

TERRY A. HANSEN
YUBA COUNTY RECORDER
MARYSVILLE, CA
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PAGE 1 OF 36
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**RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:**

Clerk of the Board
County of Yuba
915 8th St. Suite 109
Marysville, CA 95901

Space above for Recorders Use Only

**DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE COUNTY OF YUBA AND
DANSK-CALIFORNISK EJENDOMSSLSKAB, JENS KARLSHOEJ
and AXEL KARLSHOEJ**

**RELATIVE TO THE DEVELOPMENT KNOWN AS
DANNA 70**

This document, including exhibits, totals 36 pages.

REFERENCE SHEET

Project: Danna 70

Developer: Dansk-Californisk Ejendomsselskab, a Denmark Corporation, Jens Karlshoej and Axel Karlshoej

Developer's Address for Purpose of Written Notice:

417 7th Street, Suite B
Marysville, CA 95901

Landowner:

Dansk-Californisk Ejendomsselskab, a Denmark Corporation, Jens Karlshoej and Axel Karlshoej, as tenants in common
417 7th Street, Suite B
Marysville, CA 95901

Term:

The Term of the Development Agreement, as provided for in section 1.8 is ten (10) years, which begins (30) days after the Board of Supervisors enacts the Adopting Ordinance (noted below).

Entitlements:

As referred to in Recital 5 shall mean Tract Map 2004-0029 (previously approved).

CEQA document:

This project is located within the Plumas Lake Specific Plan area. A Final Environmental Impact Report for the Plumas Lake Specific Plan was adopted by the Yuba County Board of Supervisors on September 21, 1993 (State Clearinghouse No. 92072070). A residential project that is consistent with a specific plan is exempt from further environmental review (Section 15182 of the CEQA Guidelines).

Adopting Ordinance:

As referred to in Section 1.3 (a), shall mean Ordinance No. 1490 enacted by the Board of Supervisors on October 20, 2009.

Exhibits which are attached to this Development Agreement are as follows:

- A. Legal Description of Subject Property
- B. Assumption Agreement
- C. Levee Fees
- D. Sample Notice of Termination

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THIS DEVELOPMENT AGREEMENT (“Agreement”) is made by and between the COUNTY OF YUBA, a political subdivision of the State of California (“County”), and DANSK-CALIFORNISK EJENDOMSSELSKAB, a Denmark Corporation, JENS KARLSHOEJ and AXEL KARLSHOEJ (“Developer”) pursuant to the authority of Article 2.5, Chapter 4, Division 1, Title 7 (§ 65864 et seq. of the Government Code) relating to Development Agreements.

RECITALS

1. In order to strengthen the public land use planning process, to encourage private participation in the process, to reduce the economic risk of development and to reduce the waste of resources, the Legislature adopted the Development Agreement Law (Gov. Code, § 65864 et seq.)

2. The Development Agreement Law permits cities and counties to contract with private interests for their mutual benefit in a manner not otherwise available to the contracting parties. Such agreements, as authorized by the Development Agreement Law and by common law, assure property developers that they may proceed with their projects with the assurance that approvals granted by public agencies will not change during the period of development. Cities and counties are equally assured that costly infrastructure such as roads, sewers, fire protection facilities, etc., will be available in a timely manner.

3. The parties have, in good faith, negotiated the terms hereinafter set forth which carry out the legislative purpose set forth above and will assure the parties to this Agreement of mutually desirable development in a manner consistent with the CEQA document, the Entitlements, and this Agreement.

4. Developer owns in fee the Subject Property commonly referred to as **Danna 70** and more particularly described on **Exhibit A** hereto, located in the County.

5. County, in response to Developer’s application(s), after public hearings and extensive environmental analysis, has granted approval of the Entitlements, as set forth on the Reference Sheet.

6. In support of the various Entitlements described in paragraph 5 above, and in accord with the California Environmental Quality Act (“CEQA”) and State and County guidelines, County has accepted and ratified a CEQA document, as set forth in the Reference Sheet.

7. Development of the Subject Property pursuant to the terms and conditions of the Entitlements, the General Plan and appropriate environmental determinations will provide for orderly growth and development consistent with the County’s General Plan and other development policies and programs.

8. The Planning Commission considered this Agreement, and recommended its adoption to the Board of Supervisors.

9. Having duly considered this Agreement and having held the noticed public hearings, County finds and declares that the provisions of this Agreement are consistent with the maps and text of the County's General Plan.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1

GENERAL PROVISIONS

Section 1.1. The Project. The Project is defined as set forth on the Reference Sheet.

Section 1.2. Subject Property. The Subject Property is more specifically described in **Exhibit A**, which is incorporated herein and made part of this Agreement.

Section 1.3. Definitions. As used in the Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

(a) **Adopting Ordinance** means the ordinance which approves this Agreement as required by Government Code section 65867.5.

(b) **Applicable Laws** means the General Plan, Specific Plan (if applicable), County Laws, rules, ordinances, regulations, and official policies governing the processing of entitlements, the permitted uses of the Subject Property, the density or intensity of use, the rate and timing of development, design, improvements, reservation or dedication of land for public improvements, fees, exactions, construction and building setbacks, occupancy and specifications applicable to the Subject Property in effect on the Effective Date of this Agreement.

(c) **Assumption Agreement** means an agreement substantially conforming to the model assumption agreement described in **Exhibit B**, or other agreement in a form approved by the County Counsel, executed by a Landowner with the Developer, expressly assuming various obligations relating to the development of the Project, or portion thereof.

(d) **CEQA** means the California Environmental Quality Act section 21000 et seq., of the Public Resources Code of the State of California.

(e) **Completed Lots** shall mean any single-family residence, any other residential dwelling unit(s), or any non-residential building, and the lot or parcel upon which such residence or building is located, when it has been approved by the County for occupancy.

(f) **County** means the County Board of Supervisors for the County of Yuba, or its designee.

(g) **County Laws** means ordinances, resolutions, rules, regulations, policies, motions, directives, mitigation measures, conditions, standards, specifications, dedications, fees, taxes (including without limitation general, special and excise taxes), assessments, liens, other exactions and impositions, and any other actions having the force of law, that are enacted or adopted by County, or by its electorate through the initiative or referendum process.

(h) **Current Fees** means those County development impact fees in effect as of the Effective Date, which may be implemented in future years consistent with the resolutions or ordinances adopted prior to the Effective Date, as specified in Section 1.3(k) and any permitted adjustments and increases therein adopted as of the Effective Date, including but not limited to the County Public Facilities Fee as defined in Chapter 13 of the Yuba County Ordinance Code and PLSP/NASA Road Improvement Fees, as amended by Resolution 2005-40.

