed priority and financing for the construction of the Public Facilities Improvements and other public facilities through the use of AB 1600 Capital Facilities Fees and one or more Financing Districts, pursuant to the terms of this Agreement acceptable to City such that the installation of Public Facilities Improvements is assured as is necessary to properly and timely serve the Project. The proposed amount of Public Facilities Improvements to be financed by one or more Financing Districts are set forth in Exhibit “D-2” entitled “Proposed Facilities District Financing” and the priority of financing of the Public Facilities Improvements through one or more Financing Districts is set forth in Exhibit “D-3” entitled “Financing Plan.”

1.21 “Growth Control Measure” means any ordinance, resolution, minute order, policy, moratorium, rule, regulation, decision, standard or any other City action, or any initiative or referendum voted on by the City’s electorate, which would otherwise be applicable to the Project, and would affect in any way the rate of development and construction of the Project, alter construction standards relating to the Project, limit restrict the number of building permits issued by the City for the Project, limit the Project’s ability to connect to the City’s sewer system, water system, storm drainage system or to receive any other City service, alter the Project Approvals without consent of Developer, or limit the number of final occupancies issued by the City, or any combination of the foregoing, in any manner such are applied, including, without limitation, ordinance, whether ordinary, urgency, or interim, enactment, resolution, approval, policy, moratorium, rule, regulation, decision, minute order, initiative, referendum, and legislative, adjudicative, or ministerial decision.

1.22 “Land” means and refers those certain parcels that Developer is the owner or optionor as shown on the parcel map attached hereto as Exhibit “A.”

1.23 “Model Unit” means a Unit that is temporarily utilized, for marketing and sales purposes only, as either a so-called model home or as an ancillary sales office and/or parking lot.

1.24 “Owner” means the record owner, whether one or more persons or entities, of fee simple title to any Unit including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Owner shall include any person or entity, which is a security holder in actual possession of a Unit.

1.25 “Person” means a natural individual or any other entity with the legal capacity to hold title to real property.

1.26 “Phasing Plan,” “Project Phasing” “Phasing” or “Phase” means the phasing of the Project’s development generally as outlined in the Master Phasing Plan One and Master Phasing Plan Two in the Development Plan. Developer may proceed with development in any order it chooses, consistent with Master Phasing Plan One and Master Phasing Plan Two. If Developer proposes to materially depart from the phasing described in Master Phasing Plan One or Master Phasing Plan Two, Developer must demonstrate to the Community Development Director that the departure complies with the requirements stated in Section 4.5(e) below. The Community Development Director may notify the Planning Commission periodically of compliance determinations made.

1.27 “Plan Area” or “PA” means that area depicted in the Development Plan for the Project and intended for a specific land use, density and improvement, as may be amended from time to time in compliance with this Agreement.

1.28 “Planning Commission” means the Planning Commission of the City of Patterson.

1.29 “Project” shall mean the Villages of Patterson and shall include the land uses, densities and improvements of the Land and operations with respect thereto, as described in the Project Approvals.

1.30 “Project Approvals” means all those City entitlements and approvals associated with the Villages of Patterson, including, but not limited to the following, any or all of which may be amended from time to time in compliance with this Agreement:

(a) Certification of the FEIR, Adoption of Findings, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Programs by City Council Resolution 2006-121 on December 12, 2006;

(b) Amendment of the City’s General Plan by City Council Resolution 2006-122 on December 12, 2006;

(c) Development Plan approved by City Council Resolution 2006-122 on December 12, 2006;

(d) Rezoning (Zoning) of the Villages of Patterson by City Ordinance No.682 on December 19, 2006;

(e) Application to the Stanislaus County Local Agency Formation Commission (LAFCO) by City Council Resolution 2006-122 on December 12, 2006 and authorize submittal of the Master Services Element to LAFCO;

(f) Annexation of the Villages of Patterson to the City by LAFCO;

(g) Vesting Tentative Subdivision "A" Map approved by City Council Resolution 2006-122 on December 12, 2006 a copy of which maps are attached hereto as Exhibit "F-1;"

(h) Vesting Tentative Subdivision "B" Maps approved by City Council Resolution 2006-122 on December 12, 2006 a copy of which maps and enabling resolution are attached hereto as Exhibit "F-2;"

(i) Conditions of Approval for the Villages of Patterson adopted by City Council Resolution 2006-122 on December 12, 2006 (Exhibit "E");

(j) Approval of a water supply assessment pursuant to the California law commonly referred to as S.B. 610 for the Project.

(k) Approval of a water supply verification pursuant to the California law commonly referred to as S.B. 221 for the Project.

(l) This Agreement.

1.31 "Project Fees" means the City's development fees applicable to the Project.

1.32 "Project Buildout" means the date on which the last certificate of occupancy, or any other final comparable governmental action or approval, is issued or achieved for the last improvement to the Project, whether a Unit or any other structure or improvement required to complete the implementation of the Project, as contemplated by this Agreement.

1.33 "Public Facilities Improvements" means water, sewer, storm drainage, traffic, school, fire station, community center and other public improvements that are a part of, and/or subsequently will conform to, the City's Master Infrastructure Plans or as otherwise identified as Public Facilities Improvements in this Agreement. Attached as Exhibit "D-1" is the "Summary of Public Facilities Improvements" for the Project. The Developer currently anticipates that the Public Facilities Improvements will be funded in multiple phases from the proceeds of Financing Districts encumbering the Land pursuant to the Proposed Facilities District Financing attached as Exhibit "D-2" and the Financing Plan attached as Exhibit "D-3," but this shall not derogate City's discretion in establishing and phasing any prospective Financing District.

1.34 "School District" means the Patterson Joint Unified School District.

1.35 “Spine Roads” means the in-tract arterial and major and minor collector streets within the Project illustrated on Exhibit “G.”

1.36 “Subsequent Approvals” mean those approvals necessary to implement the Project Approvals that have not been conferred as of the Effective Date of this Agreement.

1.37 “Unit” means a single family residential dwelling to be constructed on the Land pursuant to the Project Approvals and includes apartments, townhomes, condominiums and detached dwellings.

1.38 “Vesting Tentative Maps” means the Vesting Tentative Subdivision “A” Map and the Vesting Tentative Subdivision “B” Map, collectively, for the Land as approved by the City Council as may be amended from time to time in compliance with this Agreement, a copy of which maps are attached hereto as Exhibit “F-1” and Exhibit “F-2.”

1.39 “Villages of Patterson” shall mean the Project and shall include the land uses, densities and improvements of the real property located south of Eucalyptus Avenue, east of State Highway 33, west of Sycamore Avenue and north of Walnut Avenue, in the County of Stanislaus, California, to be annexed into the City of Patterson, California, including the Land and operations with respect thereto, as described in the Project Approvals.

1.40 “Villages of Patterson Residential Fees” means the fees and programs applicable to the residential portion of the Project, as set forth on Exhibit “C-1” hereto.

1.41 “Villages of Patterson Downtown Core Fees” means the fees and programs applicable to the downtown core portion of the Project, as set forth on Exhibit “C-2” hereto.

1.42 “Villages of Patterson Light Industrial/Commercial Fees” means the fees and programs applicable to the light industrial and commercial portions of the Project, as set forth on Exhibit “C-3” hereto.

ARTICLE II

GENERAL PROVISIONS

2.1 Incorporation of Recitals. The Recitals set forth above are ratified and confirmed as being true and accurate statements of the intention of the Parties as of the Effective Date and are further incorporated into this Agreement as if set forth herein in full.

2.2 Covenants Running With the Land. The Land shall be held, sold, leased, conveyed, encumbered, hypothecated, used, occupied and improved subject to the terms and provisions of this Agreement, which shall constitute restrictions, reservations, rights, covenants, conditions and equitable servitudes, all of which are for the purpose of enhancing and protecting the value, attractiveness and desirability of the Project. Such restrictions, reservations, rights, covenants, conditions and equitable servitudes shall (i) run

with and burden the Land and shall be binding upon all Persons having or acquiring any interest in the Land or any part thereof, their heirs, successors and assigns; (ii) inure to the benefit of every portion of the Land and any interest therein; and (iii) inure to the benefit of and be binding upon each Owner and each Owner's successors in interest.

2.3 Disclosure to Buyers. Developer hereby agrees to disclose and provide copies of this Agreement, together with all exhibits, to any and all wholesale buyers of any portion of the Land from Developer. Developer shall obtain a confirmation form from each buyer confirming that buyer's receipt of the master documents and shall provide a copy of such form to the City for their records.

2.4 Term. This Agreement becomes effective on the Effective Date. The "Term" of this Agreement shall be the Initial Term together with any extension granted pursuant to the terms herein. The Term of this Agreement shall commence when the last of the Project Approvals becomes effective ("Commencement Date") and shall extend for a period of 20 years ("Initial Term"), at which time this Agreement shall be deemed terminated and of no further force or effect unless the Term is extended by circumstances set forth in this Agreement or by the mutual consent of the Parties. When the last of the Project Approvals becomes effective, the Developer and City shall execute an addendum to this Agreement confirming the "Commencement Date" of the Term.

(a) Extension of Term.

(i) Provided that neither City nor Developer have terminated this Agreement, City and Developer agree that it be mutually desirable for the Initial Term to be extended. Accordingly, Developer may request in writing, at least sixty (60) days before the Termination Date, as may be extended, that the City extend the Initial Term of this Agreement for one (1) extension period of five (5) years. Such an extension shall constitute an amendment to this Agreement subject to the provisions of this Agreement regarding amendments, including Government Code Section 65868.

(ii) The Term shall be extended by the amount of time development of the Project is delayed by legal challenge referenced in Article IX of this Agreement, by the amount of time required to comply with federal or state laws or regulations in accordance with Government Code Section 65869.5, by any development moratorium, or any combination of these.

ARTICLE III

OBLIGATIONS OF DEVELOPER AND CITY

3.1 Obligations of Developer. In consideration of the City entering into this Agreement, Developer agrees and acknowledges as follows:

(a) That it will comply with this Agreement and all of the Project Approvals, including the provisions for Affordable Housing.

(b) That an express condition to the City's issuance of any Allocations to or for the benefit of the Project shall be the participation in the Financing Plan contemplated by this Agreement, including any Financing Districts or alternative financing required to effectuate the Financing Plan, that assures the completion of the construction of those items identified in the Summary of Public Facilities Improvements attached as Exhibit "D-1" and the Financing Plan attached as Exhibit "D-3" at such times as are necessary and appropriate in order to provide Public Facilities Improvements service to the Project as development proceeds in accordance with the Project Approvals.

(c) That the City's execution of this Agreement is a material consideration for Developer's acceptance of, and agreement to comply with, the foregoing. Developer shall only make those dedications, and otherwise be subject to those conditions/exactions that are expressly set forth and/or provided for in this Agreement, the Project Approvals and/or the Effective Standards in force on the Effective Date.

3.2 Obligations of City. In consideration of Developer entering into this Agreement, City agrees that it will comply with this Agreement and the Project Approvals, and will, in accordance with the terms of this Agreement, process, and if consistent with this Agreement and applicable state law, approve all necessary Subsequent Approvals.

As additional consideration, City shall use its best efforts to take all actions reasonably necessary to allow the formation of, at no cost to City, one or more Financing Districts for the purpose of financing the Public Facilities Improvements as described in Exhibit "D-1" and Exhibit "D-2." The terms and conditions of any proposed Financing District relative to the projected tax rate, interest rates on bonds sold, timing of bond sales, and other related terms, shall be subject to the approval of the City Council in its discretion. Material deviations from the Financing Plan, as it affects infrastructure improvements that serve the Project, shall be subject to the mutual approval of the City and Developer. However, except with respect to Lighting and Landscape Districts as provided hereinafter in Article XI, Developer shall have the right, consistent with state law, at any time to discontinue proceedings for the formation of a Financing District, if it demonstrates to the City that it has alternative financing in place to finance the Public Facilities Improvements acceptable to the City. Developer agrees that it will advance, on behalf of City, ordinary and necessary costs associated with the formation of any such Financing District. City agrees that, to the extent permitted by law, Developer shall be permitted to recover all costs incurred in connection with any such Financing District formation from the proceeds of bonds sold pursuant to formation of the Financing District. Developer understands that formation of Financing Districts is subject to public hearing and other requirements of state law and City cannot agree to limit its discretion in creating such districts in advance of the legal process for formation of such districts. Financing Districts may be formed by City, at City's discretion, by the use of one or more joint exercise of powers authorities as determined by the City.

ARTICLE IV

DEVELOPMENT OF PROJECT AND LAND

4.1 General Permitted Uses and Subsequent Approvals. The Project's permitted uses, density and intensity of use, provisions for reservations or dedication of land for public purposes and location of public improvements and utilities, and other terms and conditions of development applicable to the Project shall be those set forth in the Project Approvals as they pertain to the Project, and any amendments thereto, as further defined below.

Permitted uses in the Project are all of those identified in the Project Approvals. Project Approvals shall not be changed without the approval of Developer except as provided in Section 4.2(b) herein.

4.2 Rules, Regulations and Official Policies.

(a) Effective Standards. The Effective Standards in force upon the Effective Date, as may be modified pursuant to Section 4.2(b) below, shall govern all future adjudicative and legislative decisions regarding the permitted uses of the Project, including those addressing the density and intensity of use, design, improvement, construction, and building standards, occupancy and specifications applicable to the Project and all Public Facilities Improvements and appurtenances in connection therewith.

(b) Application of Subsequently Enacted Effective Standards. The City may only apply to the Project such later enacted or modified Effective Standards which:

(i) Are not in conflict with those in effect on the Effective Date and application of which would not delay or prevent development of the Project or increase the cost of development or building; or

(ii) Are consistent with the most recent version of the Uniform Building Code as published by the ICBO and as adopted in an unmodified form by the City; or

(iii) Are subsequent citywide changes to construction or technical design standards or specifications for public improvements which are reasonably and directly related to durability or longevity of the public improvements; or

(iv) Are changes in City laws, regulations, plans, or policies, the terms of which are specifically mandated and required by changes in state or federal law or regional application thereof; or

(v) Are necessary to avoid placing the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety, or both; or

(vi) Are otherwise unambiguously and expressly authorized in this Agreement.

Upon discovery of a subsequently enacted federal or state law which may require changes pursuant to Subsection (b)(iv), City shall provide Developer with written notice of the state or federal law or regulation, provide a copy of the law or regulation, and a written statement of conflicts with the provisions of this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to determine whether a modification or suspension of this Agreement, in whole or in part, is necessary to comply with such federal or state law or regulation. In such conferences, City and Developer agree to preserve the terms of this Agreement and the rights of Developer as derived from this Agreement to the maximum feasible extent while resolving the conflict. City and Developer agree to cooperate in resolving the conflict in a manner which minimizes any financial impact of the resolution on Developer without increasing the financial obligations of City under this Agreement, unless agreed to by the City.

With respect to Subsection (b)(v), nothing in this Agreement shall be construed to be in derogation of City's police power to protect the public health and safety from an unexpected occurrence, involving a clear and imminent danger demanding immediate and interim action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services involving the Project or the City ("Exigent Event"). Upon discovery of an Exigent Event, City may suspend this Agreement for a period reasonably necessary to analyze, evaluate and develop a proposed response to the Exigent Event. Immediately thereafter, City shall provide Developer with written notice of the Exigent Event, and an explanation of City's proposed action for addressing the Exigent Event. City and Developer shall promptly meet and confer in good faith in an attempt to determine whether a modification or suspension of this Agreement, in whole or in part, is necessary to address the Exigent Event. In such conferences, City and Developer agree to preserve the terms of this Agreement and the rights of Developer as derived from this Agreement to the maximum feasible extent. City and Developer will cooperate in addressing the Exigent Event in a manner which minimizes the financial impact on Developer without increasing the financial obligations of City under this Agreement, unless agreed to by the City.

(c) Future Growth Control Measures. Except as otherwise expressly provided in Section 4.2(b) herein or other explicit provision of this Agreement which unambiguously and expressly authorizes the City to make such pertinent changes, no Growth Control Measure shall be applicable to the Project, any portion or phase of the Project, or this Agreement.

4.3 Police Power and Taxing Power. The City, through the exercise of either its police power or its taxing power, whether by direct City Council action or initiative or referendum by the City's electorate, shall not establish, enact or impose any additional conditions, dedications, fees, and other exactions, policies, standards, laws or regulations which relate or apply, directly or indirectly, to the Project except as provided in Section 4.2(b) herein or other provision of this Agreement which unambiguously and expressly allows the City to make such changes. Further, the City shall not approve a Financing District designed to impose bonded indebtedness on any portion of the Project which Financing District is inconsistent with the Financing Plan, without Developer's prior

written approval, which approval may be given or withheld in Developer's sole and absolute discretion. Nothing herein prohibits the Project from being subjected to a (i) city-wide or regional bond issue, (ii) city-wide or regional, special or general tax, (iii) special assessment for the construction or maintenance of a facility or facilities, as may be voted on by the general electorate of the City or otherwise enacted, provided that such tax, assessment or measure applies to the property in addition to the Land and does not discriminate against the Land, or (iv) the landscape and lighting, benefit assessment and maintenance districts the Parties have agreed to in order to serve the Project for landscape, lighting, and storm drain maintenance and public safety services. Nothing in this Section 4.3 is meant to create or imply an obligation, covenant or requirement that City pay for infrastructure that it is the responsibility of the Project to pay for or furnish.

4.4 Revision of Ministerial Fees. Subject to the following sentence, this Agreement shall not be construed to limit the authority of the City to charge processing fees of a ministerial nature to process land use approvals, building permits as they relate to plumbing, mechanical, electric or fire code permits, or other similar permits and entitlements meant to reimburse the City for actual time and costs to provide the services contemplated by this section and which are in force and effect on a city-wide basis at the time for which the permits, approvals or entitlements are applied for. Such fees and charges shall not be increased, or new fees added after the Effective Date with respect to the development of the Project, except that City may increase those fees and charges based on (i) a bona fide inflation index that was considered and adopted as part of the ordinance adopting the fee or charge, (ii) the valuation tables contained in later enacted versions of the Uniform Building Codes, or (iii) any increase in the estimated reasonable cost to City for performing the work for which the particular fee or charge is paid, by an amount which will compensate City for the estimated reasonable cost of increases incurred.