(i) **Developer** shall mean that person or entity that has applied for this Development Agreement as defined on the Reference Sheet.

(j) **Director** means the Community Development Director for the County, or his/her designee.

(k) **Effective Date** means the effective date of the Adopting Ordinance.

(l) **Entitlements** shall mean those approvals listed on the Reference Sheet of this Agreement, approved copies of which are on file with the Board of Supervisors.

(m) **General Plan** means the General Plan of the County, including the text and maps, as may have been amended in connection with the Project.

(n) **Landowner** is a party who has acquired any portion of the Subject Property from the Developer who, unless otherwise released as provided in this Agreement, shall be subject to the applicable provisions of this Agreement.

(o) **New Fees** means those fees adopted by the County after the Effective Date. New Fees shall not include permitted adjustments or increases in Current Fees (Section 1.3(h) above).

(p) **Planning Commission** shall mean the County's Planning Commission.

(q) **Reserved Powers** shall mean those powers explicitly reserved to the County by this Agreement.

(r) **Subject Property** means the property described in Section 1.2, or the remaining portions thereof after releases from the provisions of this Agreement have been executed as authorized by this Agreement.

(s) **Levee Fee Payment Agreement** means the agreement executed by the Board of Supervisors on March 27, 2008 which outlined the subject properties levee fee obligation.

Section 1.4. Exhibits. Exhibits to this Agreement are as follows:

Exhibit A	Legal Description of Subject Property
Exhibit B	Assumption Agreement
Exhibit C	Levee Fees
Exhibit D	Sample Notice of Termination

Section 1.5. Incorporation of Recitals. Recitals 1 through 9 are incorporated herein, including all exhibits referred to in the Recitals. In the event of inconsistency between the Recitals and the provisions of Articles 1 through 5, the provisions of Articles 1 through 5 shall prevail.

Section 1.6. Parties to Agreement. The parties to this Agreement are:

(a) **The County of Yuba.** A political subdivision of the State of California exercising general governmental functions and powers. The principal office of the County is located at 915 8th Street, Marysville, California 95901.

(b) **Developer.** Dansk-Californisk Ejendomsselskab, a Denmark Corporation, Jens Karlshoej and Axel Karlshoej, as tenants in common own the Subject Property in fee.

(c) **Landowner.** From time to time, as provided in this Agreement, Developer may sell or otherwise lawfully dispose of a portion of the Subject Property to a Landowner who, unless otherwise released, shall be subject to the applicable provisions of this Agreement related to such portion of the Subject Property.

Section 1.7. Project is a Private Undertaking. It is agreed among the parties that the Project is a private development and that the County has no interest therein except as authorized in the exercise of its governmental functions.

Section 1.8. Term of Agreement. This Agreement shall commence upon the Effective Date of the Adopting Ordinance approving this Agreement and shall continue in force for the period shown on the Reference Sheet under "Term." Upon the expiration of the Term as provided for in this section, this Agreement shall automatically terminate

and be of no further force and effect; provided however, such termination shall not affect the rights or duties arising from the entitlements for the Subject Property which were approved prior to, concurrently with, or subsequent to the approval of this Agreement.

Section 1.9. Assignment and Assumption.

(a) Developer shall have the right to sell, assign, or transfer this Agreement with all the rights, title and interests therein to any person, firm or corporation who qualifies as a Landowner at any time during the term of this Agreement.

(b) The conditions and covenants set forth in this Agreement and incorporated herein shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. Developer shall provide County with a copy of the Assumption Agreement. Express written assumption by such purchaser, assignee or transferee, to the satisfaction of the County Counsel, of the obligations and other terms and conditions of this Agreement with respect to the Subject Property or such portion thereof sold, assigned or transferred, shall relieve the Developer selling, assigning or transferring such interest of such obligations so expressly assumed. Any such assumption of Developer's obligations under this Agreement shall be deemed to be to the satisfaction of the County Counsel if executed in the form of the Assumption Agreement attached hereto as **Exhibit B** and incorporated herein by this reference, or such other form as shall be approved by the County Counsel.

(c) No assignment shall be valid until assignee has provided written evidence, in a form acceptable to the County Counsel, that assignee has executed an assignment and assumption of the Levee Fee Payment Agreement as provided for above.

(d) Any assignment of this Agreement shall not release Developer of the obligations arising out of the Levee Fee Payment Agreement.

Section 1.10. Covenants Running with the Land. Each and every purchaser, assignee or transferee of an interest in the Subject Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Subject Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of a Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Subject Property sold, assigned or transferred to it. Provided however, notwithstanding anything to the contrary above, if any such sale, assignment or transfer relates to a completed residential unit or non-residential building which has been approved by the County for occupancy, this Agreement shall automatically terminate with respect to the Completed Lot. The termination of this Agreement for any Completed Lot shall not be construed to terminate or modify any assessment district or Mello-Roos community facilities district lien affecting such Completed Lot at the time of termination. Upon the request of a Developer, County shall execute such documents as are reasonably requested

to remove this Agreement from the public records as it affects each Completed Lot. The County may charge a reasonable fee to process this request.

Section 1.11. Amendment to Agreement (Developer and County). This Agreement may be amended by mutual consent of the parties in writing, in accordance with the provisions of Government Code section 65868, provided that any amendment which relates to the term, permitted uses, density, intensity of use, height and size of proposed buildings, or provisions for reservation and dedication of land shall require a noticed public hearing before the parties may execute an amendment. Unless otherwise provided by law, all other amendments may be approved without a noticed public hearing.

Any amendment entered into between the County and the Developer shall require the signature of each owner of any portion of the Subject Property to the extent the amendment modifies this Agreement as to that other owner's property.

Section 1.12. Amendment to Agreement (Landowner and County). This Agreement may also be amended, subject to the provisions of Government Code section 65868, between a Landowner who has acquired a portion of the Subject Property from Developer and County as to the portions of the Subject Property then owned by Landowner.

Any amendment entered into between the County and a Landowner shall require the signature of each Landowner of any portion of the Subject Property or the Developer to the extent the amendment modifies the Agreement as to that Landowner's or the Developer's property.

Section 1.13. Releases. Developer, and any subsequent Landowner, shall be deemed released from all further obligations, other than those set forth in the Levee Fee Payment Agreement, relating to the sold, assigned, or transferred property, upon the date that the Clerk of the Board receives a copy of the Assumption Agreement provided for in Section 1.9.