4.5 Land Use Entitlements.

(a) Building Permits. As of the Effective Date, the Project shall be entitled to a total allocation of building permits and/or rights, consistent with this Agreement, including utility "will serve" letters that will authorize the construction of the identified uses in the Project Approvals and Subsequent Approvals as allowed hereunder. The City shall issue such building permits and/or rights upon demand of Developer without any conditions, impositions, restrictions, limitations, or encumbrances, other than those items expressly allowed or required by this Agreement, except that the allocation of wastewater service shall be limited to approximately 272,000 gpd constituting 1,133 building permits until (i) the wastewater plant expansion contemplated by this Agreement allows further Allocations or (ii) Developer or City obtains rights to utilize unused excess wastewater capacity from such owners prior to the wastewater plant expansion contemplated by this Agreement. The City Manager shall continually review and assess the wastewater service capacity to determine whether additional capacity is available for the Project through the wastewater plant expansion planned as part of the Public Facilities Improvements or other means. Except as otherwise provided in Section 4.2(b) herein or except as unambiguously and expressly provided for in another provision of this Agreement, any other condition, imposition, restriction, limitation, or encumbrance shall be deemed to conflict with this Agreement if it would either delay, prevent, or

increase the cost of, developing the Project. The Parties acknowledge that sufficient water, sewer, street and storm drainage capacities to accommodate the development envisioned in the Project Approvals are dependent upon completion of the improvements outlined in the Summary of Public Facilities Improvements. Developer, through a combination of participation in one or more Financing Districts (or by obtaining other financing) and the payment of AB 1600 Capital Facility Fees and other City and County fees will finance these improvements. Developer acknowledges that City's performance of its obligations under Article III is expressly conditioned upon such Financing Districts being formed and such AB 1600 Capital Facility Fees being paid, or the Developer providing other evidence of financing acceptable to the City, pursuant to the terms of this Agreement. The Parties also acknowledge that conditions may arise which are beyond the control of City such as a federal or state imposed moratorium which would preclude the issuance of Allocations or other land use approvals.

(b) Project Density. In no event shall the total density for the Project exceed the density allowed for the Project under the Project Approvals unless the Project Approvals are subsequently amended by Subsequent Approval to allow higher density.

(c) Subdivision Maps. The City shall process and approve subsequent and/or amended Vesting Tentative Maps and Final "A," "A-B Combo" and "B" Maps for the Project, subject to the same being consistent with the Effective Standards in force on the Effective Date, the Project Approvals and applicable state law. A subsequent and/or amended Vesting Tentative Map may redistribute and/or increase the residential Units within the Project provided that the overall number of Units for the Land is no greater than otherwise allowed in the Project Approvals. A final map, whether a Final "A," Final "A-B Combo" Map or Final "B" Map, shall be deemed in substantial compliance with the then applicable approved vesting tentative maps if the following conditions are met: (i) the number of Units allowed on the map is not ten percent (10%) greater than the applicable vesting tentative maps, (ii) the map does not cause the number of Units for the Project as a whole to exceed the number of Units approved for the Land in the Project Approvals, and (iii) the map otherwise substantially conforms to the then applicable Vesting Tentative Maps and the Development Plan.

(d) Timing of Development. The Parties acknowledge that Developer cannot at this time predict when or the rate at which the phases of the Project will be developed or the order in which each phase will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, interest rates, absorption, completion and other similar factors. In particular, and not in any limitation of any of the forgoing, since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, 37 Cal. 3d 465 (1984), that the failure of the parties therein to consider and expressly provide for the timing of development resulted in a later-adopted initiative restricting the timing of development prevailing over such parties' agreement, it is the Parties' desire to avoid that result by acknowledging that Developer shall have the vested right to develop the Project in such order and at such rate and at such times as Developer deems appropriate in the exercise of its business judgment, subject to the terms, requirements and conditions of the Project Approvals and this Agreement. Developer will use its best efforts, in accordance with its own business judgment and taking into consideration market conditions and other economic factors influencing Developer's business

decision, to commence or to continue development, and to develop the Project in a regular, progressive and timely manner in accordance with the provisions and conditions of this Agreement and the Project Approvals.

(e) Sequence of Development. If Developer proposes to materially depart from the Phasing described in Master Phasing Plan One or Master Phasing Plan Two in the Development Plan, Developer must demonstrate to the Community Development Director that the order of development complies with the following:

(i) There is adequate storm drainage, water, wastewater, and traffic circulation infrastructure to serve the proposed development as determined by engineering data regarding infrastructure capacities to the reasonable satisfaction of the City Engineer.

(ii) The development, viewed together with development already existing or approved, will represent an orderly pattern of growth that emphasizes contiguity and avoids isolated islands of development.

(iii) Final maps shall be contained within the boundaries of Phases as indicated in the Phasing Plans. Developer may make minor changes to Phase boundaries provided that such changes preserve the overall form of the Phasing Plans and are consistent with the other Project Approvals.

4.6 Satisfaction of Affordable Housing Objectives.

(a) Stated Objectives. First, City and Developer mutually desire for the Project to produce greater amounts of housing affordable to low and very low income households than would be achieved under the City's existing affordable housing ordinance. Second, City and Developer also mutually desire that the Affordable Units affordable to low and very low income household be made available by actually being constructed by the Project rather than the Affordable Housing obligation being met by payment of in-lieu or similar fees. Third, City and Developer also mutually desire that the Affordable Units affordable to low and very low income households be constructed within the Project area rather than off-site as allowed under current City standards.

(b) Current City Standards for Affordable Housing. Under the City's current inclusionary housing requirement, Municipal Code Section 18.74.030, "[a]t least fifteen percent (15%) of all newly constructed dwelling units in a residential project shall be developed, offered to, and sold or rented to very low, low, and moderate-income households, at an affordable housing cost." ("Affordable Housing Ratio"). In achieving that Affordable Housing Ratio, Affordable Units may include owner-occupied units or rental units. If owner-occupied units are constructed to comply with the Affordable Housing Ratio, 60% of the owner-occupied units must be affordable to moderate income households and 40% affordable to low income households. If rental units are constructed to comply with the Affordable Housing Ratio, 60% of the rental units must be affordable to low income households and 40% affordable to very low income households.

(c) Moderate Income Housing. The City and Developer agree that housing affordable to moderate income households generally does not address the severe housing challenges faced by very low and low income households. The Parties further agree that the provision of units affordable to moderate income households, coupled with the large number of medium density lots in the Project, will allow private market forces to adequately address housing affordable to moderate income households.

(d) Project's Affordable Housing Program. The Project's affordable housing program meets the City's required Affordable Housing Ratio but provides affordable owner-occupied and rental units to low income households and very low income households that greatly exceed the City's requirement.

In compliance with the City's Affordable Housing Ratio, 15% or 465 Units of the Project's total 3,100 Units, will be Affordable Units. Of the 465 Affordable Units, 63% or 293 will be owner-occupied Affordable Units and 37% or 172 will be renter-occupied Affordable Units.

If the Project complied with the City's respective requirements for its owner-occupied and rental Affordable Units as described above in subsection (b), the Project would produce the following:

(i)	<u>Total owner-occupied Affordable Units</u>	293
	60% affordable to moderate income	176
	40% affordable to low income	117
(ii)	<u>Total renter-occupied Affordable Units</u>	172
	60% affordable to low income	103
	40% affordable to very low income	69

Thus, if the Project complied with the minimum requirements of the City's ordinance, of the total 465 Affordable Units, 176 would be affordable to moderate income, 220 would be affordable to low income, and 69 would be affordable to very low income.

Instead of complying with the City's minimum affordable housing requirements set forth in Municipal Code Section 18.74.030, the Project's affordable housing program provides 40% of the owner-occupied Affordable Units to be affordable to moderate income households, 60% of the owner-occupied Affordable Units to be affordable to low income households and 100% of the rental Affordable Units to be affordable to very low income households. This results in 117 of owner-occupied Affordable Units being affordable to moderate income and 176 affordable to low income and all of the 172 rental Affordable Units to be affordable to very low income, as depicted below.

(i)	<u>Total owner-occupied Affordable Units</u>	293
	40% affordable to moderate income	117
	60% affordable to low income	176
(ii)	<u>Total renter-occupied Affordable Units</u>	172
	100% affordable to very low income	172

Under the Project's affordable housing program, the City benefits by gaining more Affordable Units targeted at very low and low income households to meet the severe demand. Specifically, the City will gain an additional 59 owner-occupied Affordable Units for low income households and an additional 103 renter-occupied Affordable Units for very low income households. In percentages, this increase provides the City with 50% more owner-occupied Affordable Units for low income households and 150% more renter-occupied Affordable Units for very low income households than required by the City's ordinance.

(e) City Cooperation. In order to assist in the provision of Affordable Units in the Project, City agrees, at City's discretion, to apply for and participate in affordable housing programs provided by the county, state and federal government.

(f) Timing of Construction. Developer shall contract with Self Help Enterprises or other affordable housing developers acceptable to the City to construct very low income rental units and moderate and low income owner-occupied units. Initially, the City shall not issue more than three hundred (300) building permits for market rate units unless at least sixty (60) building permits for Affordable Units have been issued. Furthermore, the City shall not issue more than an initial five hundred (500) building permits for market rate units unless seventy-five (75) Affordable Units are under construction. For subsequent development, the City will issue no more than five hundred (500) building permits for market rate units, unless an additional seventy-five (75) Affordable Units have been constructed or are under construction. This enforcement limitation shall expire once all the Affordable Units required under this Agreement have been built.

(g) Unaffiliated Developers and Builders. Should a developer or builder other than Developer or any of Developer's affiliates, successors or assignees, develop property within the boundary of the Project, such developer or builder will be required to comply with the Affordable Housing provisions in the Development Plan.

(h) Affordable Housing Units Restrictions.

(i) Report of Income Qualifications. For the very low, low and moderate income units, Developer and/or Developer's affiliate(s), including but not limited to Self Help Enterprises, will qualify the applicants and report the income qualifications to the Developer and Planning Department with the City on a quarterly basis.

(ii) Duration of Affordability. The rental Affordable Units shall remain affordable to very low income households for a period of 55 years. Each owner-

occupied Affordable Unit shall be subject to a restrictive covenant or deed restriction that it will remain affordable to moderate and low income households, as it applies for that type of Affordable Unit, for a period of seven (7) years from the date upon which the unit is occupied. The covenant for the owner-occupied units shall include a provision that if an owner-occupied unit is sold or otherwise transferred prior to the seven (7) year term, upon the sale or transfer, the seller or transferor shall pay the City an amount equal to the then current City's affordable housing in-lieu fee, to compensate the City for the loss of the Affordable Unit. Payment of the affordable housing in-lieu fee may be waived by the City upon the City's findings of hardship on behalf of the seller or transferor. Such affordable housing fee shall be waived if the Affordable Unit is sold to another person meeting the income requirements for low or moderate income households.

(iii) Pricing Requirements. Very low income and low income pricing requirements will be met by a land "write-down" by the Developer, in cooperation with any and all bona fide developer of very low income and low income housing or similar agencies, and any other available government assistance, including that which is available from the City.

(i) Benefits to City. The Project's affordable housing program as outlined in this section shall provide the following benefits to the City:

(i) The total Affordable Housing Ratio of 15% required by City shall be composed entirely in the Project of Affordable Units affordable to moderate, low, and very low and income households with the goal of serving the most hard-to serve segments of the population with housing opportunities—low and very low income households.

(ii) 63% of the Affordable Units meeting the Affordable Housing Ratio, in the Project shall be owner-occupied Affordable Units of which 40% will be affordable to moderate income households and 60% will be affordable to low income households rather than 60% affordable to moderate income households and 40% affordable to low income households as required under the City's existing affordable housing ordinance. This results in 59 additional low income units which is 50% more than required under the City's ordinance.

(iii) 37% of the Affordable Units meeting the Affordable Housing Ratio, in the Project shall be renter-occupied Affordable Units of which 100% will be affordable to very low income households rather the 40% as required under the City's affordable housing ordinance. This results in 103 additional very low income units which is 150% more than required under the City's ordinance.

(iv) City shall actually have the Affordable Units constructed under the Project's program rather than the Developer applying for the alternative of paying an in lieu fee as permitted under its existing standards.

(v) City shall have the Affordable Units constructed within the boundaries of the Project rather than the Developer applying for the alternative of constructing the Affordable Units outside the Project's boundaries as permitted under its existing standards.

(vi) City shall have the Affordable Units constructed within the

boundaries of the Project rather than the Developer applying for the alternative of dedicating land for the Affordable Units as allowed under its existing standards.

(j) Future Reduction of Affordable Housing Requirement. In event City reduces its current Affordable Housing Ratio, this Agreement shall be amended as to all residential Units for which a certificate of occupancy has not been issued. For these units, the required ratio of affordable housing shall be reduced in the same proportion that the City reduced its Affordable Housing Ratio.

(k) Design Guidelines. Affordable Housing Units shall comply with the City design guidelines governing the Project.

4.7 Provisions For Parkland and Park Improvements. Developer and City intend that the public parks in the Development Plan shall be built so that parks generally are available as new residents arrive in new neighborhoods. To achieve this mutual purpose, Developer shall develop parks in the following program of phasing:

(a) Soccer Fields. The soccer fields and other park facilities in the dual use regional storm drainage basin in PA 33 shall be constructed concurrently with the expansion of the basin as provided in Section 4.8.

(b) Land Reservations. In tentative maps processed for the Land, the necessary land required to provide the park land shown in the Development Plan shall be shown as reserved for dedication on the maps.

(c) Parks in Master Phasing Plan One. Concurrently with the original adoption of this Agreement, Developer has processed vesting tentative maps for the portion of the Land in Master Phasing Plan One. For this phase of the Project, the public parks on the Land shall be developed as follows:

(i) For Master Phasing Plan One, the park shall be developed as a final map improvement for the improvements necessary for the Vesting Tentative Subdivision Map – “B Map” – Plan Area 2.

(d) Parks in Master Phasing Plan Two. Developer is not processing vesting tentative subdivision maps concurrently with this Agreement for Master Phasing Plan Two. However, the development of the public parks on the Land in this phase of the Project shall be accomplished in the same manner as those in Master Phasing Plan One. When vesting tentative subdivision maps are processed on the Land where such maps are adjacent to parcels that are reserved for public park purposes, Developer shall agree to condition those vesting tentative subdivision maps with a condition requiring such adjacent public park parcels to be developed as a final map improvement for the improvements necessary for the affected vesting tentative subdivision map(s). Developer shall also agree to amend this Agreement to add the details of such conditions at the request of the City, so long as such request is made within ten (10) days of the Developer submitting the applications for the vesting tentative subdivision maps contemplated by this subsection.

(e) Dedication of Parkland and Parkland Improvements. Upon completion of the public parks contemplated by this section, the Developer shall dedicate the neighborhood parkland and the neighborhood park improvements constituting such public parks to the City of Patterson at no cost to the City or any other public agency. This subsection (e) applies to the six neighborhood parks in the Project and does not apply to the dual-use storm drainage-soccer complex facility.

(f) In consideration of the Developer developing the neighborhood public parks and dedicating the neighborhood parkland and neighborhood park improvements to the City as discussed above, City agrees to abide by the parkland and park development standards as they exist on the Effective Date of this Agreement including, without limitation, how those standards appear in the City's General Plan, Quimby Act ordinance, and the Park Design Guidelines dated June 6, 1995 as amended by the Park Design Guideline Amendments dated November 14, 2006. In further consideration of the Developer developing the neighborhood public parks and dedicating the neighborhood parkland and park improvements to the City as discussed above, any Parkland In Lieu Fees, Community Facilities Impact Fees/Park Development, capital facility fees, Quimby Act fees or exactions, exactions, special taxes, assessments or other similar obligation of a monetary or non-monetary kind, both for parkland and for park development, improvement, or construction purposes, or any combination of these, or similar obligations of any kind for any neighborhood, regional, or other parks, shall be waived for the Project.

(g) City and Developer shall develop an open-space maintenance program to ensure that all open-spaces in the Project are properly maintained. City and Developer shall determine the proper entity or entities to be obligated for such maintenance, including, but not limited to, homeowners or property owners associations, landscape and lighting districts, and similar districts. City and developer desire to have the open-space maintenance program include facilities, such as, but not limited to pocket parks walking paseos, neighborhood parks, dual-use storm drainage-soccer complex, and road entries and landscaping. City and Developer shall catalog all open-space in the Project and ensure that the proper maintenance services are provided to each. City shall have final discretion to determine which entities shall be utilized. The program shall be finalized by the Parties prior to recordation of the first Final "B" Map in the Project.

4.8 Provisions For Storm Drainage.

(a) Retention Basins. Developer shall design and construct an additional 20 acre storm water retention basin within Plan Area 33 adjacent to the City's existing retention basin for storm water. The combined retention basins, totaling approximately 40 acres, shall be developed by Developer as dual use retention basins for storm water and as soccer fields with the support facilities for public use of the facility agreed to by the City and Developer, such as parking, storage for park maintenance and soccer equipment, restrooms, walk paths, playground(s), and seating area(s).

(b) Satisfaction of Fees. Developer shall be deemed to satisfy 100% of the Storm Drainage component of the City's AB 1600 Capital Facilities Fees as indicated in Exhibit "C-1", Exhibit "C-2" and Exhibit "C-3," which is presently

established at \$5,379.00 per EDU and \$3.62 per square foot for light industrial/commercial and downtown core, by the successful formation of, and including the Land in one or more Financing Districts, the net bond proceeds of which shall be allocated to the Public Facilities Improvements identified in this Agreement or shall be reasonably projected to be sufficient in time and amount to cover the cost of construction of storm drain improvements as detailed in the Summary of Public Facilities Improvements.

4.9 Provisions For Sewer.

(a) City Certification. In no event shall any Final “A-B Combo” or Final “B” Map for the Project be allowed to record until the City Manger of the City certifies in writing that (i) Developer has participated in the Financing Plan, including, but not limited to, participating in one or more Financing Districts, or has otherwise secured the financing, to finance the sewer infrastructure improvements necessary to timely serve development and (ii) the portion of such new improvements designed to provide sewer service to the Project are either actually completed and available to service such project, or, in the alternative, there is sufficient existing sewer capacity as certified by appropriate engineering analysis to service the Project until the new permanent capacity created by the new improvements comes on-line. City Manager certification under this section is solely a factual determination and a ministerial duty by the City Manager. The City confirms that existing sewer capacity is sufficient to serve 1,133 Units in the Project until the City Manager determines that additional capacity is available through the wastewater plant expansion planned as part of the Financing Plan and the Public Facilities Improvements, or by other means agreeable to the parties.

(b) Satisfaction of Fees. Developer shall be deemed to satisfy 100% of the Sewer Component of the City’s AB 1600 Capital Facilities Fees as indicated in Exhibit “C-1”, Exhibit “C-2” and Exhibit “C-3,” which is presently established at \$4,307.00 per EDU and \$2.11 per square foot for light industrial/ commercial and downtown core, by the successful formation of, and including the Land in one or more Financing Districts, the net bond proceeds of which shall be allocated to the Public Facilities Improvements identified in this Agreement or shall be reasonably projected to be sufficient in time and amount to cover all costs of design, acquisition and construction of the sewer facility improvements and required incremental improvements to the City’s Wastewater Treatment Plant, including the costs of any necessary land or right of way, all as detailed in Exhibit “D-2” and Exhibit “D-3.” Developer may fulfill this obligation also by providing an equivalent sum of alternative financing for sewer improvements.