Section 1.14. Notices. Notices, demands, correspondence, and other communication to County and Developer shall be deemed given if dispatched by prepaid first-class mail to the principal offices of the parties as designated for the County in Section 1.6(a) and on the Reference Sheet for the Developer. Notice to the County shall be to the attention of both the County Administrator and the Director. Notices to subsequent Landowners shall be required to be given by the County only for those Landowners who have given the County written notice of their address for such notices. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

Section 1.15. Reimbursement for Agreement Expense of County. Developer agrees to reimburse County for reasonable and actual expenses over and above fees paid by Developer as an applicant for a pro-rata share of the cost of the preparation of the

form of this Agreement, in addition to costs specifically incurred by the County for the preparation of this Agreement, including publishing fees and reasonable staff and consultant costs not otherwise included within application fees then due and payable to the County. Developer shall also pay any and all installments of property tax then due for the Subject Property. Developer agrees to reimburse the County within thirty (30) days after recordation of this Agreement.

Section 1.16. Recordation of Agreement. The Clerk of the Board shall cause a copy of this Agreement to be recorded with the County Recorder not later than ten (10) days after execution of this Agreement by the County and Developer.

Section 1.17. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 1.18. Invalidity of Agreement/Severability. If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which became effective after the Effective Date, the remaining provisions shall continue in full force and effect.

Section 1.19. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner, challenging this Agreement, the Entitlements or any approval subsequently granted by the County for the development of the Subject Property, the parties and any Landowner agree to cooperate with each other in good faith. County may elect to tender the defense of any lawsuit filed by a third person or entity to Developer and/or Landowner(s) (to the extent the litigation, in part or in whole, seeks to overturn or invalidate this Agreement, the Entitlements or any subsequent approval granted for the Subject Property held by or granted to Developer and/or Landowner), and, in such event, Developer and/or such Landowner(s) shall indemnify, hold the County harmless from and defend the County from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees and expenses of litigation awarded to the prevailing party or parties in such litigation. For purposes of this section only, "County" shall include all employees, consultants and agents acting on behalf of the County. Neither party shall settle any such lawsuit without the consent of the other party. The County may elect to participate in the litigation, in which case the Developer and/or Landowner agree to reimburse the County for its litigation costs and fees, including the retention of outside legal counsel and all staff costs. It is the intent of the parties that the County's participation not result in unnecessary duplication of legal services, but rather that the County's active involvement in the litigation be limited to supervising the preparation of the administrative record or discovery as applicable, monitoring of litigation, and responsive pleadings regarding issues which, in the sole opinion of the County, involve broader County concerns than those immediately affecting the Landowner and/or Developer. Upon written demand of the County, Developer and/or

Landowner shall deposit with the County such sums as may be specified by the County as its estimated litigation costs and fees for the following thirty (30) day period. Both parties shall act in good faith, and shall not unreasonably withhold consent to settle. In the event that the County elects to settle a claim, and Developer refuses to also settle, County at its sole option, may require Developer to post security in a form and amount reasonably acceptable to the County, for the performance of Developer's duties under this section to indemnify, hold harmless, and defend. If the Developer, within thirty (30) days of receiving written notice from County, fails to post this security, the Developer shall settle the claim on terms as previously approved by the County. This provision shall survive the termination of this Agreement.

Section 1.20. Priority of Enactment. In the event of conflict between the Development Agreement, the Entitlements and the County Laws, the parties agree that the following sequence of approvals establishes the relative priority of approvals, each approval superior to the approvals listed thereafter: (1) the Development Agreement; (2) the Entitlements; and (3) the County Laws. In the event of a conflict between two or more of the foregoing documents, the language of that document which is superior in priority as provided above shall govern.

ARTICLE 2

PROJECT DEVELOPMENT

Section 2.1. Vested Right. During the Term of and subject to the terms of this Agreement, the Developer's rights shall be vested only as to the Entitlements. "Vested" shall mean that except as to express limitations and reservations contained in this Agreement, Developer has a fully vested right to develop the Subject Property in accordance with the terms and conditions of this Agreement and the Entitlements, and Developer's Entitlements shall not be subject to changes in Applicable Laws. To the extent that any changes in the Applicable Laws are in conflict with Developer's vested rights secured by this Agreement, the vested rights shall prevail. Notwithstanding the foregoing, Developer may elect, in its sole discretion, to comply with or receive the benefits of changes in Applicable Laws by providing notice to the County of said election. If the Developer seeks any additional entitlements, approvals, or permits in the implementation of the Project, the County's consideration of such subsequent entitlements, approvals, and permits shall be in accordance with Applicable Laws. Upon approval of such subsequent entitlements, approvals, or permits, such subsequent entitlements, approvals, or permits shall also be considered vested. This section shall not be construed to limit the authority or obligation of the County to hold necessary public hearings, or to limit the discretion of the County or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements, which require the exercise of discretion by the County or any of its officers or officials in accordance with the Applicable Laws, or exercise those reserved powers as set forth in Section 2.9.

Section 2.2. No Moratorium. Except as otherwise provided by the terms and conditions of this Agreement or the Entitlements, no ordinance, resolution, rule,

regulation or policy of County shall be applied, imposed or enacted by County, by resolution, ordinance, initiative or otherwise, which in any way relates to the rate, timing or sequencing of the development or use of the Property, or any improvements related thereto, including without limitation, any no-growth or slow-growth moratoriums or annual development allocations, quotas or limitations, or in any way conflicts with the permitted uses, density and intensity of uses, maximum building height and size set forth in the Entitlements; provided, however, Developer shall be subject to any such growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, County-wide basis and directly concerns a public health or safety issue, in which case County shall treat Developer in a uniform, equitable and proportionate manner with all properties which are zoned consistent with Developer's zoning set forth in the Entitlements."

Section 2.3. Permitted Uses and Development Standards. The permitted uses and development standards shall be those as set forth in and permitted by the Entitlements, including County zoning, Applicable Laws, subdivision and land development standards as of the Effective Date.

Section 2.4. Application, Processing and Inspection Fees. Application fees, processing fees, and inspection fees that are revised during the term of this Agreement shall apply to the development pursuant to this Agreement, provided that such revised fees apply generally to similar private projects or works within the County.

Section 2.5. Impact Fees.

(a) Developer shall be subject only to the Current Fees. For a period of eight (8) years following the Effective Date, Developer shall not be subject to any New Fees. However, within the eight (8) year period following the Effective Date, Developer agrees to be subject to fifty percent (50%) of any increase to the Traffic Impact (Road Improvements) Fee."