4.10 Provisions For Water.

(a) City Certification. In no event shall any Final “A-B Combo” or Final “B” Map for the Project be allowed to record until the City Manger of the City certifies in writing that (i) Developer has participated in the Financing Plan, including, but not limited to, participating in one or more Financing Districts, or has otherwise secured the financing, to finance the water infrastructure improvements necessary to timely serve development and (ii) the portion of such new improvements designed to provide water service to the Project are

either actually completed and available to service such project, or, in the alternative, there is sufficient existing water capacity as certified by appropriate engineering analysis to service the Project until the new permanent capacity created by the new improvements comes on-line. City Manager certification under this section is solely a factual determination and a ministerial duty by the City Manager. Any tentative map prepared for a subdivision meeting the definition of "subdivision" in Government Code Section 66473.7 and covered by this Agreement shall comply with the provisions of Government Code Section 66473.7 regarding the availability of sufficient water supply.

(b) Satisfaction of Fees. Developer shall be deemed to satisfy 100% of the Water Component of the City's AB 1600 Capital Facilities Fees as indicated in Exhibit "C-1", Exhibit "C-2" and Exhibit "C-3," which is presently established at \$13,505.00 per EDU and \$6.23 per square foot for light industrial/ commercial and downtown core, by the payment of \$7,567.00 per EDU, \$6.23 per square foot for light industrial, commercial, and downtown core and by the successful formation of, and including the Land in one or more Financing Districts, the net bond proceeds of which shall be allocated to the Public Facilities Improvements identified in this Agreement or shall be reasonably projected to be sufficient in time and amount to cover the cost of the improvements to the City's water wells, distribution system and pressure tanks, including the costs of any necessary land or right of way, all as detailed in Exhibit "D-2" and Exhibit "D-3" Developer may fulfill this obligation also by providing an equivalent sum of alternative financing for water improvements. Payment of the \$7,567.00 residential unit fee shall be accelerated from building permit to filing of each phase of Final "B" Maps. For each phase of a Final "B" Map filed or recorded for the Project, Developer shall pay a sum equal to \$7,567.00 per residential unit multiplied by the number of residential units in that phase of any Final "B" Map.

4.11 Provisions For Streets.

(a) City Certification. In no event shall any Final "A-B Combo" or Final "B" Map for the Project be allowed to record until the City Manger of the City certifies in writing that (i) Developer has participated in one or more Financing Districts, or has otherwise secured the financing through mechanisms such as subdivision improvement agreements, to finance the street infrastructure improvements necessary to serve the Final "B" Map for which recordation is sought by Developer. City Manager certification under this section is solely a factual determination and a ministerial duty by the City Manager.

(b) Satisfaction of Fees. Developer shall be deemed to satisfy 100% of the Street Improvement Component of the City's AB 1600 Capital Facilities Fees as indicated in Exhibit "C-1", Exhibit "C-2" and Exhibit "C-3," which is presently established at \$3,879.00 per EDU and \$0.60 per square foot for light industrial/ commercial and downtown core, by the successful formation of, and including the Land in one or more Financing Districts, the net bond proceeds of which shall be allocated to the Public Facilities Improvements identified in this Agreement or shall be reasonably projected to be sufficient in time and amount to cover the cost of street improvements, including the costs of any necessary land or right of way , all as detailed in Exhibit "D-2" and Exhibit "D-3"

Developer may fulfill this obligation also by providing an equivalent sum of alternative financing for sewer improvements.

4.12 Provisions for Public Safety Facilities and Operations.

(a) Alternative Financing for Fire Facilities; Satisfaction of Fees. City and Developer desire to finance fire facilities from the land-secured financing portion of the Financing Plan rather than AB-1600 fees. Consequently, Developer shall be deemed to satisfy 100% of the residential Public Safety Impact Fee for Fire as indicated in Exhibit "C-1," which is presently established at \$457.00 per EDU, by the successful formation of, and including the Land in one or more Financing Districts, the net bond proceeds of which shall be allocated to the Public Facilities Improvements identified in this Agreement or shall be reasonably projected to be sufficient in time and amount to cover the cost of necessary fire department facilities and equipment, as listed in the Summary of Public Facilities Improvements and such financing or Financing Districts are reasonably determined by the City to have sufficient bonding capacity to finance all of the Public Facilities Improvements in accordance with Exhibit "D-2".

(b) Provision for Public Safety Services. Developer shall pay the AB 1600 Capital Facilities Fees for police services as indicated in Exhibit "C-1," Exhibit "C-2" and Exhibit "C-3," which is presently established at \$70.00 per EDU and \$0.04 per square foot for light industrial/commercial and downtown core.

(c) Financing District for Public Safety. Developer agrees that it shall annex each parcel of the Land into an existing assessment or similar district, or work with the City to form a new financing district, to finance provision of police and fire protection services, or either in the Project up to a maximum tax rate equivalent to \$390 per residential unit.

(d) Fiscal Impact Adjustment. Developer agrees to compensate for the impact on City revenues identified in the City's Fiscal Analysis of the Project by allowing a special tax to be assessed on developed residential units for public safety up to a maximum tax rate equivalent to \$270 per residential unit per year.

(e) Timing for Construction of Fire Station. City and Developer shall cooperate and diligently work together to budget the Developer's acquisition of Plan Area 50, the construction of the fire station, and the purchase of a fire engine and fire rescue truck. ("Fire Station and Equipment"). Such budget for the Fire Station and Equipment shall not exceed \$3,000,000. The Fire Station and Equipment shall be financed by one or more Financing Districts. Subject to available funds, Developer agrees to provide the Fire Station and Equipment in a timely manner and shall be reimbursed out of one or more Financing Districts.

4.13 Provisions for Community Center.

(a) Satisfaction of Fees. Developer shall be deemed to satisfy more of its fair share of the Community Center by paying the AB 1600 Capital Facilities Fees as indicated in Exhibit "C-1," which is presently established at \$2,313.00 per EDU, and contributing approximately \$4.5 million by the successful formation of, and including the Land in one or more Financing Districts, as shown in Exhibit "D-2" and Exhibit "D-3."

4.14 Compliance with CEQA. The FEIR for the Villages of Patterson was certified by the City Council. Except as otherwise required by CEQA, as it may be amended from time to time or by other state law, no subsequent environmental impact report, supplement to an environmental impact report, addendum to an environmental impact report, or other type of additional environmental review, except an unmitigated negative declaration, including, but not limited to an expanded negative declaration, shall be required of any Subsequent Approval concerning the Project unless:

(a) The Subsequent Approval does not substantially comply with the approved Planned Development Guidelines of the Project Approvals for the uses, such as residential, for which there has been adequate environmental review; or,

(b) The Subsequent Approval proposes land uses, population densities or building intensities which are greater than permitted by the Project Approvals; or,

(c) The Subsequent Approval does not substantially comply with the approved Planned Development Guidelines of the Project Approvals and/or proposes land uses population densities or building intensities which are greater than permitted by the Project Approvals and these changes directly cause significant environmental impacts that were not discussed in the earlier environmental impact report.

Notwithstanding the foregoing, a subsequent or supplemental environmental impact report shall be required whenever the standards of Public Resources Code Section 21666 and CEQA Guidelines Section 15166, or either, are met.

4.15 Wireless Network. Developer, its successors and assignees, including but not limited to private homeowner associations, shall have the right to attach wireless antennas and other necessary technological equipment to street lights, street poles, traffic lights and other utility devices within the Project area for purposes of providing wireless internet access and service to the Project area, consistent with design guidelines and subject to review and approval by the City.

4.16 Operating Memoranda. The Parties acknowledge that refinements and development of the Project may demonstrate that changes are appropriate with respect to the details of performance by the Parties under this Agreement. The Parties desire to retain administrative flexibility with respect to details of the Project Approvals and with respect to those items covered in general terms under this Agreement. If changes, adjustments or clarifications are appropriate to further the intended purposes of this Agreement, or to comply with federal or state laws or regulations in accordance with Government Code Section 65869.5, and will not be materially inconsistent with the Project Approval, the Parties may, unless otherwise required by law, effect changes, adjustments and clarifications without formal amendment to this Agreement through one or more Operating Memoranda mutually approved by the City Manager on behalf of the City and a designated officer of Developer, on behalf of Developer. Each Operating Memorandum will, after execution, be attached to this Agreement as an addendum and become a part hereof. Unless otherwise required by law, no such changes, adjustments or clarifications shall require prior notice or hearing.

4.17 Williamson Act Contracts. Various parcels of the Land within the Project are subject to land conservation contracts pursuant to the California Land Conservation Act of 1965, also known as the Williamson Act. Developer anticipates filing petitions for cancellation on these various contracts and shall, at its sole expense, provide City with all information and assistance necessary to process such cancellations, including, but not limited to, providing proposed Williamson Act Cancellation Findings for consideration by the City. Developer acknowledges that the City cannot guarantee it can or will cancel any such contracts, or that any such cancellations will be in accordance with Developer's time schedule. The City will follow the procedures proscribed by law for canceling such contracts.

4.18. Acquisition of Land Owned by Third Parties. In any instance where Developer is required under this Agreement or elects to construct any Public Facilities Improvements or other public improvements on land not owned by Developer, Developer at its sole cost and expense, subject to the potential reimbursement from one or more Financing Districts or other sources, shall use its best efforts to attempt to acquire the real property interests necessary for the construction of such Public Facilities Improvements or other public improvements, such efforts to include, (1) submitting formal offer letters to all persons or entities who own or lease said property, (2) diligently pursuing implementation of any purchase agreement, and (3) paying all amounts required pursuant to the purchase agreement in a timely manner consistent with the terms of the purchase agreement. If requested by Developer, where the affected property owner has rejected an offer by Developer based upon market value as determined by an appraisal prepared by a City approved appraiser in cooperation with City, and upon Developer's provision of adequate funding, City shall promptly and timely negotiate and seek the purchase of the necessary real property interests to allow Developer to construct the Public Facilities Improvements or other public improvements as required by this Agreement and the Project Approvals. If such attempts at acquisition fail, City understands that Developer may invoke Government Code Section 66462.5(a) which may require City to utilize its power of condemnation to acquire property for public facilities that are otherwise unobtainable. , Nothing herein is intended to or shall prejudice or commit City regarding any findings and determinations required to be made in connection with adoption of a resolution of necessity. Should City elect not to proceed with condemnation, Developer may proceed with development of the Project as if it had constructed such Public Facilities Improvements or other public improvements on land not owned by Developer.

4.19 Maintenance of Underground Irrigation Pipelines. City and Developer agree to create a mechanism to finance the annual sediment removal from the underground irrigation pipelines running through the Project by participation in a Lighting and Landscaping Maintenance District, a Benefit Assessment District, or other similar financing mechanism.

ARTICLE V

MISCELLANEOUS PROVISIONS CONCERNING FEES AND CONDITIONS

5.1 Treatment of Fees. Except as provided in this Agreement, Developer shall only pay those fees adopted by the City Council and effective prior to the Effective Date of the Agreement, specifically those AB-1600 Capital Facility Fees attached hereto including the Villages of Patterson Residential Fees, Villages of Patterson Downtown Core Fees and Villages of Patterson Light Industrial/Commercial Fees which are set forth in Exhibit "C-1", Exhibit "C-2" and Exhibit "C-3" respectively or as otherwise set forth herein.

5.2 City's Right To Adjust Fees. The City shall have the right, but not the obligation, to apply to the Project, increases in its AB-1600 Capital Facilities Fees, connection fees, use fees and other applicable fees as set forth in Exhibit "C-1" Exhibit "C-2" and Exhibit "C-3" attached hereto, once a year by an amount no greater than the annual increase, if any, in the Construction Cost Index. Such adjustments must be applied uniformly by City to all new development on properties within the City that are zoned consistent with the Project Approvals, or apply uniformly to all new development on properties, within or outside the Project that are similarly situated, whether by geographic location, type of land use or development, or other distinguishing circumstances.

5.3 General Mitigation Fees. Developer shall pay to the City a General Mitigation Fee, in the amount of \$1,200 per residential unit and \$0.20 per square foot of non-residential private sector development, at the time of building permit to address the contribution of the Project to public health care facilities. The amount of the General Mitigation Fee shall be automatically adjusted annually to reflect the increase, if any, in the index that the City is using to adjust its capital facilities fees for inflation. The payment shall satisfy 100% of the Project's impact on health care under the City's relevant General Plan policies and under CEQA, and the Project shall not be subject to any AB 1600 fees proposed by the Del Puerto Health Care District ("DPHCD") or any other fees, mitigations or exactions related to DPHCD or health care which are adopted by the City after the Effective Date.

5.4 Development Agreement Fees. As additional consideration for the City entering into this Development Agreement, Developer agrees to pay the City a Development Agreement Fee (calculated at \$570 per acre times the number of acres within a map). The Development Agreement Fee shall be paid in one installment prior to the recordation of each Final "B" Map for the Project. If litigation is pending over the validity of this Agreement or other Project approvals, and, as a result of such litigation, development of the Project is halted, as a result of a temporary or permanent court order or in the business judgment of Developer, then no installment shall be payable until either development of the Project recommences, or until the validity of this Agreement is upheld, and the time to file any available appeal has expired, whichever occurs first.

5.5 General Plan Mitigation Fee. As additional consideration for the City entering into this Development Agreement, Developer agrees to pay the City a General

Plan Reimbursement Fee (calculated at \$286 per acre times the number of acres within a Final “B” Map) prior to the recording of each Final “B” Map for the Project.

5.6 Various Fee and Conditions Adjustments. Developer agrees to pay a fee of \$325 per residential unit for City’s use to assist the historic Downtown core area of the City. Since City has revised and funded the corporation yard project, City agrees that the corporation yard fee need not be charged to the Project. Conditions of Approval and requirements of the Project shall be adjusted to include mitigation measures, if any, found to be infeasible by the City Council.

5.7 Site Inspection and Plan Checking Fees. Any fees payable for inspections during construction of public improvements or checking improvement or site plans for public improvements shall not exceed the actual cost of providing the service plus, where the City engages a third-party consultant to perform such inspections or checking, an administrative fee not to exceed twenty percent (20%) of such cost. Developer shall, prior to any inspections being made, deposit with City an amount to be determined by City to be a reasonable estimate of such inspection costs. On an annual basis the City shall provide Developer with an accounting of the actual expenses.

5.8 Changes in Project Fees and Construction Costs. If any subsequent change in local ordinance, state law or by court decision causes any citywide fee (including, but not limited to, AB 1600 Capital Facilities Fees and Project Fees) applicable to the Project to be reduced or eliminated, or a subsequent change in local citywide ordinance, state law or by court decision change building and/or construction requirements so that those requirements make building and/or construction less expensive to Developer, then the subsequent change shall apply to this Agreement. Provided, however, that no such change shall apply to this Agreement with respect to facilities already financed, under construction, or constructed, unless such change contains a specific provision calling for the retroactive implementation of the change.

5.9 Reimbursement Agreements. The City acknowledges that portions of the Project may be owned by Parties other than the Developer (“Reimbursement Properties”); and that the Reimbursement Properties included in the Project will benefit from this Development Agreement due to the time and expense invested by the Developer in completing this Development Agreement and its related Project Approvals, and installing Public Facilities Improvements serving or benefiting the Reimbursement Properties. Therefore, the City agrees to add conditions to subdivision map approvals for the Reimbursement Properties described on Exhibit “H”, requiring the map applicants and/or property owners to enter into reimbursement agreements to be administered by the City pursuant to Government Code Section 66486. The reimbursement agreements will reimburse the Developer as follows:

(a) A proportionate part, based on acreage, of the expenses incurred by Developer in completing this Development Agreement including consultant expenses, reports, studies and similar expenses. The expense categories to be reimbursed are listed on Exhibit “H”;

(b) A proportionate part, based on acreage, of the expenses incurred by Developer including consultant expenses, reports, studies and similar expenses on all of the following: Development Plan, water master plan, sewer master plan, storm water master plan, planning design, engineering, environmental review, infrastructure and infrastructure financing plans and districts, processing fees, and similar costs; and

(c) The incremental additional cost for oversized water, wastewater, or storm drain lines and any other utilities or public improvements or services, paid for Developer shall be reimbursed to Developer with interest.

Developer will provide to City a statement certified by Developer, itemizing the expenses to be reimbursed and, if the expenses were not financed by a Financing District, the allocation of those expenses to the Reimbursement Properties by acreage. These reimbursement obligations shall survive the Term or termination of this Agreement. Reimbursement amounts shall be limited to sums actually expended by the Developer.

ARTICLE VI

THIRD PARTY BENEFICIARY -- AGREEMENT

Nothing herein shall be construed to create any right of a third party to enforce this Agreement or to seek any benefit therefrom.

ARTICLE VII

AMENDMENT OF AGREEMENT

This Agreement may be amended from time to time by written mutual consent of the original Parties, and, if Developer assigns all or part of its interest in this Agreement, the consent of such assignees only if and to the extent that such amendment affects the assignee's property, portion of the Project, or interest therein.

ARTICLE VIII

SCHOOL FACILITIES

8.1 School Mitigation Effective Standards. The City and Developer agree to abide by the provisions of Senate Bill 50, more commonly known as the Leroy F. Greene School Facilities Fee Act of 1998 ("SB 50").

8.2 School Site Reservations and Revisions. Developer agrees to reserve Plan Area 27 for a school site until December 31, 2010. If Developer acquires the land comprising Plan Area 56, Developer agrees to reserve this Plan Area for a school site for a period of ten (10) years from the Effective Date of this Agreement. Adjustments to the number, size, and location of the school sites may be approved by Developer and the School District. If the School District has not acquired each school site prior to the above deadline, the reservation for any unpurchased school site(s) shall be terminated. The

size and location of the school sites shown in the Development Plan are tentative and may be acquired by the School District or an entity formed to construct and operate a charter school. The size and location of a charter school site is subject to revision by agreement between Developer and the charter school operating entity. If a school site is relocated to a different planning area, the dwelling units displaced by the school site in the new planning area may be transferred by Developer to another planning area. If a school site reserved by the School District is not acquired by the School District, Developer may develop the site with residential units, subject to the Final Development Plan, environmental requirements, and appropriate City approvals, including without limitation, general plan amendments or specific plan amendments, rezoning, or amendments to the development plan, such not to be unreasonably withheld.

ARTICLE IX

COOPERATION IN THE EVENT OF LEGAL CHALLENGE

In the event of any legal or equitable act, action, or other proceeding instituted by a third party, other governmental entity or official challenging the validity of any provision of this Agreement, the Parties agree to cooperate in defending such action or proceeding, at the cost of the Developer. Developer agrees to indemnify, hold harmless, pay all costs, and provide a defense for City in any action challenging the validity of this Agreement. City agrees to appear in all such proceedings as necessary, and at the cost of the Developer. Developer may elect to, but shall not be obligated to, pay for a separate defense for City if City elects to retain independent legal counsel but shall be obligated to pay if conflicts of interest are reasonably foreseeable by the City in any such action and shall be obligated for certain tasks required to be performed by the City as the Respondent in the litigation, such as preparation of the Administrative Record, settlement meetings and settlement conferences. In addition, City shall have the right, but not the obligation, to contest or defend such litigation challenges, in the event that Developer elects not to do so. If City elects to contest or defend such litigation challenges, City shall bear all related costs and expenses, including attorney's fees.

If Developer elects to file a validation action in order to confirm validity of this Agreement, Developer shall do so at its expense and City agrees to cooperate with Developer in this litigation and further agrees to refrain from raising any arguments that challenge the validity of this Agreement.

ARTICLE X

DEFAULT; REMEDIES; TERMINATION

10.1 Default by Developer. Material failure or unreasonable delay by Developer to perform any term, provision, or condition of this Agreement, or creation by Developer of a condition or circumstance which will render such performance impossible, for a period of three (3) months after written notice thereof from the City shall constitute a default under this Agreement, subject to extensions of time by mutual consent in writing. Said notice shall specify the nature of the alleged default and, where appropriate, the manner and period of

time in which said default might be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably be cured within such three (3) month period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

During any period of curing, Developer shall not be considered in default for the purposes of termination or institution of legal proceedings. If the default is cured, then no default shall exist and the noticing Party shall take no further action.

Subject to the foregoing, after notice and expiration of the three (3) month period without cure or commencing to cure, the City, at its option, may institute legal proceedings pursuant to this Agreement and/or give notice of intent to terminate the Agreement pursuant to Government Code Section 65868. Following such notice of intent to terminate, the matter shall be scheduled for consideration and review by the City in the manner set forth in Government Code Sections 65865, 65867, and 65868.

Following consideration of the evidence presented in said review before the City Council, and a determination by the City Council based thereon, the City, at its option, may give written notice of termination of this Agreement to Developer by certified mail.

10.2 Annual Review. The City shall review the extent of good faith compliance by Developer with the terms of this Agreement at least every twelve (12) months from the Effective Date, at which time Developer, or successors in interest thereto, shall be required to demonstrate good faith compliance with the terms of this Agreement. The City Council, after a public hearing, shall determine on the basis of substantial evidence whether or not Developer has, for the period under review, complied in good faith with the terms and conditions of this Agreement. The failure of any review or annual review of the Agreement to occur shall not terminate, void, make voidable, or otherwise adversely affect this Agreement.

If the City determines after the hearing that Developer has not complied in good faith with the terms and conditions of this Agreement, the City shall provide written notice thereof to Developer. Said notice shall specify the nature of the alleged failure and, where appropriate, the manner and period of time in which the failure might be satisfactorily cured. If the nature of the alleged failure is such that it cannot reasonably be cured within three (3) months, the commencement of the cure within such time period and diligent prosecution to completion of the cure shall be deemed a cure.

During any period of curing, the Developer shall not be considered in default for the purposes of termination or institution of legal proceedings.

In no event shall Developer be entitled to money damages in the event of any breach of this Agreement. Developer's remedy as against City shall be limited to specific performance of the terms of this Agreement.

10.3 Default by City. In the event City does not accept, review, approve, or issue development permits, entitlements, or other land use or building approvals for use in a timely fashion as provided in this Agreement or as otherwise agreed to by the Parties, or

the City otherwise defaults under the terms of this Agreement, Developer shall have all rights and remedies provided herein or under applicable law or equity (except as limited herein). Developer shall provide City with written notice of the default and the City shall have twenty-one (21) days to notify Developer of City's initial action to cure the default and ninety (90)-days from receipt of Developer's notice to cure the default. If the nature of the alleged default is such that it cannot reasonably be cured within such three (3) month period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

During any period of curing, City shall not be considered in default for the purposes of termination or institution of legal proceedings. If the default is cured, then no default shall exist and the noticing Party shall take no further action.

10.4 Enforced Delay; Extension of Time to Perform. In addition to 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, terrorism, strikes, walk-outs, riots, floods, force majored, earthquakes, fires, or similar basis for excused performance which is not within the reasonable control of the Party to be excused. Litigation attacking the validity of this Agreement, any of the Project Approval, or any permit, ordinance, entitlement or other action of a governmental agency necessary for the development of the Project pursuant to this Agreement shall be deemed to create an excusable delay as to Developer. Upon the request of either Party hereto, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon by Developer and the City Manager.

10.5 Legal Action. City and Developer may, in addition to any other rights or remedies, institute legal action to cure, correct, or remedy any default; to enforce any covenant or agreement herein, enjoin any threatened or attempted violation thereof; or to obtain any remedies consistent with the purpose of this Agreement. However, this Agreement creates no obligation in Developer to develop the Project or to develop the Project at any given rate, and therefore, City shall not have the right to seek specific performance or any other legal remedy of Developer with respect thereto nor to seek specific performance to compel construction of any Public Facilities. Any legal actions hereunder shall be initiated in the Superior Court of the County of Stanislaus, State of California, or in the Federal District Court in the Eastern District of California.

10.6 Applicable Law; Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. If legal action by either Party is brought because of breach of this Agreement or to enforce a provision of this Agreement, the prevailing Party is entitled to reasonable attorney fees and court costs. Attorney fees shall include attorney fees on any appeal, and in addition a Party entitled to attorney fees shall be entitled to all other reasonable costs for investigating such actions, taking depositions and discovery, and all other necessary or appropriate costs incurred in the litigation.

10.7 Hold Harmless Agreement. Developer agrees to and shall hold the City, its officers, agents, employees, and representatives harmless from liability for damage

or claims for damage for personal injury, including death, and claims for property damage which may arise from the direct operations of Developer or those of its contractors, subcontractors, agents, employees, or other persons acting on its behalf with respect to the Project. Developer agrees to and shall defend the City and its officers, agents, employees, and representatives from actions for damages caused or alleged to have been caused by reason of Developer's activities in connection with the Project.

This hold harmless agreement applies to all damages and claims for damages suffered or alleged to have been suffered by reason of the operations referred to herein, regardless of whether or not the City prepared, supplied, or approved plans or specifications or both for the Project.

10.8 No Agency, Joint Venture or Partnership. It is specifically understood and agreed to by and between the Parties hereto that:

(a) the Project is a private development;

(b) the City has no interest or responsibilities for, or duty to, third Parties concerning any improvements until such time, and only until such time, that the City accepts the same pursuant to its ordinances or in connection with the various Project Approvals;

(c) Developer shall have full power over and exclusive control of the Project, subject only to the limitations and obligations of Developer under the Project Approvals and this Agreement; and

(d) City and Developer hereby renounce the existence of any form of agency relationship, joint venture or partnership between the City and Developer and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between City and Developer.

10.9 Bankruptcy. The obligations of this Agreement shall not be dischargeable in bankruptcy.

ARTICLE XI

LANDSCAPING AND LIGHTING MAINTENANCE

Landscaping and lighting, and the maintenance thereof shall be provided consistent with the Development Plan. Landscaping and lighting, and the maintenance thereof may be provided, at Developer's option, by private homeowner associations charged with the responsibility of maintaining and operating landscaping and lighting that the Developer has caused to be installed. The City shall proceed with, and the Developer shall cooperate in, forming appropriate landscaping and lighting maintenance districts in accordance with the following paragraph.

The City shall set a reasonable budget for lighting, landscape, and drainage maintenance to applicable City maintenance criteria. Developer agrees, after first approving of

the terms of such district which approval shall not be unreasonably withheld, at its expense, to cooperate with the City in forming Landscape and Lighting Maintenance Districts in accordance with the provisions of the Landscaping and Lighting Act of 1972 (Government Code Sections 22500 et seq.) and/or the Benefit Assessment Act of 1982 (Government Code Sections 54703 et seq.), or such other similar financing mechanism acceptable to the City, in the event the formation of a Landscaping and Lighting Maintenance District is impossible, so that lighting, landscaping, and drainage maintenance within the Project can be financed by future residents or property of each subdivision and land use. City shall obtain reimbursement through the Landscape and Lighting Maintenance Districts for its actual documented costs of forming such districts.

ARTICLE XII

MASTER SUBDIVISION SIGN PROGRAM

Developer and its successors shall implement a master sign marketing program. Such program shall be presented to the City and approved by City, such approval not to be unreasonably withheld if it is similar to master sign programs utilized by other master planned developments.

ARTICLE XIII

LOCAL WORKERS

Developer shall make a good faith effort to attract local contractors and workers to perform any of the work contemplated by this Agreement.

ARTICLE XIV

MORTGAGEE PROTECTION

Notwithstanding the foregoing provisions of this Agreement, mortgages and/or deeds of trust with respect to the Project's properties are permitted without the consent of the City, provided Developer retains its respective legal or equitable interest in the Project and remains fully responsible hereunder. Any such mortgagee and/or beneficiary shall be entitled to receive any notice of default under this Agreement provided that such mortgagee and/or beneficiary has submitted a written request to City for such notice to be given, setting forth the names and addresses of the persons to receive notices on behalf of such mortgagee and/or beneficiary and the kinds of notices to be sent to such persons. All provisions of this Agreement allowing Developer to cure any and all defaults shall also be available to any mortgagee and/or beneficiary entitled to notice above, should that mortgagee and/or beneficiary desire to cure said defaults.

Foreclosure under a mortgage, deed of trust, deed in lieu of foreclosure or sale following foreclosure or deed in lieu of foreclosure is permitted without the consent of the City. Following its acquisition of all or a portion of the Project, such holder of any mortgage and/or deed of trust, or any successor in interest thereto, shall be entitled to the benefits of this

Agreement, shall be bound by its terms and obligations, and shall have standing to enforce the provisions of this Agreement, including the terms and conditions of Project Approval which pertain to the Project or such portion thereof in which it holds an interest. Any such holder or successor who comes into possession of the Project, or any portion thereof, shall take the Project, or such portion thereof, subject to any claims for payments or charges against the Project or such portion thereof, which accrue under this Agreement or Project Approval prior to the time such holder or successor comes into possession of the Project or such portion thereof. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder or successor to devote the Project, or any portion thereof, to any uses, or to construct any improvements thereon, other than those uses and improvements provided for or authorized by Project Approval and this Agreement, subject to all of the terms and conditions of this Agreement.

ARTICLE XV

ESTOPPEL CERTIFICATE

Within forty-five (45) days following any written request that either Party may make from time to time, the other Party to this Agreement shall execute and deliver to the requesting Party a statement certifying that:

- (a) This Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modification;
- (b) There are no current suspensions of the City's obligations and no uncured defaults under this Agreement or specifying the dates and nature of any such suspension or default; and
- (c) Any other reasonable information requested.

If either Party fails to execute and deliver such statement to the requesting Party within such time, the requesting Party shall submit a second request in which the other Party to this Agreement shall have ten (10) days to execute and deliver to the requesting Party a statement certifying the above listed information. The failure to deliver such a statement within such time shall constitute a conclusive presumption against the Party which fails to deliver such statement that this Agreement is in full force and effect without modification except as may be represented by the requesting Party and that there are no uncured defaults in the performance of the requesting Party, except as may be represented by the requesting Parties, and as to such other information reasonably requested by the requesting Party. Developer shall be entitled to one estoppel certificate per year without any fee being assessed by the City. For any additional estoppel certificates requested in a single year the City may charge Developer a reasonable fee directly related to the actual cost to prepare the certificate.

ARTICLE XVI

INSURANCE FOR CONSTRUCTION OF PUBLIC IMPROVEMENTS

16.1 Public Liability and Property Damage Insurance. At all times that Developer is constructing any improvements that will become public improvements, Developer shall maintain or shall have maintained in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than three million dollars and a deductible of not more than one thousand dollars per claim. The policy so maintained by Developer shall name City as an additional insured and shall include either a severability of interest clause or a cross-liability endorsement.

16.2 Workers' Compensation Insurance. At all times Developer is constructing an improvements that will become public improvements, Developer shall maintain or shall have maintained Workers' Compensation insurance for all persons employed by Developer for work at the Project site. Developer shall require each contractor and subcontractor similarly to provide Workers' Compensation insurance for its respective employees. Developer agrees to indemnify the City for any damage resulting from Developer's failure to maintain any such insurance.

16.3 Evidence of Insurance. Prior to commencement of construction of any improvements which will become public improvements, Developer shall furnish City satisfactory evidence of the insurance required in Sections 17.1 and 17.2 and evidence that the carrier is required to give the City at least fifteen (15) days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive bonds, commissions, officers, agents, employees and representatives and to Developer performing work on the Project.

ARTICLE XVII

MISCELLANEOUS PROVISIONS

17.1 Assignment. Developer may assign its rights and delegate its duties under this Agreement in whole or in part in connection with the sale of all or any portion of the Land. Notice of the assignment and delegation shall be given to the City as provided herein prior to the effective date of the assignment. Such notice shall identify and describe the assignee. Any assignee of Developer shall accept the assignment and assume the duties delegated by written assignment and assumption agreement, and upon execution thereof, shall succeed to the rights and duties of Developer under this Agreement as provided in the assignment and assumption agreement. An executed counterpart copy of the assignment and assumption agreement shall be delivered to the City and upon such delivery, the Developer shall be deemed relieved of the rights assigned and released from the duties delegated under the assignment and assumption agreement.

17.2 Non-Conflicting Regulations. City and Developer agree that unless this Agreement is amended or terminated pursuant to the provisions of this Agreement, this Agreement shall be enforceable by any Party hereto notwithstanding any change hereafter enacted or adopted (whether by ordinance, resolution, initiative, or any other means) in any

applicable General Plan, specific plan, zoning ordinance, subdivision ordinance or any other land use ordinances or building ordinances, resolutions or other rules, regulations or policies adopted by the City which changes, alters or amends the rules, regulations and policies governing permitted uses of the Project or density or design of the Project applicable to the development of the Project at the Effective Date of this Agreement as provided by Government Code Section 65866, unless such change, alteration, or amendment is permitted under this Agreement.

In addition, in the event of any conflict between this Agreement and the Project Approvals, the terms of this Agreement will prevail.

17.3 Consistency with General Plan and Growth Management Plan. City hereby finds and determines that execution of this Agreement furthers the public health, safety, and general welfare of the community and that the provisions of this Agreement are consistent with the General Plan.

17.4 Severability. If any term, provision, covenant or condition of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the Parties.

17.5 Other Necessary Acts. Each Party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other Party the full and complete enjoyment of its rights and privileges hereunder.

17.6 Life of Vesting Tentative or Parcel Map. The vested rights established by recording any vesting map or any other vested right under this Agreement shall cease on the later of the expiration or termination of this Agreement or as of the date established by the State Subdivision Map Act.

17.7 Incorporation of Exhibits; Conflict Between Agreement and Exhibits. The exhibits to this Agreement are incorporated into this Agreement as if set forth herein in full. If a conflict exists between the terms of this Agreement and the exhibits hereto, the Agreement shall control over the inconsistent portion of any exhibit. The Project Approvals, and Effective Standards contained in exhibits hereto may be amended pursuant to and consistent with this Agreement without amendment to this Agreement with consent of Developer. Without limitation of the terms set forth in this Section, if the Conditions of Approval listed in Exhibit "E" conflict with the provisions set forth in this Agreement, this Agreement shall prevail.

17.8 Notices.

(a) Except as otherwise specifically provided herein or required by law, all notices, requests, demands, and other communications required to or permitted to be given under the Agreement shall be in writing and shall be conclusively deemed to

And with a copy to: Northeast Territories Patterson, LP
2240 University Dr., Suite 100
Newport Beach, CA 92660
Attn: Bruce Harrington
Telephone: 949/752-6000
Facsimile: 949/752-1187

And with a copy to: Jackson | DeMarco | Tidus | Peckenpaugh
2030 Main St., Suite 1200
Irvine, CA 92614
Attn: Thomas D. Peckenpaugh, Esq.
Telephone: 949/752-7401
Facsimile: 949/752-0597

And with a copy to: Petrulakis Jensen & Friedrich, LLP
PO Box 92
Modesto, CA 95353-0092
Attn: George A. Petrulakis
Telephone: 209/522-0500
Facsimile: 209/522-0700

(b) Each Party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this paragraph, and that any person to be given notice actually receives such notice. A Party may change or supplement the addresses given above, or designate additional addressees, for purposes of this Agreement by giving the other Party written notice of the new address in the manner set forth above.

17.9 Entire Agreement; Counterparts and Exhibits. This Agreement is executed in three (3) duplicate counterparts, each of which is deemed to be an original. This Agreement constitutes the final and exclusive understanding and agreement of the Parties and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

17.10 Binding Effect and Recordation of Agreement. The burden of this Agreement shall bind, and its benefits shall inure to the successors-in-interest of the City and Developer. No later than ten (10) days after the City enters into this Agreement, the City Clerk shall at Developer's expense record an executed copy of this Agreement in the Official Records of the County of Stanislaus.


SIGNATURE PAGE FOLLOWS

*SIGNATURE PAGE
TO
DEVELOPMENT AGREEMENT
"THE VILLAGES OF PATTERSON"*

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the day and year first above written.

CITY:

CITY OF PATTERSON

By: 
Name: M. Cleve Morris
Title: City Manager

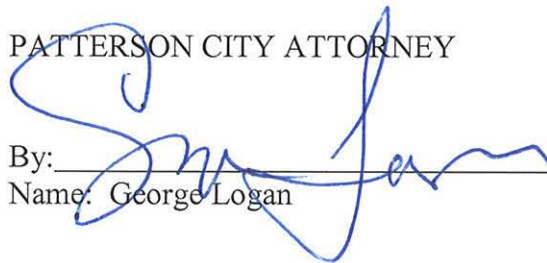
Attest:

PATTERSON CITY CLERK

By: 
Name: Maricela L. Vela

Approved as to Form:

PATTERSON CITY ATTORNEY

By: 
Name: George Logan

DEVELOPER:

NORTHEAST TERRITORIES PATTERSON, LP
a California limited partnership

By: 
Name: Bruce Harrington
Its: Authorized Agent

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Stanislaus

On July 17, 2007 before me, Maricela L. Vela, Notary Public, personally appeared M. Cleve Morris, 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.



A handwritten signature in blue ink, appearing to read "Maricela L. Vela", written over a horizontal line.

Maricela L. Vela, Notary Public

Commission Expires July 18, 2009

Commission # 1595969

NOTARY ACKNOWLEDGEMENTS TO
DEVELOPMENT AGREEMENT
"THE VILLAGES OF PATTERSON"

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On 7-9-2007, 2007, before me, CLAUDIA BARNETT, A NOTARY PUBLIC,
personally appeared BRUCE HARTINGTON, personally known to me or proved to me on the
basis of satisfactory evidence to be the person whose name is subscribed to the within instrument
and acknowledged to me that he executed the same in his authorized capacity, and that by his
signature on the instrument the person, or the entity upon behalf of which the person acted,
executed the instrument.

WITNESS my hand and official seal.