The payment of levee fees for the Subject Property shall be based on the Levee Fee Payment Agreement as may be amended or as otherwise approved by the County Board of Supervisors, except that no payments in excess of the total obligation as defined in **Exhibit C** shall be due unless a reimbursement agreement is approved by both parties of this agreement. The Property includes a total of 64.32 gross developable acres. A payment against the total obligation for the Property was made previously in the amount of \$1,421,862 and the total obligations for the Property are shown in **Exhibit C**.

Section 2.6. Deferral of Countywide Capital Facilities Fees. The County agrees that all countywide capital facility and development impact fees, including road fees, otherwise paid by Developer at the issuance of building permit, shall instead be deferred and **paid at** the time of final inspection made prior to occupancy. The amount of the fees will be based on the rates in effect at the time of issuance of building permit.

Section 2.7. Processing of Building Permits and Plot Plans by County.

(a) **Building Permits.** The County shall make best efforts to process and approve within **thirty (30)** days all building permits for approved master plans requested by Developer, provided that the Developer submits to the County all required materials, including building and plot plans, and pay all required submittal fees at the time of submission. No building permits issued to Developer shall expire prior to eighteen (18) months from the date issued, and all such building permits shall be automatically extended for a further twelve (12) month period.

(b) **Plot Plans.** The County shall make best efforts to process and approve within thirty (30) days all plot plans submitted by Developer, provided that a request for a revised floor plan or elevation shall (i) be submitted at least thirty (30) days prior to the first inspection, and (ii) include changes that are based upon an approved master plan. Any revised submittal which results in an increase in square footage shall be accompanied by any required payment for the difference between the amount previously paid and the amount now due based upon the increase in square footage. Any revised submittal which results in a decrease in square footage shall not be entitled to a refund of fees.

Section 2.8. Life of Tentative Maps. The life of any tentative map or parcel map approved as of the Effective Date is extended for the Term of this Agreement or the duration of such entitlement approval according to law, whichever occurs later, as provided in Government Code sections 66452.6(a) and 65863.9. In the event that this Agreement is terminated for any reason, any extension to a tentative subdivision map or parcel map provided by this Agreement shall automatically expire.

Section 2.9. Reserved Powers. Notwithstanding any other provision of this Agreement, and without limitation as to any other requirements or exceptions contained in this Agreement, the County retains the authority to take the following actions and apply the same to the Subject Property:

(a) The authority of the Board of Supervisors to adopt regulations to protect the County and its citizens from an immediate and significant adverse risk to health and safety. This shall include, but not be limited to, lack of sufficient sewer and/or water facilities, but not school facilities.

(b) Adopt new or amended building codes (as may be amended by the County), including, but not limited to, the Uniform Building Code, Uniform Fire Code, Uniform Mechanical Code, Uniform Plumbing Code, National Electrical Code, Uniform Housing Code, and Uniform Sign Code, that generally apply equally to all buildings, structures, and real property in the County.

(c) Adopt land use regulations, ordinances, policies, programs, resolutions or fees generally applicable to similar development projects adopted or undertaken by County in order to comply with state or federal laws, or regulations,

provided that in the event that such state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provision or provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

(d) Adopt County land use regulations, ordinances, policies, programs or resolutions after the Effective Date, which are in conflict with the Applicable Laws, but the application of which to the development of the Subject Property has been consented to in writing by the Developer and/or the applicable Landowner by later separate document, which consent Developer and/or Landowner may withhold in their sole and exclusive discretion.

Section 2.10. Obligation and Rights of Mortgage Lenders. The holder of any mortgage, deed of trust or other security instrument with respect to the Subject Property, or any portion thereof, shall not be obligated under this Agreement to construct or complete improvements or to guarantee such construction or completion, but, in the event said holder takes title to the Subject Property through foreclosure of a mortgage or a deed of trust, or deed-in-lieu of such foreclosure, said holder shall be bound by all of the terms and conditions of this Agreement which pertain to the Subject Property or such portion thereof in which it holds an interest. Any such holder who comes into possession of the Subject Property, or any portion thereof, pursuant to a foreclosure of a mortgage or a deed of trust, or deed in lieu of such foreclosure, shall take the Subject Property, or such portion thereof, subject to any pro rata claims for payments or charges against the Subject Property, or such portion thereof, which accrue prior and subsequent to the time such holder comes into possession. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Subject Property, or any portion thereof, to any uses, or to construct any improvements thereon, other than those uses and improvements provided for or authorized by this Agreement, subject to all of the terms and conditions of this Agreement.

Upon foreclosure or deed-in-lieu thereof, a lender has no obligation to pay any amounts related to the Subject Property unless said lender or successor-in-interest elects to use the Entitlements to develop the Subject Property.

Section 2.11 Tolling and Extension During Legal Challenge or Moratoria.

(a) If this Agreement, any of the Entitlements or any subsequent entitlements, approvals or permits required to implement the Entitlements (such as any required fill permit) are subjected to legal challenge by a third party, other than Developer, and Developer cannot or elects not to proceed with development of the Subject Property during such litigation, the Term of this Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Developer to County, be extended and tolled during such litigation until the entry of final order or judgment upholding this Agreement, the Entitlements, subsequent entitlements, approvals and/or other permits required to implement the Entitlements, or the litigation is dismissed by stipulation of the parties.

(b) If this Agreement, any of the Entitlements or any subsequent entitlements, approvals or permits required to implement the Entitlements are subjected to moratoria, and Developer cannot or elects not to proceed with the development of the Subject Property during such moratoria, the Term of this Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Developer to County, be extended and tolled during such moratoria. Moratoria shall be defined as restrictions, moratorium or de facto moratoria on approval or recordation of final maps, issuance of building permits, final inspections or certificates of occupancy, or approval or issuance of other such entitlements or permits, at the time of the transfer which would limit the reasonable ability to construct in a similar fashion a development project previously approved by the County

Section 2.12 Timing of Construction and Completion. Notwithstanding any provision of this Agreement to the contrary, there is no requirement that Developer initiate or complete development of the Subject Property or any particular phase of development of the Subject Property within any particular period of time, and County shall not impose such a requirement on any subsequent approval. The parties acknowledge that Developer cannot at this time predict when, or the rate at which or the order in which, phases will be developed. Such decisions depend upon numerous factors that are not within Developer's control, such as market orientation and demand, interest rates, competition, and other similar factors. In light of the foregoing, the parties agree that Developer shall be able to develop in accordance with Developer's own time schedule as such schedule may exist from time to time, for whatever reason, and that Developer shall determine the order in which portions of the Subject Property shall be developed. Without limiting of any of the foregoing, the parties specifically desire to avoid the consequences of the holding of the California Supreme Court in *Pardee Construction Co. v. County of Camarillo* (1984) 37 Cal.3d 465, which held 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 to prevail over such parties' agreement; consequently, the parties agree that Developer shall have the right to develop the Subject Property in such order and at such rate and at such times as Developer deems appropriate within the exercise of its subjective business judgment. Nothing in this Section 2.12 shall exempt Developer from completing work required by a subdivision agreement, road improvement agreement or similar agreement in accordance with the terms thereof.