Claudia Barnett
Signature of Notary

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 2006, before me, _____,
personally appeared _____, personally known to me or proved to me on the
basis of satisfactory evidence to be the person whose name is subscribed to the within instrument
and acknowledged to me that he executed the same in his authorized capacity, and that by his
signature on the instrument the person, or the entity upon behalf of which the person acted,
executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

SCHEDULE OF EXHIBITS

Exhibit "A"	Land
Exhibit "B"	Legal Description
Exhibit "C-1"	Villages of Patterson Residential Fees
Exhibit "C-2"	Villages of Patterson Downtown Core Fees
Exhibit "C-3"	Villages of Patterson Light Industrial/Commercial Fees
Exhibit "D-1"	Summary of Public Facilities Improvements
Exhibit "D-2"	Proposed Facilities District Financing
Exhibit "D-3"	Financing Plan
Exhibit "E"	Conditions of Approval
Exhibit "F-1"	Vesting Tentative Subdivision "A" Map
Exhibit "F-2"	Vesting Tentative Subdivision "B" Maps
Exhibit "G"	Circulation Map
Exhibit "H"	Reimbursement Expenses
Exhibit "I"	Ordinance No. 681

EXHIBIT A
TO
DEVELOPMENT AGREEMENT
“THE VILLAGES OF PATTERSON”

LAND

LAND OWNED OR OPTIONED BY DEVELOPER

11/28/2006	APN	ACRES	OWNERS	SITE ADDRESS
OWNED				
1	047-025-012	4.86	Northeast Territories Patterson	625 Olive Ave
2	047-025-016	0.88	Northeast Territories Patterson	225 Olive Ave
3	047-025-017	1.19	Northeast Territories Patterson	179 Olive Ave
4	047-025-022	1.28	Northeast Territories Patterson	227 Olive Ave
5	047-025-023	0.95	Northeast Territories Patterson	137 Olive Ave
6	047-025-028	1.00	Northeast Territories Patterson	330 Eucalyptus Ave
7	047-025-030	4.85	Northeast Territories Patterson	665 Olive Ave
8	047-025-035	1.49	Northeast Territories Patterson	150 Eucalyptus Ave
9	047-025-036	10.57	Northeast Territories Patterson	Olive Ave
10	047-025-037	0.70	Northeast Territories Patterson	837 Olive Ave
11	047-025-046	3.47	Northeast Territories Patterson	261 Olive Ave
12	047-025-049	1.86	Northeast Territories Patterson	342 Eucalyptus Ave
13	047-025-050	15.88	Northeast Territories Patterson	336 Eucalyptus Ave
14	047-025-055	0.574	Northeast Territories Patterson	200 Eucalyptus Ave
15	047-025-056	3.277	Northeast Territories Patterson	230 Eucalyptus Ave
16	047-025-067	3.84	Northeast Territories Patterson	150 Eucalyptus Ave
17	047-031-002	2.55	Northeast Territories Patterson	14506 N. 1st St
18	047-031-005	9.72	Northeast Territories Patterson	300 Olive Ave
19	047-031-008	13.42	Northeast Territories Patterson	860 Olive Ave
20	047-031-012	9.63	Northeast Territories Patterson	Sycamore Ave
21	047-031-013	9.19	Northeast Territories Patterson	14955 Sycamore Ave
22	047-031-016*	3.29	Eli Development Corporation	513 Walnut Ave
23	047-031-024	8.37	Northeast Territories Patterson	14561 Sycamore Ave
24	047-031-035	18.80	John James & Brenda Joyce Ramos	226 Olive Ave
25	047-031-036	1.00	Northeast Territories Patterson	260 Olive Ave
26	047-031-037	6.65	Northeast Territories Patterson	14701 Sycamore Ave
	TOTAL ACRES	139.49		
OPTIONED				
1	047-025-013	4.86	Charles W. & Cora L. Drew	613 Olive Ave
2	047-025-019	18.70	Daniel L. Rodrick	14313 Sycamore Ave
3	047-025-020	18.73	William & Raquel Traina	14125 Sycamore Ave
4	047-025-024	24.13	Anthony L. Ban	137 Olive Ave
5	047-025-029	22.02	Deolinda Alves	Olive Ave
6	047-025-063	42.01	David J. De Lash	16712 S. Del Puerto Ave
7	047-025-066	1.53	Bruno & Shelley Marie Tardif	320 Eucalyptus Ave
8	047-031-004	8.43	Jim Barletta	14712 N. 1st St
9	047-031-006	29.16	John S. Ban	342 Olive Ave
10	047-031-014	21.88	Delwyn Edmund & Madeline M Silveira	801 Walnut Ave
11	047-031-015	36.76	C. E. & Martha J. Thompson	673 Walnut Ave
12	047-031-018	9.78	Maria E. Ramirez	Walnut Ave
13	047-031-020	14.77	Delores A. Barletta (Trust)	N. Walnut
14	047-031-028	15.29	Dale Raimondi	Olive Ave
15	047-031-029	22.19	Jose & Martha Sandoval Ramirez	Olive Ave
16	047-031-030	7.40	Dale Raimondi	Olive Ave
17	047-031-032**	0.98	Fritz & Donna Schali	14619 Sycamore Ave
18	047-031-033	5.73	Jim Barletta	14742 N. 1st St
19	047-031-034	9.75	Maria E. Ramirez & 2001	14848 N. 1st St
20	047-031-038**	1.91	Fritz & Donna Schali	14619 Sycamore Ave
21	047-035-003	18.80	Clarence L. Rodrick	Walnut Ave
	TOTAL ACRES	334.81		

*APN #047-031-016 A portion of this site has been transferred by Grant Deed to Patterson Joint Unified School District and the remaining acreage is 3.29. A new APN has not been issued.

**APN #047-031-032 and 047-031-038 changed to 047-031-041.

EXHIBIT B
TO
DEVELOPMENT AGREEMENT
“THE VILLAGES OF PATTERSON”

LEGAL DESCRIPTION

LEGAL DESCRIPTION OF LAND

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that certain real property situate in County of Stanislaus, State of California, described as follows:

The East half of the West half of Lot 55 of "MAP OF PATTERSON COLONY SUB-TRACT NO. ONE", according to the Official Map thereof, filed in the office of the Recorder of Stanislaus County, California, on December 13, 1909 in Volume 4 of Maps, at page 40, described as follows:

BEGINNING at a point of the dividing line between Lots 9 and 55, which point bears North 60 degrees East 165 feet from the corner common to Lots 8, 9, 55 and 56, as said Lots are shown on the map herein above referred to; running thence along the dividing line between said Lots 9 and 55, North 60 degrees East 165 feet; thence through said Lot 55 along the midline thereof, South 30 degrees East 1320 feet to a point on the center line of Olive Avenue as shown on said map, thence along the center line of said Olive Avenue, South 60 degrees West 165 feet to a point; thence through said Lot 55, North 30 degrees West 1320 feet to point of beginning.

APN: 047 025 012

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

The West one-half of the West on-half of Lot 55, Patterson Colony, Sub Tract No. 1, in the County of Stanislaus, State of California, more particularly described as follows:

Beginning at the corner common to Lots 8, 9, 55 and 56 as said Lots are shown on the Map hereinafter referred to, running thence along the dividing line between said Lots 9 and 55, North 60° East 165 Feet to a point; thence through said Lot 55, South 30° East 1320 feet to a point in the center line of Olive Avenue, as shown on said Map; thence along center line of Olive Avenue South 60° West 165 feet to a point on the dividing line between said Lots 55 and 56; thence along last named dividing line North 40° West 1320 feet to a point of beginning, containing 5 Acres of land, more or less, as said Lot is laid down and delineated on the certain Map entitled Map of Patterson Colony, Sub-tract No. 1, filed December 13, 1909 in Volume 4 of Maps, at page 40, Stanislaus County Records, California.

APN: 047 025 013

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

All that portion of Lot 61 of Patterson Colony Sub-Tract No. 1, as per Map filed December 13, 1909 in Vol. 4 of Maps, at Page 40, Stanislaus County Records. Commencing at a Lot corner common to Lots 61, 62, 65, and 66, said Lot corner being also the point of intersection of the center line of Olive Avenue and the center line of Patterson Water Company ditch; thence describing the Tract: North 30° 00' West 123.6 feet along the Lot line common to said Lots 61 and 62 and the center line of said Patterson Water Company ditch to a point; thence continuing along said center line of Patterson Water Company ditch; North 0° 19' West 41.9 feet to a point; thence leaving said ditch and paralleling the center line of Olive Avenue, North 60° 00' East 79.2 feet to a point; thence paralleling said Lot line common to Lots 61 and 62, South 30° 00' East 160.0 feet to a point on the center line of Olive Avenue thence along said center line of Olive Avenue, South 60° 00' West 100.00 feet to point of beginning.

PARCEL II:

All that portion Lot 61 of Patterson Colony Sub-Tract No. 1 as per Map filed December 13, 1909 in Vol. 4 of Maps, Page 40, Stanislaus County Records, described as commencing at a point on the center line of Olive Avenue and the Lot line common to Lots 66 and 61; which point bears North 60° East 100 feet from the Lot corner common to Lots 61, 62, 65, and 66, Patterson Colony; thence describing the Tract: North 30° West 160 feet to a point; thence South 60° West 79.2 feet to a point on the center line of Patterson Water Company ditch and Lot line common to Lots 61 and 62; thence along said center line of ditch and said Lot line, North 0° 19' West 261 feet to a point; thence leaving said ditch center line South 30° East 386.75 feet to a point on the center line of said Olive Avenue and Lot line common to Lots 61 and 66; thence along said center line of Olive Avenue and Lot line, South 60° West, 50 feet to the point of beginning.

APN: 047 025 016

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

A portion of Lots 61 and 62, PATTERSON COLONY SUB-TRACT NO. 1, as per Map thereof recorded December 13, 1909 in Book 4 of Maps, Page 40, Stanislaus County Records, described as:

Commencing at a point on the center line of Olive Avenue and Lot line common to Lots 62 and 65; which point bears North 60° 00' East 158.0 feet from Lot corner common to Lots 62, 63, 64 and 65; thence describing the tract from said point of beginning, North 30° 00' West 247.3 feet to a point, thence North 60° 00' East 297.5 feet to a point on the center line of Patterson Water Company Ditch, thence along the center line of said Patterson Water Company Ditch South 0° 19' South 142.4 feet to a point common to said center line of ditch and Lot line common to Lots 61 and 62 and center line of said Patterson Water Company Ditch South 30° 00' East 123.6 feet to Lot corner common to Lots 61, 62, 65 and 66 and center line of Olive Avenue; thence along said center line of Olive Avenue and Lot line common to Lots 62 and 65, South 60° 00' West 227.0 feet to the point of beginning.

APN: 047-25-17

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All of Lot 52 of PATTERSON COLONY SUB-TRACT NO. 1, in the County of Stanislaus, State of California, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909 in Volume 4 of Maps, at page 40.

APN: 047 025 019

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that portion of Lots 11 and 12 of PATTERSON COLONY SUB-TRACT NO. 1, according to the Map hereinabove referred to described as: BEGINNING at the Southeast corner of said Lot 11; thence South 60° 00' West 226.4 feet along the Southerly line of said Lot 11 to the centerline of Lateral Canal running through said Lot 11; thence North 3° 24' West 363.4 feet along the center line of the Lateral canal running through said Lot 11; thence North 25° 02' West 523 feet along the center line of Lateral Canal running through said Lot 11; thence North 8° 05' West 49.4 feet along the center line of Lateral Canal running through said Lot 11 to the line between said Lots 11 and 12; thence North 8° 05' West 36.3 feet along the center line of Lateral Canal running through said Lot 12; thence North 4° 53' East 480.6 feet along the center line of Lateral Canal running through said Lot 12 to the center line of Eucalyptus Avenue; thence North 60° 00' East 372.1 feet along the center line of Eucalyptus Avenue to the Northeasterly corner of said Lot 12, the center line of Sycamore Avenue; thence South 30° 00' East 1320 feet along the center line of Sycamore Avenue to the Southeasterly corner of said Lot 12; thence South 60° 00' West 660 feet along the Southerly line of said Lot 12 to the Southeasterly corner of said Lot 11 and place of beginning.

APN: 047-025-020

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN AN UNINCORPORATED AREA, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF LOT 61 OF PATTERSON COLONY SUB TRACT NO.1 ACCORDING TO THE OFFICIAL MAP THEREOF FILED IN THE OFFICE OF THE RECORDER OF STANISLAUS COUNTY, CALIFORNIA, ON December 13, 1909 IN VOLUME 4 OF MAPS, AT PAGE 40, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE CENTER LINE OF OLIVE AVENUE, SAID POINT BEING A LOT CORNER COMMON TO LOTS 60, 61, 66 AND 67; THENCE SOUTH 60° 00' WEST 58.0 FEET ALONG THE CENTER LINE OF SAID OLIVE AVENUE AND LOT LINE COMMON TO LOTS 61 AND 66 TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE DESCRIBING THIS TRACT FROM SAID POINT OF BEGINNING; SOUTH 60° 00' WEST 122.0 FEET ALONG SAID CENTER LINE OF OLIVE AVENUE TO A POINT WHICH POINT BEARS NORTH 60° 00' EAST 150.0 FEET FROM THE LOT CORNER COMMON TO LOTS 61, 62, 65 AND 66; THENCE NORTH 30° 00' WEST 390.00 FEET TO A POINT ON THE CENTER LINE OF PATTERSON WATER DISTRICT LATERAL "D"; THENCE ALONG THE CENTER LINE OF SAID LATERAL "D" NORTH 0° 47' WEST 249.9 FEET TO A POINT; THENCE SOUTH 30° 00' EAST 608.1 FEET TO THE POINT OF BEGINNING.

APN: 047 025 022

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Portions of Lots 62 and 63 of Patterson Colony Sub-Tract #1, according to the Map thereof filed in the Office of the County Recorder, Stanislaus County, State of California on December 13, 1909 in Vol. 4 of Maps, at page 40, described as follows:

Commencing at the most Southerly corner of said Lot 63 being a point on the centerline of Olive Avenue as said Avenue appears on the above mentioned recorded map of Patterson Colony, Sub-Tract #1; thence North 60° 00' East and along the center line of said Olive Avenue, a distance of 210 feet to the true point of beginning of this description; thence from said point of beginning North 30° 00' West a distance of 247.3 feet to a point; thence from said point North 60° 00' East to the most Westerly corner of that property described in the deed from Chester E. Knutson and Blanche C. Knutson to Seth O. Pace and Dorothy L. Pace recorded October 15, 1956 in Book 1389 of Records, page 334; thence South 30° 00' East 247.3 feet along the Southeasterly line of the above mentioned Pace deed, to a point on the centerline of Olive Avenue, South 60° 00' West to the to the point of beginning.

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Portions of Lots 62 and 63 of Patterson Colony Sub-Tract #1, according to the Map thereof filed in the Office of the County Recorder, Stanislaus County, State of California on December 13, 1909 in Vol. 4 of Maps, at page 40, described as follows: Commencing at the most Southerly corner of said Lot 63 being a point on the centerline of Olive Avenue as said Avenue appears on the above mentioned recorded map of Patterson Colony, Sub-Tract #1; thence North 60° 00' East and along the center line of said Olive Avenue, a distance of 210 feet to the true point of beginning of this description; thence from said point of beginning North 30° 00' West a distance of 247.3 feet to a point; thence from said point North 60° 00' East to the most Westerly corner of that property described in the deed from Chester E. Knutson and Blanche C. Knutson to Seth O. Pace and Dorothy L. Pace recorded October 15, 1956 in Book 1389 of Records, page 334; thence South 30° 00' East 247.3 feet along the Southeasterly line of the above mentioned Pace deed, to a point on the centerline of Olive Avenue, South 60° 00' West to the to the point of beginning.

APN: 047 025 023

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Portions of Lots 61, 62 and 63 of Patterson Colony Sub-Tract #1, according to the Map thereof filed in the Office of the County Recorder, Stanislaus County, State of California on December 13, 1909 in Vol. 4 of Maps, at page 40, described as follows: Commencing at the most Southerly corner of said Lot 63 being a point on the centerline of Olive Avenue as said Avenue appears on the above mentioned recorded map of Patterson Colony, Sub-Tract #1; thence North 60° 00' East and along the center line of said Olive Avenue, a distance of 210 feet to the true point of beginning of this description; thence from said point of beginning North 30° 00' West a distance of 247.3 feet to a point; thence from said point North 60° 00' East to the most Westerly corner of that property described in the deed from Chester E. Knutson and Blanche C. Knutson to Seth O. Pace and Dorothy L. Pace recorded October 15, 1956 in Book 1389 of Records, page 334; thence South 30° 00' East 247.3 feet along the Southeasterly line of the above mentioned Pace deed, to a point on the centerline of Olive Avenue, South 60° 00' West to the to the point of beginning. APN: 047 025 024

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

BEGINNING at the Northerly corner common to Lots 5 and 6 as per the Map of The Patterson Colony, Sub-Tract No. One, filed December 13, 1909 in Vol. 4 of Maps, at page 40, Stanislaus County Records, said point of beginning also being on the centerline of Eucalyptus Avenue; thence South 60° 00' 00" West along last said centerline, a distance of 180.00 feet to a point; thence South 30° 00' 22" East, a distance of 275.00 feet to a point; thence North 60° 00' 00" East, a distance of 180.00 feet to the dividing line between said Lots 5 and 6; thence North 30° 00' 22" West along last said dividing line, a distance of 275.00 feet to the point of beginning.

APN: 067-025-028

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN AN UNINCORPORATED AREA, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that portion of Lots 43 and 54 of Patterson Colony Subtract No. One, as per map filed December 13, 1909 in Vol. 4 of Maps, page 40, described as follows:

BEGINNING at the corner common to Lots 10, 11, 53 and 54; running thence along the dividing line between said Lots 11 and 53, North 60° East 433 feet to a point on the intersection of said dividing line between Lots 11 and 53 with the center line of lateral canal running through said Lot 53; thence along the centerline of said lateral canal South 3° 40' East 422.6 feet to a point; thence continuing along the center line of said lateral canal South 26° 25' East 943.00 feet to a point on the intersection of the center line of said lateral canal with the centerline of Olive Avenue, as shown on said map; thence along the center line of said Olive Avenue, South 60° West 681 feet more or less to a point lying 165.00 feet from the Southerly corner common to Lots 54 and 55 and the center line of Olive Avenue; thence North 30° West parallel to and 165.00 feet Easterly of the line common to Lots 54 and 55, 1320 feet, more or less, to a point on the line common to Lots 10 and 54 and 165.00 feet from the corner common to Lots 9, 10, 54 and 55; thence along the line dividing Lots 10 and 54, 495 feet more or less to the to the point of beginning. Excepting there from the Southerly 37.5 feet, being the Northerly one-half of Olive Avenue.

APN: 047-025-029

SCHEDULE A

Policy No: 1753698 - RJJ

Premium: \$2,284.00

Amount of Insurance: \$900,000.00

Date of Policy: August 16, 2005 at 8:00 am

1. Name of Insured:

Northeast Territories Patterson, LLC, a California Limited Liability Company

2. The estate or interest in the land described herein and which is covered by this policy is:

A FEE

3. The estate or interest referred to herein is at Date of Policy vested in:

Northeast Territories Patterson, LLC, a California limited liability company

4. The land referred to in this policy is situated in the State of California, County of Stanislaus, and described as follows:

The Westerly 165 feet of Lot 54 of PATTERSON COLONY SUBTRACT NO. ONE, as per Map thereof recorded December 13, 1909 in Book 4 of Maps, Page 40, Stanislaus county records.