Section 2.13 Property Tax. Developer shall pay all installments of property tax applicable to the Subject Property, prior to such installments becoming delinquent, when due.

Section 2.14 Subdivision Improvements. Subdivision improvements on the Property shall be completed consistent with the approved Improvement Plans subject to the further modifications listed below.

(a) Deferral of Sidewalk Improvements. Construction of sidewalks that are required within the Project pursuant to the Improvement Plans

Development Agreement Between the County of Yuba
and Dansk-Californisk Ejendomsselskab, Jens Karlshoej and Axel Karlshoej

shall be deferred. Sidewalk construction shall be completed prior to final inspection on individual homes, but shall be constructed on segments of streets in a manner that is compliant with ADA standards and acceptable to the Yuba County Public Works Department pursuant to a separate agreement to be reached with the homebuilder(s) prior to issuance of a building permit for the initial home on the Property or any part of the Property owned by an individual homebuilder.

(b) Deferral of Conditions of Approval. Conditions of approval pursuant to TSTM 2004-0029 shall be satisfied in accordance with the letter to the Yuba County Community Development and Services Agency dated December 19, 2007, except that Condition #9 shall be satisfied upon approval of this agreement.

(c) Subdivision Bonds. Posting of subdivision bonds for any improvements required pursuant to TSTM 2004-0029 shall not be required for recordation of a Large Lot Map for the Property. Upon approval of this Agreement the Final large Lot map for the Property shall be approved and recorded in accordance with the approved conditions of approval.

(d) Common Landscaping Improvements. Landscaping improvements on Lots E and F as shown on the Large Lot Map shall be completed at such time as homebuilding on Lots 1-A and 1-B commences, and landscaping of these parcels shall be completed prior to occupancy of the first homes in either Lot 1-A or Lot 1-B.

(e) Well Site Frontage Improvements. Street improvements along the frontage of the well site to be conveyed to the Olivehurst Public Utilities District (OPUD) shall be deferred until such time as improvements are constructed on Lot 4 as shown on the Large Lot Map. Completion of these improvements shall be required as a condition of the acceptance of the subdivision improvements.

(f) Local Agency Formation Commission (LAFCO) Action. Action by LAFCO to annex the Property into County Service Area 66 shall be completed prior to recordation of the first small lot final map for all or any portion of the Property.

(g) Acceptance of Improvements. Notwithstanding the deferral of the sidewalk improvements and landscaping as described in the above paragraphs, construction of the subdivision improvements shall be deemed complete and shall be accepted by the County at such time as the improvements (not including the sidewalks) are completed in accordance with the approved improvement plans to the satisfaction of the County.

ARTICLE 3

DEFAULT

Section 3.1. General Provisions. Subject to extensions of time by mutual consent in writing, failure or delay by either party or Landowner not released from this Agreement to perform any term or provision of this Agreement, shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party or Landowner not less than sixty (60) days notice in writing specifying the nature of the alleged default and the manner in which said default may be cured. During any such sixty (60) day period, the party or Landowner charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the sixty (60) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other party or Landowner to this Agreement may, at his/her option, institute legal proceedings pursuant to this Agreement or give notice of his/her intent to terminate this Agreement pursuant to California Government Code section 65868 and any regulations of the County implementing said Government Code section. Following notice of intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review in the manner set forth in Government Code sections 65865, 65867, and 65868 and County regulations implementing said sections by the County within thirty (30) calendar days.

Following consideration of the evidence presented in said review before the County and an additional 30-day period to cure, either party alleging the default by the other party or Landowner may institute legal proceedings or may give written notice of termination of this Agreement to the other party; provided, however, a Landowner may only give such notice with respect to such portion of the Subject Property in which Landowner owns an interest.

Section 3.2. Annual Review. The County shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Developer and Landowner with the terms of this Agreement. Such periodic review by the Director, unless referred to the Planning Commission or the County Board of Supervisors shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. Each said review shall be completed within sixty (60) days of the first meeting of the Planning Commission and the County Board of Supervisors, respectively, at which such review is undertaken, unless said period is extended by mutual consent of the County and Developer. Failure to complete said review within the prescribed period shall be deemed a finding of good faith substantial compliance. Notice of such annual review shall include the statement that any review, the result of which the local agency finds and determines on the basis of substantial evidence, that the Developer has not complied in good faith with the terms or conditions of the Development Agreement, may result in amendment or termination of this Agreement in accordance with Government Code

section 65865.1. The County may charge, and Developer shall pay a fee for such annual review to defray the cost to the County to process and conduct such annual review.

The County shall deposit in the mail or fax to Developer and/or Landowner a copy of all staff reports and, to the extent practical, related exhibits concerning contract performance at least seven (7) days prior to such periodic review. Developer or Landowner shall be entitled to appeal a determination of the Director to the Commission and then to the Board of Supervisors. Any appeal must be filed within ten (10) days of the decision of the Director, or the Commission, as the case may be. Developer or Landowner shall be permitted an opportunity to be heard orally and/or in writing regarding its performance under this Agreement before the Commission, Board of Supervisors, and/or Director, as the case may be.

Section 3.3. Developer Default Limited to Property/Entity; Separate Obligations of Owners. Except as specified herein in Section 3.1, no default hereunder in performance of a covenant or obligation with respect to a particular portion of the Subject Property shall constitute a default applicable to any other portion of the Subject Property, and any remedy arising by reason of such default shall be applicable solely to the portion of Subject Property where the default has occurred.

Section 3.4. Cumulative Remedies of Parties/Waiver of Right to Damages. In addition to any other rights or remedies, the County, Developer and any Landowner may institute legal or equitable proceedings to cure, correct or remedy any default, to specifically enforce any covenant or agreement herein, to enjoin any threatened or attempted violation of the provisions of this Agreement.