SCHEDULE B

Part II

- A 1. PROPERTY TAXES, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 2005-2006 WHICH ARE A LIEN NOT YET DUE OR PAYABLE.
ASSESSMENT NO.: 047-025-030
- B 2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.
- C 3. THE HEREIN DESCRIBED LAND LIES WITHIN THE Patterson Water District .
- D 4. All necessary and convenient rights of way over all streets, avenues, roads, highways and alleys shown on Map herein referred to and as reserved thereon by Patterson Ranch Company and dedicated to public use for the construction, maintenance and operation of canals, laterals, flumes, pipelines, ditches and sewers, also all necessary and convenient telephone, telegraph power poles and lines.

The interest of Patterson Ranch Company now vests in J.D. Patterson, as his separate property.
- E 5. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: Not shown
PURPOSE: water rights and rights of way for road, ditches and canals, public utilities, etc., together with the right of ingress and egress
RECORDED: June 3, 1916 in Volume 223, Page 596, Official Records
AFFECTS: A portion of the herein described land
- F REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.
- G 6. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: Patterson Water Company
PURPOSE: Canal
RECORDED: February 12, 1929 in Volume 316, Page 399, as Document No. 1995, Official Records
AFFECTS: Along the Westerly boundary
- H 7. Right of way for road (Olive Avenue) over the Southeasterly 37 1/2 feet as shown on Map.
- I 8. COVENANTS AND RESTRICTIONS IMPOSED BY A LAND CONSERVATION CONTRACT EXECUTED PURSUANT TO SECTION 51200 ET SEQ. CALIFORNIA GOVERNMENT CODE

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that portion of Lot 2 as per Map of the resurvey of Lots 1 and 2 of the Patterson Colony, Sub-tract No. One and lot 971 of the Patterson Colony, Sub-tract No. Four, filed June 10, 1913 in Volume 7 of Maps, Page 41, Stanislaus County Records, described as follows:

BEGINNING at a point in the centerline of Eucalyptus Avenue, where said centerline is intersected by the dividing line of said Lot 2 and Lot 3 as per the Map of the Patterson Colony, Sub-tract No. One filed December 13, 1909 in Volume 4 of Maps, Page 40, Stanislaus County Records; thence South 60° 00' 00" West along last said centerline, a distance of 185.00 feet to a point; thence South 30° 00' 24" East, a distance of 375.00 feet to a point; thence North 60° 00' 00" East, a distance of 185.00 feet to the dividing line between last said Lots 2 and 3; thence North 30° 00' 24" West along last said dividing line, a distance of 375.00 feet to the POINT OF BEGINNING.

APN: 047 025 035

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that certain real property situate in County of Stanislaus, State of California, described as follows:

All that portion of Lot 53 of PATTERSON COLONY SUB-TRACT NO. ONE, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909 in Volume 4 of Maps, at Page 40, described as follows:

COMMENCING at the Southwesterly corner of said Lot 53, said point being the center line of Olive Avenue; thence North 60 degrees 00' East along the Southeasterly line of said Lot 53, a distance of 380 feet to the true point of beginning; thence North 30 degrees 00' West, a distance of 200 feet; thence South 60 degrees 00' West, a distance of 182.6 feet to a point on the center line of Lateral "C"; thence along the center line of said Lateral "C", North 26 degrees 19' West, 746.9 feet and North 3 degrees 22' West, 419 feet to a point on the Northwesterly line of said Lot 53; thence North 60 degrees 00' East along the Northwesterly line of said Lot 53, a distance of 226.8 feet to the Northeasterly corner of said Lot 53, thence South 30 degrees 00' East along the Northeasterly line of said Lot 53, a distance of 1120 feet; thence South 60 degrees 00' West, a distance of 190 feet; thence South 30 degrees 00' East, a distance of 200 feet to a point on the Southeasterly line of said Lot 53; thence South 60 degrees 00' West along the Southeasterly line of said Lot 53, a distance of 90 feet to the true point of beginning.

APN: 047 025 036

SCHEDULE B

Policy Number:
1753828 - PK

Exceptions

In addition to the Exclusions, you are not insured against loss, costs, attorney's fees, and expenses resulting from:

- * 1. PROPERTY TAXES, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 2004-2005 WHICH ARE A LIEN NOT YET DUE OR PAYABLE.

ASSESSMENT NO.: 047 25 37

- o 2. PROPERTY TAXES, INCLUDING ANY PERSONAL PROPERTY TAXES AND ANY ASSESSMENTS COLLECTED WITH TAXES, FOR THE FISCAL YEAR 2003-2004:

1ST INSTALLMENT: \$832.22 Paid
2ND INSTALLMENT: \$925.44 Delinquent

HOMEOWNERS

EXEMPTION: \$7,000.00
LAND: \$56,183.00
IMPROVEMENTS: \$96,115.00
PERSONAL
PROPERTY: \$-0-

CODE AREA: 086 004
ASSESSMENT NO: 047 025 037
BILL NO.: None shown

- A 3. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.

- B 4. COVENANTS AND RESTRICTIONS IMPOSED BY A LAND CONSERVATION CONTRACT EXECUTED PURSUANT TO SECTION 51200 ET SEQ. CALIFORNIA GOVERNMENT CODE

DATED: January 7, 1978
EXECUTED BY: Elwood Schut and Joland Schut
RECORDED: January 19, 1978 in Book 3011 page 460, as Document No. 46032, Official Records
AFFECTS: The herein described and other land

- c 5. All necessary and convenient rights of way over all streets, avenues, roads, highways and alleys, shown on the Map herein referred to and as reserved thereon, and dedicated to public use, for the construction, maintenance and operations of canals, laterals, flumes, pipelines, ditches and sewers, also all necessary and convenient telephone, telegraph power poles and lines.

Refer to map for exact location.

- o 6. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SHOWN

LEGAL DESCRIPTION EXHIBIT

Policy Number: 1753828 - PK

All that portion of Lot 53 of PATTERSON COLONY SUB-TRACT NO. ONE, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps, at page 40, Stanislaus County Records, described as follows:

COMMENCING at a point common to the center line of Olive Avenue and the center line of Patterson Water Company ditch, which point bears North 60° 00' East, 184.5 feet from Lot corner common to Lots 53, 54, 73 and 74, Patterson Colony; thence describing the Tract from said point of beginning, North 26° 19' West, 200.5 feet along the center line of said Patterson Water Co., Ditch to a point; thence paralleling said Olive Avenue, North 60° 00' East, 182.6 feet to a point; thence at right angles to Olive Avenue and Lot line common to Lots 53 and 74; thence along said Lot line and road line, South 60° 00' West, 195.5 feet to the point of beginning.

LEGAL DESCRIPTION EXHIBIT

Policy Number: 1764205 - DH

All that portion of Lots 60 and 61 of the "Patterson Colony Sub-Tract No. 1", according to the Official Map thereof recorded in Vol. 4 of Maps at page 40 on December 12, 1909, lying within a portion of Section 19, Township 5 South, Range 8 East, Mount Diablo Meridian, County of Stanislaus, State of California, and said parcel of land being more particularly described as follows:

Beginning at the intersection of the dividing line between Lots 61 and 62 with the centerline of Olive Avenue, as said Lots are delineated on the map above referred to; thence along the dividing line between said Lots 61 and 62 North 30° West, a distance of 64.64 feet to a point; thence along the centerline of Lateral Canal running through Lots 61 and 60 of said tract map the following six meandering courses.

1. North 21°58' West, a distance of 55 feet
2. North 9°59' West, a distance of 43 feet,
3. North 1°01' West, a distance of 771.9 feet,
4. North 4°24' East, a distance of 58.72 feet,
5. North 35°44' East, a distance of 58 feet,
6. North 41°19' East, a distance of 187.4 feet to a point on the dividing line between said Lots 60 and 59 of said tract map; thence along the dividing line between said Lots 59 and 60 South 30° East, a distance of 967.05 feet to a point on the centerline of said Olive Avenue, thence along centerline of said Olive Avenue South 60° West, a distance of 660 feet more or less to the point of beginning.

EXCEPT THEREFROM all that portion thereof lying Southwesterly of the Northeasterly line of the property conveyed to Logan S. Wilson, et ux, by deed recorded December 18, 1964 in Vol. 1999 of Official Records, at page 609 as Document No. 49579, which the Northeasterly line is described as follows:

Beginning at the most Easterly corner of said Wilson property from which the corner common to Lots 60, 61, 66 and 67 as shown on said tract map bears North 60°00' East, a distance of 58.0 feet, thence North 30°00' West along the Northeasterly line of said Wilson property, a distance of 608.1 feet to a point on the centerline of the lateral Canal hereinabove referred to and also being the TERMINUS of said line.

ALSO EXCEPT THEREFROM, the Easterly 190.00 feet of said Lot 60.

APN: 047 025 046 000

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that portion of Lots 6 and 58 of "MAP OF PATTERSON COLONY SUB TRACT NO. ONE", according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909, in Volume 4 of Maps, at page 40, pursuant to Lot Line Adjustment recorded July 10, 2001, as Document No. 2001-76240, described as follows:

Commencing at a point in the center line of Eucalyptus Avenue, where the center line of said Eucalyptus Avenue is intersected by the dividing line between Lots 5 and 6 of said Patterson Colony Subtract No. One; thence along the center line of said Eucalyptus Avenue, North 60° East a distance of 25 feet to true point of beginning; thence South 30° East a distance of 275 feet; thence North 60° East a distance of 295 feet; thence North 30° West a distance of 275 feet to the centerline of said Eucalyptus Avenue; thence South 60° West, a distance of 295 feet to the true point of beginning.

APN: 047 025 049

DESCRIPTION

All that portion of Lots 6, 7 and 58 of "MAP OF PATTERSON COLONY SUB TRACT NO. ONE", according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909, in Volume 4 of Maps, at page 40, described as follows:

Beginning at a point in the center line of Eucalyptus Avenue, where the center line of said Eucalyptus Avenue is intersected by the dividing line between Lots 7 and 8 of said Patterson Colony Sub Tract No. One; thence along the center line of said Eucalyptus Avenue, South 60° West a distance of 660 feet to a point in the dividing line between Lots 5 and 6 of said Patterson Colony Sub Tract No. One; thence along the dividing line between said Lots 5 and 6, South 30° East a distance of 1320 feet to the corner common of Lots 5, 6, 58 and 59 of said Patterson Colony Sub Tract No. One; thence along the dividing line between said Lots 58 and 59, South 30° East a distance of 178.7 feet to a point in the center line of lateral Canal; thence along the center line of said lateral canal the following courses and distance; North 18° 34' East 551.9 feet to a point; North 11° 16' East 277.6 feet to a point; West 70 feet to a point in the dividing line between said Lots 7 and 8; thence along the last named dividing line, North 30° West a distance of 785.6 feet to the point of beginning.

EXCEPTING THEREFROM the following:

All that portion of Lots 6 and 58 of "MAP OF PATTERSON COLONY SUB TRACT NO. ONE", according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909, in Volume 4 of Maps, at page 40, described as follows:

Commencing at a point in the center line of Eucalyptus Avenue, where the center line of said Eucalyptus Avenue is intersected by the dividing line between Lots 5 and 6 of said Patterson Colony Subtract No. One; thence along the center line of said Eucalyptus Avenue; North 60° East a distance of 25 feet to the true point of beginning; thence South 30° East a distance of 275 feet; thence North 60° East a distance of 295 feet; thence North 30° West a distance of 275 feet to the centerline of said Eucalyptus Avenue; thence South 60° West, a distance of 295 feet to the true point of beginning.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

PART II

- a 1. PROPERTY TAXES, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 2004-2005 WHICH ARE A LIEN NOT YET DUE OR PAYABLE.
ASSESSMENT NO.: 047 25 50
- b 2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.
- c 3. THE HEREIN DESCRIBED LAND LIES WITHIN THE Patterson Water District .
- d 4. Rights of the public in and to that certain street or road known as Eucalyptus Avenue.

Affects: Northerly boundary
- e 5. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS RESERVED IN A DOCUMENT

PURPOSE: Rights of way for roads, ditches, canals, public utilities, etc.
RECORDED: June 28, 1922 in Vol. 351 of Deeds, Page 381
AFFECTS: Exact location not defined of record
- f 6. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS

DESCRIPTION

All that certain Parcel of land being a portion of Lot 3 of Patterson Colony Sub-Tract No. 1 as shown on that Map filed for record in Volume 4 of Maps at page 40, Stanislaus County Records, lying within the State of California, County of Stanislaus, being more particularly described as follows:

Beginning at the most Northwesterly corner of Parcel A as shown on that Parcel Map filed for record on August 17, 1971 in Book 12 of Parcel Maps at page 29, Stanislaus County Records, said point being on the dividing line between Lots 2 and 3 of Patterson Colony Sub-Tract No. 1 as Shown on that map filed for record in Volume 4 of Maps at page 40, Stanislaus County Records; thence, along the dividing line between said Lots 2 and 3, South 30° 00' 00" East 200.00 feet; thence, parallel with the centerline of Eucalyptus Avenue, North 60° 00' 00" East 125.00 feet; thence, parallel with the Southwesterly line of said Parcel 3, North 30° 00' 00" West 200.00 feet to a point on the Northwesterly line of said Parcel A Said Point being on the Southeasterly right of way line of Eucalyptus Avenue; thence, along the Northwesterly line of said Parcel A and the Southeasterly right of way line of Eucalyptus Avenue, South 60° 00' 00" West 125.00 feet to the point of beginning.

(apn: 047 025 055)

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All that certain parcel of land being a portion of Lots 3 and 4 of PATTERSON COLONY SUB-TRACT NO. 1, as shown on that Map filed for record in Volume 4 of Maps at Page 40, Stanislaus County Records, lying within the State of California, County of Stanislaus, being more particularly defined as follows:

Beginning at a point on the Southeasterly right of way line of Eucalyptus Avenue said point being distant thereon North 60° 00' 00" East 125.00 feet from the most Northwesterly corner of Parcel A as shown on that Parcel Map filed for record on August 17, 1971 in Book 12 of Parcel Maps, at Page 29, Stanislaus County Records; thence South 30°00' 00" East 200.00 feet; thence South 60° 00' 00" West 125.0 feet to a point on the dividing line between Lots 2 and 3 of Patterson Colony Sub-Tract No. 1, as shown on that Map filed for record in Volume 4 of Maps at Page 40, Stanislaus County Records; thence along said dividing line between Lots 2 and 3, South 30° 00' 00" East 95.00 feet to the most Southerly corner of that parcel of land indicated as the remainder parcel on that Parcel Map filed for record on August 17, 1971 in Book 12 of parcel maps, at Page 29, Stanislaus County Records; thence along the Southerly line of said remainder parcel, North 79° 00' 00" East 476.24 feet to the most Easterly corner of said remainder parcel; thence along the Northeasterly line of said remainder parcel, North 30° 00' 00" West 410.03 feet to the most Northerly corner of said remainder parcel, said point also being on the Southeasterly right of way line of Eucalyptus Avenue; thence along the Northwesterly line of said remainder parcel and Southeasterly right of way line of Eucalyptus Avenue, South 60° 00' 00" West 325.30 feet to the point of beginning.

Pursuant to that certain Lot Line Adjustment No. 94-32 recorded September 27, 1999, as Document 1999-0092487-00, Stanislaus County Records.

APN: 047-025-056

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that certain real property situate in portions of Lots 4 and 5 as shown on "Patterson Colony, Sub-Tract No. One" according to the Official Map thereof filed for record in Volume 4 of Maps, Page 40, Stanislaus County Records, in the County of Stanislaus, State of California, described as follows:

COMMENCING at the Northeasterly corner of said Lot 5, said point being on the centerline of 50 foot wide Eucalyptus Avenue; thence South 60° 00' 00" West along the Northerly line of said Lot 5, being also said centerline of Eucalyptus Avenue, a distance of 180.00 feet to the true POINT OF BEGINNING of this description; thence South 30° 00' 22" East parallel with the Easterly line of said Lot 5, a distance of 275.00 feet; thence North 60° 00' 00" East parallel with said Northerly line of Lot 5, a distance of 180.00 feet to said Easterly line of Lot 5; thence South 30° 00' 22" East along said Easterly line of Lot 5 a distance of 40.00 feet; thence South 60° 00' 00" West parallel with the Northerly lines of said Lots 4 and 5, a distance of 400.00 feet; thence North 30° 00' 22" West parallel with said Easterly line of Lot 5, a distance of 315.00 feet to the Northerly line of said Lot 4; thence North 60° 00' 00" East along said Northerly lines of Lots 4 and 5, being also said centerline of Eucalyptus Avenue, a distance of 220.00 feet to the point of beginning.

Pursuant to Lot line adjustment recorded March 28, 2003, as Instrument No. 2003-0047765-00, Stanislaus County Records.

APN: 047 025 056

DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATE IN PORTIONS OF LOTS 4 AND 5 AS SHOWN ON "PATTERSON COLONY", SUB-TRACT NO. ONE" ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN VOLUME 4 OF MAPS, PAGE 40, STANISLAUS COUNTY RECORDS, AND IDENTIFIED AS PARCEL 2 ON EXHIBIT "B" LEGAL DESCRIPTION AFTER LOT LINE ADJUSTMENT ON THAT CERTAIN CERTIFICATE OF LOT LINE ADJUSTMENT #2002-06 recorded MARCH 28, 2003, AS DOCUMENT NO. 2003-0047765-00, IN THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE Northeasterly CORNER OF SAID LOT 5, SAID POINT BEING ON THE CENTERLINE OF 50 FOOT WIDE EUCALYPTUS AVENUE; THENCE South 60° 00' 00" West ALONG THE Northerly LINES OF SAID LOTS 4 AND 5, BEING ALSO SAID CENTERLINE OF EUCALYPTUS AVENUE, A DISTANCE OF 400.00 FEET TO THE TURE to the point of beginning OF THIS DESCRIPTION; THENCE South 30° 00' 22" East PARALLEL WITH THE Easterly LINE OF SAID LOT 5, A DISTANCE OF 315.00 FEET; THENCE North 60° 00' 00" East PARALLEL WITH SAID Northerly LINES OF LOTS 4 AND 5, a distance of 400.00 FEET TO THE Easterly LINE OF LOT 5; THENCE South 30° 00' 22" East ALONG SAID Easterly LINE OF LOT 5 a distance of 307.00 FEET; THENCE South 60° 00' 00" West PARALLEL WITH SAID Northerly LINE OF LOTS 4 AND 5, a distance of 475.00 FEET; THENCE North 30° 00' 22" West PARALLEL WITH SAID Easterly LINE OF LOT 5, a distance of 622.00 FEET TO THE SAID Northerly LINE OF LOT 4; THENCE North 60° 00' 00" East ALONG SAID Northerly LINE OF LOT 4, BEING ALSO SAID CENTERLINE OF EUCALYPTUS AVENUE, a distance of 75.00 FEET TO THE to the point of beginning.