ARTICLE 4

TERMINATION

Section 4.1. Termination Upon Completion of Development. This Agreement shall terminate upon the expiration of the Term as defined on the Reference Sheet or when the Subject Property has been fully developed and all of Developer's obligations in connection therewith are satisfied. Upon termination of this Agreement, the County shall record a notice of such termination in a manner substantially similar to the form attached hereto as **Exhibit D**. This Agreement shall automatically terminate and be of no further force or effect as to Completed Lots.

Section 4.2. Effect of Termination on Developer Obligations. Termination of this Agreement as to Developer of the Subject Property or any portion thereof shall not affect any of Developer's obligations to comply with the County General Plan and the terms and conditions of any applicable zoning, or subdivision map or other land use entitlements approved with respect to the Subject Property or any other development requirements specified in this Agreement to continue after the termination of this

Agreement. Termination shall not affect any independent obligations to pay assessments, liens, or taxes.

Section 4.3. Effect of Termination on County. Upon any termination of this Agreement, as provided for under the terms and conditions of this Agreement, as to Developer of the Subject Property, or any portion thereof, the entitlements, conditions of development, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested hereby with respect to the Subject Property affected by such termination (provided vesting of entitlements, conditions or fees applicable to the Subject Property shall be governed by planning and zoning law) and the County shall no longer be limited, by this Agreement, to make any changes or modifications to such entitlements, conditions or fees applicable to such property.

ARTICLE 5

STANDARD TERMS AND CONDITIONS

Section 5.1. Venue. Venue for all legal proceedings shall be in the Superior Court for the County of Yuba.

Section 5.2. Waiver. A waiver by any party of any breach of any term, covenant or condition herein contained or a waiver of any right or remedy of such party available hereunder at law or in equity shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any continued or subsequent right to the same right or remedy. No party shall be deemed to have made any such waiver unless it is in writing and signed by the party so waiving.

Section 5.3. Completeness of Instrument. This Agreement, together with its specific references and attachments, constitutes all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the parties hereto. Unless set forth herein, neither party shall be liable for any representations made express or implied.

Section 5.4. Supersedes Prior Agreements. It is the intention of the parties hereto that this Agreement shall supersede any prior agreements, representations or agreements, written or oral, between the parties hereto relating to the adoption of the Development Agreement.

Section 5.5. Captions. The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

Section 5.6. Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word “person” includes corporations, partnerships, firms or associations, wherever the context so requires.

Section 5.7. Mandatory and Permissive. “Shall” and “will” and “agrees” are mandatory. “May” is permissive.

Section 5.8. Term Includes Extensions. All references to the term of this Agreement or the Agreement Term shall include any extensions of such term.

Section 5.9. Successors and Assigns. All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

Section 5.10. Modification. No modification or waiver of any provisions of this Agreement or its attachments shall be effective unless such waiver or modification is in writing, signed by all parties, and then shall be effective only for the period and on the condition, and for the specific instance for which given.

Section 5.11. Counterparts. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

Section 5.12. Other Documents. The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

Section 5.13. Partial Invalidity. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision and/or provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 5.14. Controlling Law. The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

Section 5.15. Time Is of the Essence. Time is of the essence in this Agreement and each covenant and term a condition herein.

Section 5.16. Authority. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s)

and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Further, by entering into this Agreement, neither party hereto shall have breached the terms or conditions of any other contract or agreement to which such party is obligated, which such breach would have a material effect hereon.

Section 5.17. Document Preparation. This Agreement will not be construed against the party preparing it, but will be construed as if prepared by all parties.

Section 5.18. Advice of Legal Counsel. Each party acknowledges that it has reviewed this Agreement with its own legal counsel, and based upon the advice of that counsel has freely entered into this Agreement.

Section 5.19. Estoppel Certificate. Within thirty (30) days following any written request which either party may make from time to time, and upon payment of a fee to the County to reimburse the County for its reasonable expenses associated herewith, 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 modifications; and

(b) there are not current uncured defaults under this Agreement or specifying the date, nature of any default and manner of cure.

This certificate may be executed by the Director.

Section 5.20. Attorneys Fees and Costs. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, which may be set by the Court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such party may be entitled.

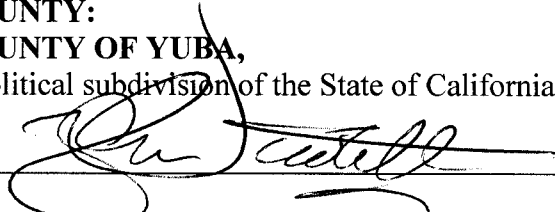
Section 5.21. Consent/Subordination. Unless waived in writing by the County Counsel, Developer shall furnish proof satisfactory to the County, prior to approval of the Agreement that all persons possessing a legal interest in the property have consented to the recording of this Agreement. The County shall have no duty to subordinate its interest in this Agreement.

Section 5.22. Calculation of Time Periods. All calculation of time periods shall be based upon calendar days unless a different intent is clearly stated.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement was executed by the parties thereto on the dates set forth in the Preamble.

COUNTY:
COUNTY OF YUBA,
a political subdivision of the State of California

By: 
Name: John Nicoletti

Title: Chairman

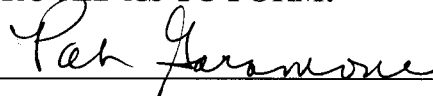
ATTEST:

By: Donna Stottlemeyer, Clerk of the Board of Supervisors

Name: 

Title: County Clerk

APPROVED AS TO FORM:

By: 

Name: PAT GARAMONE

Chief Deputy
Title: County Counsel

DEVELOPER:

Jens Karlshøj
Tenant In Common

Axel Karlshøj
Tenant In Common

DANSK-CALIFORNISK
EJENDOMSSELSKAB, a Denmark
Corporation
Tenant In Common
By: Axel Karlshøj, Manager

APPROVED AS TO FORM:

By: _____

Name: _____

Title: Counsel

State of California

CERTIFICATE OF ACKNOWLEDGMENT

County of Yuba

On December 1, 2009, before me, Donna Stottlemeyer, Clerk of the Board, personally appeared John Nicoletti who 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/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Donna Stottlemeyer

(Seal)

ACKNOWLEDGMENT

State of California

County of Yuba

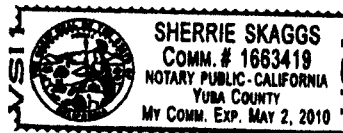
On 11/12/09 before me, Sherrrie Skaggs, Notary Public,
(here insert name and title of the officer)

personally appeared Axel Karlshoef, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sherrrie Skaggs