APN: 047 025 067

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Portion of Lot 65, Patterson Colony, lying North and West of Patterson Water District concrete-lined Irrigation ditch, described as commencing at the Lot corner common to Lots 62, 63, 64, and 65; thence describing the tract from said point of beginning: North 60° 00' East 385.0 feet along the Lot line common to Lots 62 and 65 and center line of Olive Avenue to Lot corner common to Lots 61, 62, 65 and 66 and point on center line extended of Patterson Water District concrete-lined ditch; thence along ditch line and Lot line common to Lots 65 and 66, South 30° 00' East 85.8 feet to angle point in ditch; thence continuing along center line of said irrigation ditch, South 4° 42' West 676.4 feet to a point on the center line of First Avenue; thence along said center line of First Avenue, North 30° 00' West 641.8 feet to point of beginning.

Patterson Colony and all Lots hereinabove referred to being as shown on the Map of Patterson Colony Sub-Tract No. 1, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps, at Page 40.

APN: 017 031 02

SCHEDULE A

Policy No: 1756140 - PK

Premium: \$1,896.00

Amount of Insurance: \$800,000.00

Date of Policy: June 10, 2004 at 8 AM

1. Name of Insured:

NORTHEAST TERRITORIES PATTERSON, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

2. The estate or interest in the land which is covered by this policy is:

A FEE

3. Title to the estate or interest in the land is vested in:

NORTHEAST TERRITORIES PATTERSON, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

4. The land referred to in this policy is situated in the State of California, County of Stanislaus and is described as follows:

Lot 68 as said lot is delineated and designated on that certain map entitled, "MAP OF PATTERSON COLONY SUB-TRACT NO. ONE", as per Map thereof recorded December 13, 1909 in Book 4 of Maps, Page 40, Stanislaus County Records.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

PART II

- z 1. PROPERTY TAXES, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 2004-2005 WHICH ARE A LIEN NOT YET DUE OR PAYABLE.
ASSESSMENT NO.: 047 31 05
- o 2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.
- # 3. THE HEREIN DESCRIBED LAND LIES WITHIN THE West Stanislaus Irrigation District .
- r A REPORT ON SAID TAXES AND ASSESSMENTS HAS BEEN ORDERED. WE WILL SEND A TAX SUPPLEMENT OR AMENDED PRELIMINARY REPORT WHEN IT IS RECEIVED.
- x 4. An easement for the purpose shown below and rights incidental thereto as reserved in a document

Purpose: The construction and maintenance of all canals and other water conduits
Recorded: January 26, 1931, as Document No. 1262, Official Records
Affects: The exact location and extent of said easement is not disclosed of record

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS: .

Lots 69, 70 and 71 as laid down and delineated on that certain Map entitled "MAP OF PATTERSON COLONY SUB-TRACT NO. ONE," Filed December 13, 1909 in Vol. 4 of Maps, page 40, Stanislaus County Records.

APN: 047 031 006

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that portion of Lot 74 of Patterson Colony, Subtract No. One, according to the Official Map thereof, filed in the Officer of the recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps, at page 40, described as follows:

BEGINNING at the Northeasterly corner of Lot 74; thence South 30° East 1320 feet to the Southeasterly corner of said Lot 74; thence South 60° West 487 feet along the Southerly line of said Lot 74 to the center of Lateral canal running through said Lot; thence North 5° 41' West 395.4 feet along the center line of said Lateral Canal running through said lot; thence to the left on the arc of a curve having a radius of 188.3 feet a distance of 224.79 ft along center line of Lateral canal running through said lot; thence North 74° 21' West 282.1 feet along the center line of Lateral canal running through said lot; thence to the right on the arc of a curve, having a radius of 127.3 feet, a distance of 135.98 feet along the center line of lateral canal running through said lot; thence North 13° 18' West 388.3 feet along the center line of Lateral canal running through said lot; thence North 26° 24' West 49.9 feet along the center line of lateral canal running through said lot to the Northerly line of Lot 74; thence North 60° East 474.7 feet along Northerly line of said Lot 74 to the Northeasterly corner, the place of beginning.

APN: 047 031 008

SCHEDULE A

Policy No: 1756154 - RJJ

Premium: \$1,650.00

Amount of Insurance: \$481,500.00

Date of Policy: November 2, 2004 at 8 AM

1. Name of Insured:

NORTHEAST TERRITORIES PATTERSON, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

2. The estate or interest in the land which is covered by this policy is:

A FEE

3. Title to the estate or interest in the land is vested in:

NORTHEAST TERRITORIES PATTERSON, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

4. The land referred to in this policy is situated in the State of California, County of Stanislaus and is described as follows:

BEGINNING at the corner common to Lots 75, 76, 124 and 125 of PATTERSON COLONY SUB-TRACT NO. 1, as per map filed December 13, 1909 in Vol. 4 of Maps and Plats, page 40, Stanislaus County Records, running thence along the dividing line between said Lots 75 and 125 South 60° West 660 feet to the corner common to Lots 74, 75, 125 and 126; thence along dividing line between Lots 125 and 126 South 30° East 660 feet to a point; thence North 60° East 660 feet to a point in the dividing line between Lots 124 and 125; thence along said last named dividing line North 30° West 660 feet to the point of beginning, being a portion of Lot 125.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

PART II

- a 1. PROPERTY TAXES, INCLUDING ANY PERSONAL PROPERTY TAXES AND ANY ASSESSMENTS COLLECTED WITH TAXES, FOR THE FISCAL YEAR 2004-2005:

1ST INSTALLMENT: \$245.31 PAID
2ND INSTALLMENT: \$245.31 DUE

HOMEOWNERS
EXEMPTION: \$0
LAND: \$34,484.00
IMPROVEMENTS: \$9,163.00
PERSONAL
PROPERTY: \$0

CODE AREA: 086-004
ASSESSMENT NO: 047-031-012-000
BILL NO.: 047-031-012-000

- b 2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.
- c 3. ALL NECESSARY AND CONVENIENT RIGHTS OF WAY OVER ALL STREETS, AVENUES, ROADS, HIGHWAYS AND ALLEYS, SHOWN ON THE MAP HEREIN REFERRED TO AND AS

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF THE COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

The South half of Lot 125, as said Lot is laid down and so delineated on that certain Map entitled, "MAP OF PATTERSON COLONY SUB-TRACT NO. 1", according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909, in Vol. 4 of Maps, at page 40.

APN: 047 031 013

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

That part of Lot 126 on the Easterly side of the center line of lateral irrigating canal, more particularly described by metes and bounds as follows, to-wit: BEGINNING at the Northeasterly corner of said Lot 126; thence following the Easterly line of said Lot, South 30° 00' East 1320 feet; thence at right angles Southwesterly along the Southerly line of said Lot, for a distance of 660 feet to the Southwesterly corner of said Lot 126; thence at right angles North, 30° 00' West 938.5 feet along the Westerly line of said Lot to a point in the center line of said lateral irrigating canal; thence North 5° 45' West, 418.5 feet to the Northerly line of said Lot 126; thence North 60° 00' East, 488.2 feet to the point of beginning; ALSO that part of Lot 127 on the Easterly side of the center line of the lateral irrigating canal, more particularly described by metes and bounds as follows, to-wit: Commencing at the Southeasterly corner of said Lot 127; thence South 60° 00' West along the Southerly line of said 127 for a distance of 266.7 feet to the center line of lateral irrigating canal; thence along the center line of said canal, North 17° 00' West, 728 feet; thence along center line of said canal, North 5° 45' West for a distance of 250.5 feet to the Easterly line of Lot 127; thence along Easterlyline of said Lot 127, South 30° 00' East, for a distance of 938.5 feet to the place of commencement, all as designated and delineated upon that certain Map entitled: "Map of Patterson Colony, Sub-Tract No. One", filed in the Office of the County Recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps at page 40.

APN: 047-031-014

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Lot 128 as said Lot is laid down and delineated on that certain Map entitled "MAP OF PATTERSON COLONY SUB-TRACT NO. ONE", according to the official Map thereof, filed for record on December 13, 1903 in Volume 4 of Maps, at page 40 Stanislaus County Records.

Also all that portion of Lots 126 and 127 as said Lots are laid down and delineated on that certain Map entitled "MAP OF PATTERSON COLONY SUB-TRACT NO. ONE" above referred to, described as follows:

BEGINNING at the corner common to Lots 72, 73, 127 and 128; thence along the dividing line between said Lots 73 and 127 and along the dividing line between Lots 74 and 126 North 60° East 831.80 feet to a point in the center line of Lateral canal running through Lots 126 and 127; thence along the center line of said Lateral canal South 5° 45' East 669 feet to a point; thence continuing along the center line of said canal, South 17° East 728 feet to a point in the center line of Walnut Avenue; thence along the center line of said Walnut Avenue, South 60° West 393.3 feet to a point in the dividing line between Lots 127 and 128; thence along said last named dividing line North 30° West 1320 feet to the point of beginning.

APN: 047 031 015

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN AN UNINCORPORATED AREA, IN THE COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Lot 129 of PATTERSON COLONY SUB-TRACT NO. 1, as per Map filed December 13, 1909 in Vol. 4 of Maps, page 40, Stanislaus County Records.

APN: 047 031 016

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Parcel 1:

Lot 132 of Patterson Colony Sub Tract No. 1, as per Map filed December 13, 1909 in Vol. 4 of Maps, at Page 40, Stanislaus County Records.

Parcel 2:

Parcel A as shown on a Parcel Map filed January 22, 1973 in Book 16, page 10 of Parcel Maps in the Office of the County Recorder of Stanislaus County being a portion of Lots 133, 134, 135, 65, 66 and 67 of Patterson Colony Sub-Tract No. 1, Stanislaus County Records, California. Excepting therefrom an undivided one-half interest in and to all oil, gas, petroleum, naphtha, other hydrocarbon substances and minerals of whatsoever kind and nature in, upon or beneath the property hereinabove described, as excepted and reserved in the Deed from Federal Farm Mortgage Corporation, a corporation to Steward B. Nelson, et ux, dated January 31, 1941 and recorded March 25, 1941 in Vol. 730 of Official Records, at page 123, as Instrument No. 3885.

APN: 047-031-018 & 034

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

The Southerly one-half of Lots 133, 134, and 135 as said Lots are delineated and designated on that certain Map entitled "MAP OF PATTERSON COLONY, SUB-TRACT NO. ONE", filed in the Office of the County Recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps at page 40, particularly described as follows:

BEGINNING at the Southwesterly corner of Lot 135 which point is the intersection of the center lines of Walnut Avenue and First Streets; thence along center line of said First Street, North 30° 00' West for 660.00 feet; thence North 60° 00' East for 1045.00 feet, which point is on the Easterly property line of Lot 133; thence along Easterly line of Lot 133, South 30° 00' East 660.00 feet to a point on the center line of Walnut Avenue; thence along said center of Walnut Avenue, South 60° 00' West for 1045.00 feet to point of beginning.

APN: 047 031 020

DESCRIPTION

All that portion of Lot 75 of PATTERSON COLONY SUB-TRACT NO. 1, in the County of Stanislaus, State of California, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps, at page 40, Stanislaus County Records, described as follows:

COMMENCING at the true Northwesterly corner of said Lot 75, said point being the centerline of a 75 foot Avenue, known as Olive Avenue; thence South 30 degrees 00' East along the Southwesterly line of said Lot 75, a distance of 300 feet to the true point of beginning; thence continuing South 30 degrees 00' East along the Southwesterly line of said Lot, a distance of 350 feet; thence North 60 degrees 00' East, a distance of 660 feet to the Northeasterly line of said Lot; thence North 30 degrees 00' West along the Northeasterly line of said Lot 75, a distance of 660 feet to the Northeasterly corner thereof; thence South 60 degrees 00' West along the Northwesterly line of said Lot 75, a distance of 514.80 feet; thence South 80 degrees 00' East, a distance of 330 feet; thence South 60 degrees 00' West, a distance of 145.20 feet to the point of beginning.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

PART II

- v 1. PROPERTY TAXES, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 2004-2005 WHICH ARE A LIEN NOT YET DUE OR PAYABLE.
ASSESSMENT NO.: 047-031-024
2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.
3. THE HEREIN DESCRIBED LAND LIES WITHIN THE West Stanislaus Irrigation District .
4. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS RESERVED IN A DOCUMENT

PURPOSE: Ditch
RECORDED: July 16, 1918 in Book 266 page 462 of Deeds
AFFECTS: The exact location and extent of said easement is not disclosed of record
5. COVENANTS, BUT "OMITTING ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT SAID COVENANT (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS" AS SET FORTH IN THE DOCUMENT

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE

All those lands and premises in the County of Stanislaus, State of California, described as follows:

The Northeasterly 315.00 feet of Lot 73 and a fractional portion of Lot 74 as said lots are shown on that certain map entitled "MAP OF PATTERSON COLONY, SUB-TRACT NO. 1", which map was filed in the office of the County Recorder of Stanislaus County, California, on December 13, 1909, in Volume 4 of Maps, at page 40. More particularly described as follows:

BEGINNING at the Northerly corner common to said Lot 73 and 74: thence S 60°00' W, 315.00 feet along the Northerly line of said Lot 73; thence S 30°00' E, 1320.00 feet to the Southerly line of Lot 73; feet N 60°00' E 315.00 feet to the Southerly corner common to Lot 73 and 74; thence N 60°00' E, 173.00 feet along the Southerly line of Lot 74 to the centerline of lateral canal running thru said Lot 74; thence N 5°41' W, 395.40 feet along said centerline to the beginning of a curve concave to the West and having a radius of 188.30 feet; thence Northerly and Westerly 225.67 feet along said curve and centerline thru an angle of 68°40'; thence N 74°21' W, 282.10 feet along said centerline to the beginning of a curve concave to the East and having a radius of 127.30 feet; thence Northerly 122.58 feet along said curve and centerline thru an angle of 61°03'; thence N 13°18' W, 388.30 feet along said centerline; thence N 26°24' W, 51.40 feet along the centerline of said canal to the Northerly line of said Lot 74; thence S 60°00' W, 185.58 feet to the to the point of beginning.

Subject to a 37.50 feet wide right of way for Olive Avenue along the Northwesterly end of the above described parcel. Also subject to a right of way for a said lateral canal.

Prior conveyances of Parcel One have included the Parcel(s) set forth below. They are not insurable and will not be included in the policy of Title Insurance; however, the parties may wish to include them in the documents to be recorded.

APN: 047 031 028

PARCEL TWO:

A right of way and easement 20.00 feet in width, from the Westerly boundary line of said Lot 72 to the Easterly boundary line of the premises hereinabove described, for a ditch or pipeline for the conveying of irrigation water thereto by gravity, it being the intent hereof that such ditch or pipeline shall convey the irrigation waters to which the promises hereinabove described are entitled out of the lateral and canal furnishing water to Lots 72, 73 and 74, and that it shall be the right of the owners of said Lot 72 and the remainder of said Lot 73 to replace such ditch with a pipeline, adequate in size and strength but not less than 20 inches inside diameter buried to such depth below the surface of the ground as may be reasonably required for its protection but at such depth as will cause delivery of the full flow of the usual and necessary head of irrigation water, by gravity, to the portion of Lot 74 and 73 hereinabove described said right of way and easement being bounded on the Northerly side by the Southerly boundary line of Olive Avenue and on the South by a line parallel thereto and 20 feet distant therefrom.

PARCEL THREE:

All those lands and premises in the County of Stanislaus, State of California, described as follows:

A fractional portion of Lot 73 as said lots are shown on that certain map entitled "MAP OF PATTERSON COLONY, SUB-TRACT NO. 1", which map was filed in the office of the County Recorder of Stanislaus County, California, on December 13, 1909, in Volume 4 of Maps, at page 40. More particularly described as follows:

BEGINNING at a point on the Northerly line of said Lot 73, from which point the Northwest corner of Lot 73 bears S 60°00' W, 93.75 feet; thence S 30°00' E, 1320.00 feet to the Southerly line of Lot 73; thence N 60°00' E 252.25 feet along the Southerly line of Lot 73; thence N 30°00' W, 1320.00 feet to the Northerly line of said Lot 73; thence S 60°00' W 251.25 feet to the to the point of beginning.

Subject to a 37.50 feet wide right of way for Olive Avenue along the Northwesterly end of the above described parcel.

Prior conveyances of Parcel Three have included the Parcel(s) set forth below. They are not insurable and will not be included in the policy of Title Insurance; however, the parties may wish to include them in the documents to be recorded.

APN: 047 031 030

PARCEL FOUR:

A right of way and easement 20.00 feet in width, from the Westerly boundary line of said Lot 72 to the Easterly boundary line of the premises hereinabove described, for a ditch or pipeline for the conveying of irrigation water thereto by gravity, it being the intent hereof that such ditch or pipeline shall convey the irrigation waters to which the premises hereinabove described are entitled out of the lateral and canal furnishing water to Lots 72, 73 and 74, and that it shall be the right of the owners of said Lot 72 and the remainder of said Lot 73 to replace such ditch with a pipeline adequate in size and strength but not less than 20 inches inside diameter buried to such depth below the surface of the ground as may be reasonably required for its protection but at such depth as will cause delivery of the full flow of the usual and necessary head of irrigation water, by gravity, to the portion of Lot 73 hereinabove described, said right of way and easement being bounded on the Northerly side by the Southerly boundary line of Olive Avenue and on the South by a line parallel thereto and 20 feet distant therefrom.

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All of Lot 72 and the Southwesterly 93.75 feet of Lot 73 as said Lots are shown on that certain map entitled "Map of Patterson Colony, Sub-Tract No. 1", which map was filed in the office of the County Recorder of Stanislaus County, California, on December 13, 1909, in Volume 4 of Maps, at Page 40. More particularly described as follows:

Beginning at the Northeast corner of said Lot 72; thence South 60°00' West, 660.00 feet to the Northwest corner of said lot; thence South 30°00' East, 1320.00 feet to the Southwest corner of said Lot; thence North 60°00' East, 660.00 feet to the Southerly corner common to said Lot 72 and 73; thence North 60°00' East, 93.75 feet along the Southerly line of said Lot 73; thence North 30°00' West, 1320.00 feet to the Northerly line of said Lot 73; thence South 60°00' West, 93.75 feet to the Northwest corner of Lot 73 and the point of beginning.

APN: 047 031 029

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Parcel 1 as shown on a Parcel Map filed March 13, 1981 in Book 31 of Parcel Maps, at page 84, in the office of the county recorder of Stanislaus County., State of California.

APN: 047 031 041

APN: 047 031 032

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

The Northerly one-half of Lots 133, 134, and 135 as said Lots are delineated and designated on that certain Map entitled, "MAP OF PATTERSON COLONY, SUB-TRACT NO. 1", filed in the Office of the County Recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps at page 40 and particularly described as follows:

COMMENCING at the Southwesterly corner of Lot 135 which point is the intersection of the center lines of Walnut Avenue and First Street; thence along the center line of said First Street, North 30°00' West for 660.00 feet to point of beginning; thence continuing along center line of First Street, North 30°00' West 660.00 feet; thence along the Northerly line of Lots 133, 124 and 135, North 60°00' East for 1045.00 feet; thence along the Easterly line of Lot 133, South 30°00' East for 660.00 feet; thence South 60°00' West for 1045 feet to the point of beginning.

EXCEPT THEREFROM all that portion as granted to Jaime M. Ramirez, et al, by Deed dated October 10, 1972, recorded January 26, 1973 in Book 2527, page 473, as Document No. 30899, Official Records.

EXCEPTING THEREFROM an undivided one-half interest in and to all oil, gas, petroleum, naphtha, other hydrocarbon substances and minerals of whatsoever kind and nature in, upon or beneath the property hereinabove described, as excepted and reserved in the Deed from Federal Farm Mortgage Corporation, a corporation, to Steward B. Nelson, et ux, dated January 31, 1941 and recorded March 25, 1941 in Vol. 730 of Official Records, at page 123, as Document No. 3885.

APN: 047 031 033

PARCEL TWO:

All that portion of Lots 65, 66 and 67 of Patterson Colony Sub-Tract No. 1, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps, at page 40, lying South of the center line of Salado Creek, and being more particularly described as follows:

BEGINNING at a point common to the center line of Salado Creek and the center line of First Avenue, which point bears North 30° 00' West 55.7 feet from the lot corner common to Lots 64, 65, 135 and 136 of said Patterson Colony Sub-Tract No. 1; thence North 30° 22' East, along the centerline of said Salado Creek, 1202.2 feet to a point on the Easterly line of said Lot 67; thence South 30° 00' East along the Easterly line of said Lot 67, 650.0 feet to the Southeasterly corner of said Lot 67; thence South 60° 00' West along the Southerly line of said Lots 67, 66 and 65, 1045.0 feet to a point on the centerline of First Avenue, said point being the Southwesterly corner of said Lot 65; thence North 30° 00' West along the center line of First Avenue, 55.7 feet to the to the point of beginning.

APN: 047 031 004

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Parcel 1:

Lot 132 of Patterson Colony Sub Tract No. 1, as per Map filed December 13, 1909 in Vol. 4 of Maps, at Page 40, Stanislaus County Records.

Parcel 2:

Parcel A as shown on a Parcel Map filed January 22, 1973 in Book 16, page 10 of Parcel Maps in the Office of the County Recorder of Stanislaus County being a portion of Lots 133, 134, 135, 65, 66 and 67 of Patterson Colony Sub-Tract No. 1, Stanislaus County Records, California. Excepting therefrom an undivided one-half interest in and to all oil, gas, petroleum, naphtha, other hydrocarbon substances and minerals of whatsoever kind and nature in, upon or beneath the property hereinabove described, as excepted and reserved in the Deed from Federal Farm Mortgage Corporation, a corporation to Steward B. Nelson, et ux, dated January 31, 1941 and recorded March 25, 1941 in Vol. 730 of Official Records, at page 123, as Instrument No. 3885.

APN: 047-031-018 & 034

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Portion of Lots 65, 66 and 67 Patterson Colony, lying North of the Center line of Salado Creek, described as commencing at a point common to the center line of said Salado Creek and the center line of First Avenue, Patterson Colony, which point bears North 30° 00' West 55.7 feet from the Lot corner common to Lots 64, 65, 135 and 136 of said Patterson Colony, thence describing the tract from said point of beginning; North 30° 00' West 622.5 feet along the center line of said First Avenue to a point on the center line extended of Patterson Water District concrete lined irrigation ditch; thence along center line of said irrigation ditch, North 4° 42' East 676.4 feet to angle point in said ditch and point on Lot line common to said Lots 65 and 66; thence along said Lot line and ditch center line, North 30° 00' West 85.8 feet to point on the center line of Olive Avenue and Lot corner common to Lots 61, 62, 65 and 66; thence along center line of said Olive Avenue and lot line, North 60° 00' East 660 feet to Lot corner common to Lots 59, 60, 67 and 68; thence South 30° 00' East 670.00 feet along Lot line common to Lots 67 and 68 to a point on the center line of Salado Creek; thence South 30° 22' West 1202.2 feet along center line of said Salado Creek to point of beginning. Patterson Colony and all Lots hereinabove referred to being as shown on that map of Patterson Colony Sub-Tract No. 1, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California on December 13, 1909 in Vol. 4 of Maps, at page 40.

Excepting therefrom Parcel "A" as shown on that certain parcel map filed November 5, 1980 in Volume 31 of Parcel Maps, Page 4, Stanislaus County Records; and being a portion of Lots 65, 66 and 67 of the Patterson Colony Sub-Tract, No. 1.

APN: 047-031-035

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Parcel "A" as shown and designated on that certain Parcel Map filed November 14, 1980, in Volume 31 of Parcel maps, at page 4, being a portion of Lot 67 of Patterson Colony Sub-Tract No. 1, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909, in Volume 4 of Maps, at page 40.

APN: 047 031 036

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF Patterson, COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

All that portion of Lot 75 as said lot is delineated and designated on that certain Map entitled Map of PATTERSON COLONY SUB-TRACT NO. ONE, filed for record on December 13, 1909 in Vol. 4 of Maps, page 40, Stanislaus County Records, described as follows:

BEGINNING at the corner common to Lots 74, 75, 125 and 126; running thence North 60° East 660 feet to the corner common to Lots 75, 76, 124 and 125; running thence along the line dividing said Lots 75 and 76 North 30° 660 feet; thence South 60° West 660 feet to the line between Lots 74 and 75; thence South 30° East along the line between said Lots 74 and 75, a distance of 660 feet to the point of beginning.

EXCEPTING THEREFROM that portion described as follows:

Parcel 1 as per amended Parcel Map filed March 13, 1981 in Vol. 31 of Parcel Maps, page 84, Stanislaus County Records, being a portion of Lot 75 of PATTERSON COLONY SUB-TRACT NO. ONE.

APN: 047 031 037

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF , COUNTY OF Stanislaus, STATE OF California AND IS DESCRIBED AS FOLLOWS:

Lot 147 as said Lot is delineated and designated on that certain map entitled "Map of Patterson Colony Sub-Tract No. 1", filed in the Office of the Recorder of Stanislaus County, California, on December 13, 1909 in Vol. 4 of Maps, at page 40.

APN: 047 035 003

EXHIBIT C-1
TO
DEVELOPMENT AGREEMENT
"THE VILLAGES OF PATTERSON"

VILLAGES OF PATTERSON RESIDENTIAL FEES

**Villages of Patterson
Residential Fees**

CITY FEES (per unit):	Baseline Fee Amount	Project Fee Amount	Section Referenced in Development Agreement (if any)
Final Map:			
General Plan Reimbursement Fee	\$286.00/Acre	\$286.00/Acre	Section 5.5
City Development Agreement Fee	\$570.00/Acre	\$570.00/Acre	Section 5.4
Street Improvement Impact Fee*	\$3,879/unit	\$0.00	Section 4.11
Drainage Fee*	\$5,379/unit	\$0.00	Section 4.8
Sewer Connection Fee*	\$4,307/unit	\$0.00	Section 4.9
Water Connection Fee*	\$13,505/unit	\$7,567/unit	Section 4.10
Affordable Housing in Lieu Fee**	\$20,946/unit	\$0.00	Section 4.6
Parkland in Lieu Fee (or 0.0093 acre per unit dedication)**	\$3,689.00	\$0.00	Section 4.7
Street Trees (cash or bond)	\$75/tree	\$75/tree	
Building Permit:			
Water Meter (e/4" - see Ord. For larger sizes)	\$250/unit	\$250/unit	
General Government Impact Fee/City Hall	\$342/unit	\$342/unit	
General Government Impact Fee/Corporation Yard	\$731/unit	\$0.00	Section 5.6
Community Facilities Impact Fee/Community Center/Senior Center	\$2,313/unit	\$2,313/unit	Section 4.13
Community Facilities Impact Fee/Aquatic Center	\$615/unit	\$615/unit	
Community Facilities Impact Fee/Sports Complex II	\$916/unit	\$0.00	Section 4.7
Community Facilities Impact Fee/Park Development**	\$2,585/unit	\$0.00	Section 4.7
Public Safety Impact Fee/Police	\$70/unit	\$70/unit	Section 4.12
Public Safety Impact Fee/Fire	\$457/unit	\$0.00	Section 4.12
OTHER FEES:			
County Wide Public Facility Impact Fee (for single family units)	\$8,037.73/unit	\$8,037.73/unit	
County Wide Public Facility Impact Fee (for Multifamily units)	\$6,580.39/unit	\$6,580.39/unit	
School Impact Fee (to be collected by the School District)***	\$4.93/sq. ft.	\$12,510/unit	See School Mitigation Agreement
General Mitigation Fee	\$607/unit	\$1,200/unit	Section 5.3
I-5 Interchange	\$43/unit	\$43/unit	
Downtown Assistance Fee	\$0/unit	\$325/unit	Section 5.6

* With Mello-Roos Participation

**Per Development Agreement

***School Fee Mitigation Agreement

EXHIBIT C-2
TO
DEVELOPMENT AGREEMENT
“THE VILLAGES OF PATTERSON”

VILLAGES OF PATTERSON DOWNTOWN CORE FEES

**Villages of Patterson
Downtown Core Fees**

CITY FEES (per unit):	Baseline Fee Amount	Project Fee Amount	Section Referenced in Development Agreement (if any)
Final Map:			
General Plan Reimbursement Fee	\$286/Acre	\$286/Acre	Section 5.5
City Development Agreement Fee	\$570/Acre	\$570/Acre	Section 5.4
Street Trees (cash or bond)	\$75/tree	\$75/tree	
Building Permit:			
Street Improvement Impact Fee*	\$0.60/sq.ft.	\$0.00	Section 4.11
I-5 Interchange Fee	\$0.049/sq. ft.	\$0.049/sq. ft.	
Drainage Fee*	\$3.62/sq.ft.	\$0.00	Section 4.8
Sewer Connection Fee*	\$2.11/sq.ft.	\$0.00	Section 4.9
Water Connection Fee*	\$6.23/sq.ft.	\$6.23/sq.ft.	Section 4.10
Water Meter (2" - see Ord. For larger sizes)	\$1,200 minimum	\$1,200.00	
General Government Impact Fee/City Hall	\$0.08/sq. ft.	\$0.08/sq. ft.	
General Government Impact Fee/Corporation Yard	\$0.15/sq.ft.	\$0.15/sq.ft.	
Public Safety Impact Fee/Police	\$0.04/sq.ft.	\$0.04/sq.ft.	
Public Safety Impact Fee/Fire	\$0.16/sq.ft.	\$0.16/sq.ft.	
General Mitigation Fee	\$0.055/sq.ft.	\$0.20/sq.ft.	Section 5.3
OTHER FEES:			
County Wide Public Facility Impact Fee	\$0.00	\$0.00	
School Impact Fee**	\$0.42/sq. ft.	\$0.42/sq. ft.	

* With Mello-Roos Participation

**School Fee Mitigation Agreement

EXHIBIT C-3
TO
DEVELOPMENT AGREEMENT
“THE VILLAGES OF PATTERSON”

VILLAGES OF PATTERSON LIGHT INDUSTRIAL/COMMERCIAL FEES

**Villages of Patterson
Light Industrial/Commercial Fees**

CITY FEES (per unit):	Baseline Fee Amount	Project Fee Amount	Section Referenced in Development Agreement (if any)
Final Map:			
General Plan Reimbursement Fee	\$286/ Acre	\$286/ Acre	Section 5.5
City Development Agreement Fee	\$570/ Acre	\$570/ Acre	Section 5.4
Street Trees (cash or bond)	\$75/tree	\$75/tree	
Building Permit:			
Street Improvement Impact Fee*	\$0.60/sq.ft.	\$0.00	Section 4.11
I-5 Interchange Fee	\$0.07/sq.ft.	\$0.07/sq.ft.	
Drainage Fee*	\$3.62/sq.ft.	\$0.00	Section 4.8
Sewer Connection Fee*	\$2.11/sq.ft.	\$0.00	Section 4.9
Water Connection Fee*	\$6.23/sq.ft.	\$6.23/sq.ft.	Section 4.10
Water Meter (2" - see Ord. For larger sizes)	\$1,200 minimum	\$1,200.00	
General Government Impact Fee/City Hall General Government Impact	\$0.08/sq. ft.	\$0.08/sq. ft.	
Fee/Corporation Yard	\$0.15/sq.ft.	\$0.15/sq.ft.	
Public Safety Impact Fee/Police	\$0.04/sq.ft.	\$0.04/sq.ft.	
Public Safety Impact Fee/Fire--Small Scale	\$0.16/sq.ft.	\$0.16/sq.ft.	
Public Safety Impact Fee/Fire--Large Scale	\$0.35/sq.ft.	\$0.35/sq.ft.	
General Mitigation Fee	\$0.055/sq. ft.	\$0.20/sq. ft.	Section 5.3
OTHER FEES:			
County Wide Public Facility Impact Fee	\$0.00	\$0.00	
School Impact Fee**	\$0.42/sq. ft.	\$0.42/sq. ft.	

* With Mello-Roos Participation

**School Fee Mitigation Agreement

EXHIBIT D-1
TO
DEVELOPMENT AGREEMENT
“THE VILLAGES OF PATTERSON”

SUMMARY OF PUBLIC FACILITIES IMPROVEMENTS

SUMMARY OF PUBLIC FACILITIES IMPROVEMENTS

1. Water Well Test Drilling and Site Acquisition.

The drilling of two (2) test wells, one test well adjacent to north property line of PA 8 and the other test well is at the south side of Olive Avenue adjacent to PA 18. The provision of monitoring equipment at sites east of Highway 33 in the Villages of Patterson plan area, to determine water quality and quantity. The City will be responsible for getting permits from the State.

2. Water System.

The construction of one to two water wells east of Highway 33 in the Villages of Patterson plan area, depending on water modeling analysis being performed by the City Engineer. There will be one storage tank and 1 booster station. The wells will produce approximately 1000 to 1500 gpm. The storage tank will be 2mg. The booster station will provide approximately 2000 gpm.

The water main on Sycamore Avenue will be 16" and will connect to the City's existing system. The connection point for Sycamore is approximately ¼ mile south of Las Palmas Avenue. A 12" water main will be installed on Walnut Avenue at both ends of the project. A 12" water line will also connect to the City's existing water system at the intersection of Walnut and Hartley.

3. Northeast Storm Drain Basin/Soccer Field Complex

The construction of the Northeast Storm Drainage Basin, irrigation, landscaping, lighting, facilities which include restrooms, storage, concessions and other related facilities, parking and security cameras.

4. Wastewater Treatment Plant Expansion.

The construction of a 1.25MG per day expansion to the City's current wastewater treatment facility.

5. Fire Department Facilities and Equipment.

The construction of fire department facilities and acquisition of equipment necessary to serve the Project, or the refurbishment or remodeling of same.

6. School Facilities.

Acquisition, construction and equipping of elementary, middle and high school facilities (and related school district support facilities) which serve all of the Villages of Patterson students generated and a portion of the student population residing and expected by the Patterson Joint Unified School District (the "PJUSD") to reside in the District, including reimbursement for

financing costs, costs of carry or other amounts incurred or expended pending funding by the Financing District.

7. Community Center as proposed by the City of Patterson.

A portion of the cost to construct the proposed community center for the City of Patterson.

8. Water, Sewer and Drainage Facility Oversizing.

The oversizing of any water, sewer or storm drainage facilities used to serve other developments or other parts of the City of Patterson.

9. Transportation Improvements.

Various off-site transportation improvements and mitigation for the City of Patterson including, without limitation, intersections, traffic signals, roads and road widening projects in and around the City of Patterson.

10. Other Road Improvements:

Various major roads that are part of the Villages of Patterson Project including: Olive Avenue, Sycamore Avenue, Eucalyptus Avenue and Walnut Avenue. Other roads may also be considered for funding if funding capacity is available.

11. Landscaping; Monumentation, main roads, medians, paseos and entrances.

Landscaping for various roads and streets to be widened including median and sidewalk landscaping, entryway monumentation and landscaping, paseo landscaping.

12. Water System and Water Treatment.

The cost related to the City of Patterson's future plans for water treatment, acquisition and/or construction of future water facilities.

13. City of Patterson Downtown Redevelopment.

Improvements in the historic Downtown Core of the City of Patterson to preserve and enhance its viability.

The public improvements shall include the acquisition of right-of-way and land, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, landscaping and irrigation, utility undergrounding, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

EXHIBIT D-2
TO
DEVELOPMENT AGREEMENT
“THE VILLAGES OF PATTERSON”

PROPOSED FACILITIES DISTRICT FINANCING

VILLAGES OF PATTERSON
Proposed Facilities District Financing

Updated November 14, 2006

	<u>TOTAL</u>	<u>BOND #</u>
CFD ITEMS:		
Sewer Treatment Facility (1.25 MGD) (1)	\$12,000,000	
Water Treatment	\$10,000,000	
Sycamore Avenue--Water Extension (16")	\$700,000	
Tank (2 MG), Booster Station & Wells	\$3,400,000	
Storm Drainage Basin/ Soccer Field Complex	\$5,600,000	
Traffic Mitigation (2)	\$10,000,000	
Road Improvements:		
Eucalyptus Avenue (SR33 to Sycamore)	\$0	
Olive Avenue (SR33 to Sycamore)	\$3,000,000	
Sycamore Avenue (Eucalyptus to Walnut)	\$3,500,000	
Walnut Avenue (1st Street to Sycamore north of centerline)	\$0	
Fire Station/Police	\$3,000,000	
Community Center	\$4,500,000	
Schools:		
Walnut Grove Middle School	\$12,000,000	
SUBTOTAL	\$67,700,000	
FUTURE REIMBURSABLES:		
Other Road Improvements (To be determined if available)		
SUBTOTAL		
TOTAL OF CITY CFD	\$67,700,000	

(1) Based on estimate provided by City of Patterson

(2) Lump Sum

EXHIBIT D-3
TO
DEVELOPMENT AGREEMENT
“THE VILLAGES OF PATTERSON”

FINANCING PLAN

Villages of Patterson

Financing Plan Estimated Priorities

First Priority: Improvement Area 1	
Schools:	
Walnut Grove and Elementary	\$12,000,000
Sycamore Avenue Water Extension (16")	<u>\$700,000</u>
	\$12,700,000

Second Priority: Improvement Area 2	
Sewer Treatment Facility (1.25MGD)	\$12,000,000
Water Tank (2MG), Booster station and Well	<u>\$3,400,000</u>
	\$15,400,000

Third Priority: Improvement Area 3	
Community Center	\$4,500,000
Storm Drainage Basin/Soccer Field Complex	\$5,600,000
Traffic Mitigation (30%)	\$3,000,000
Water Treatment (30%)	<u>\$3,000,000</u>
	\$16,100,000

Fourth Priority: Improvement Area 4	
Water Treatment (70%)	\$7,000,000
Traffic Mitigation (70%)	<u>\$7,000,000</u>
	\$14,000,000

Fifth Priority: Improvement Area 5	
Fire Station/Fire Truck/Fire service vehicle	\$3,000,000
Road Improvements:	
Olive Avenue (SR 33 to Sycamore)	\$3,000,000
Sycamore Avenue (Eucalyptus to Walnut)	<u>\$3,500,000</u>
	\$9,500,000

Sub-Total Bond Proceeds for Estimated Priorities	<u>\$67,700,000</u>
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