(Seal)

ACKNOWLEDGMENT

State of California
County of Yuba

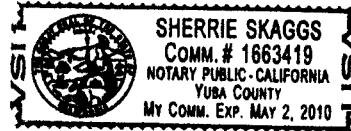
On 11/16/09 before me, Sherrie Skaggs Notary Public
(insert name and title of the officer)

personally appeared Jens Karlshoej
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sherrie Skaggs (Seal)



LIST OF EXHIBITS

Exhibit A	Legal Description of Subject Property
Exhibit B	Assumption Agreement
Exhibit C	Levee Fees
Exhibit D	Sample Notice of Termination

EXHIBIT A

SUBJECT PROPERTY

[FROM DEVELOPER - ADDED BY STAFF]

REVISED FINAL EXECUTION DOCUMENT

Project/Tract: Rio Del Oro Phase IV (Danna 70)
Owner: Dansk-Californisk Ejendomsselskab, a Denmark corporation; Jens Karlshoej; Gerry Kamilos, common owners of undivided interests
Contact Person: Gerry Kamilos
Title:
Address: 417 – 7th Street
Marysville, CA 95901
Phone: (530) 749-2026
Fax: (530) 749-2436
Email: rerny@succeed.net
2nd Contact Jens Karlshoej
Address: 1437 Furneaux RD]
Marysville, CA 95901
Phone: (530) 742-7124
Fax: (530) 742-3707
Email: jens@nordicind.com

Authorized Signatures: Axel Karlshoej
Owner of an undivided interest
[Requires 2 of 3]
Jens Karlshoej
Owner of an undivided interest
Gerry Kamilos
Owner of an undivided interest

Parcel Identification Information

All that real property situated in Yuba County, State of California described as follows:

All that portion of the land as described in Deed to Danna & Danna Inc recorded July 25, 1968 in Book 470 of Yuba County Official Records at Page 517, Yuba County, California lying Easterly of and adjacent to the following described line:

Commencing at a point in the center of Algodon Road said point being the Southeast corner of a parcel of land as described in Deed to Lloyd G. Kilkeary recorded September 11, 1961 in Book 332 of Yuba County Official Records, Page 34; thence South 88° 37' 30" West along the Southerly boundary line of said Kilkeary Parcel a distance of 618.49 feet; thence North 00° 15' 30" West 89.82 feet; thence North 89° 21' 45" West along the southerly boundary line of said Kilkeary Parcel 450 feet to the point of beginning for the line herein described; thence South to a point on the Southerly boundary line of Lot 16 Block 31 of the Arboga Colony #2 as shown on the map thereof on file in the office of the County Recorder of the County of Yuba, State of California, in Book 2 of Maps at Page 15 and the end of said line.

Excepting therefrom all that portion as described in Deed to Masana Aktiengesellschaft recorded February 20, 2003 Yuba County Records as Instrument No. 2003-2740.

REVISED FINAL EXECUTION DOCUMENT

ALSO EXCEPTING THEREFROM

A portion of that parcel of land described in that corporation Grant Deed to Danna & Danna, Inc. recorded in Book 470 of Official Records at Page 516, Yuba County Records, Yuba County, California, described as follows:

Commencing at a point on the centerline of Algodon Road, point being the Southwesterly terminus of that course described as North 19° 38' 30" East 336.90 feet in said Deed, and a point on the center line of that certain 60.00 wide road easement Recorded in Book 140 of Official Records at Page 375, Yuba County Records, Yuba County, California, said point being the Southwesterly terminus of that course described as North 19° 38' 30" East, 1268.16 feet in the said road easement deed;

thence along the centerline of Algodon Road being also the centerline of said 60.00 foot wide road easement as shown on Record of Survey 2002-12 filed November 7, 2002 in Book 74 of Maps at Pages 14 and 15 (the bearing of which have been rotated 14" in a county clockwise direction) South 88° 00' 28" West, 672.31 feet;

Thence leaving said center line South 01° 59' 32" East, 30.00 feet to the point of beginning;

Thence along a line parallel with and 30.00 feet Southerly on the centerline of said Algodon Road South 88° 00' 28" West, 386.57 feet to a point 30.00 feet easterly of the centerline of said 60' wide road easement recorded in Book 140 of Official Records at Page 375, Yuba County Records;

Thence along a line parallel with and 30.00 feet easterly of the centerline of said 60.00 foot wide North 88° 00' 28" East, 386.57 feet;

Thence North 88° 00' 28" East, 386.57 feet

Thence North 00° 52' 32" West, 246.55 feet to the point of beginning.

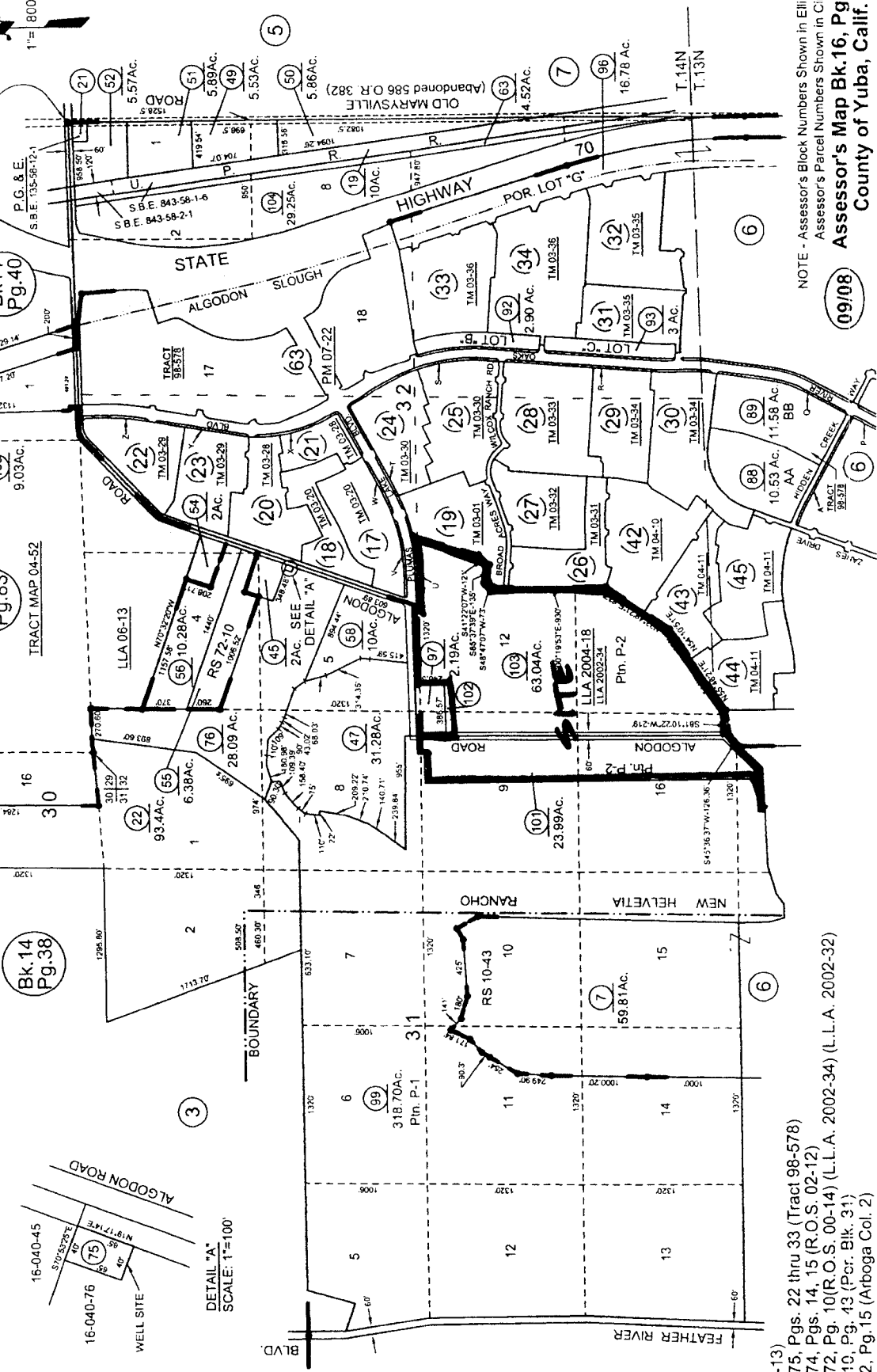
~~APN 16-040-33~~

~~APN 06-040-46~~

BLOCK 32 & POR. BLOCK 30 & 31,
ARBOGA COLONY 2 & POR. RIO DEL ORO TRACT 98-578

Tax Rate Area	71-021	71-022	71-023	71-024	71-028
64-347	71-021	71-022	71-023	71-024	71-028
64-363					
64-409					
71-020					

NOTE: This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.



(LLA 2006-13)
 R.S. - Bk. 75, Pgs. 22 thru 33 (Tract 98-578)
 R.S. - Bk. 74, Pgs. 14, 15 (R.O.S. 02-12)
 R.S. - Bk. 72, Pg. 10 (R.O.S. 00-14) (L.L.A. 2002-34) (L.L.A. 2002-32)
 R.S. - Bk. 10, Pg. 43 (Por. Bk. 31)
 R.S. - Bk. 2, Pg. 15 (Arboga Col. 2)

NOTE - Assessor's Block Numbers Shown in Ellipses
 Assessor's Parcel Numbers Shown in Circles

09/08
 Assessor's Map Bk. 16, Pg. 4
 County of Yuba, Calif.

EXHIBIT B

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter "this Agreement") is entered into this _____ day of _____, 200__, by and between _____ (hereinafter "Owner") and _____, (hereinafter "Assignee").

RECITALS

A. On _____, 200__, the County of Yuba and Owner entered into that certain agreement entitled "Development Agreement," approved by Ordinance _____ (hereinafter "Agreement"), relative to the development known as the _____ (hereinafter "Subject Property").

B. Owner entered into a purchase and sale agreement whereby a portion of the Subject Property will be sold to Assignee, which portion of the Subject Property is identified and described in **Exhibit A**, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel(s)").

C. Owner desires to assign all of its interests, rights and obligations under the Agreement with respect to the Assigned Parcel(s).

D. Assignee desires to assume all Owner's rights and obligations under the Agreement with respect to the Assigned Parcel(s).

NOW, THEREFORE, Owner and Assignee hereby agree as follows:

1. Owner hereby assigns effective as of Owner's conveyance of the Assigned Parcel(s) to Assignee, all of the rights, interest, burdens and obligations of Owner under the Agreement with respect to the Assigned Parcel(s). Owner retains all the rights, interest, burdens and obligations under the Agreement with respect to all other property within the Subject Property owned thereby.

2. Assignee hereby assumes all of the burdens and obligations of Owner under the Agreement, and agrees to observe and fully perform all of the duties and obligations of Owner under the Agreement, and to be subject to all the terms and conditions thereof, with respect to the Assigned Parcel(s), it being the express intention of both Owner and Assignee that, upon the execution of this Agreement and conveyance of the Assigned Parcel(s) to Assignee, Assignee shall become substituted for Owner as the "Developer" under the Agreement with respect to the Assigned Parcel(s).

3. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ASSIGNOR / OWNER

By: _____

Name: _____

Title: _____

ASSIGNEE

By: _____

Name: _____

Title: _____

**Exhibit C
Development Agreement - Yuba County
Rio Del Oro 4 - Danna 70 Project
Levee Funding Obligation Amount**

Item	Amount	Levee Fee Study Reference	Description
<u>Derivation of Nexus Study Direct Construction Cost Fee Rate</u>			
Allocated Cost of Total Levee Improvements	\$157,280,846	Table 6	Total Cost of Levee Improvements and Financing Costs
<u>Financing Components Included in Total Cost</u>			
Estimated Interest for Prior Developer Advanced Funding	\$250,000	Table B-1	Represents Interest Cost on Developer Advanced Funding for Phases 1-3 Work
Yuba County Short Term Loan	\$91,674	Table B-1	Interest Expense for Bridge Loan by County
Upfront Financing Costs	\$3,083,938	Table 6	Estimated 2% of Levee Costs to cover upfront cost of financing and reimbursements from Levee Fee Program
Capitalized Portion of Long Term Financing Costs	\$13,000,000	Table B-1	Represents Interest on County & Water Agency Financing Charge in Initial Fee Rate
Total Financing Costs	\$16,425,612		
Total Financing Cost as a Percentage of Total Fee	10.44%		= \$16,425,612 / \$157,280,846
Allocated Cost per GDA for Plumas Lake Residential Zone	\$58,407	Table 12	Includes Financing and Direct Cost
Total Finance Cost on a per GDA Basis	\$6,100		= \$58,407 x 10.44%
Direct Construction Cost on a Per GDA Bases	\$52,307		= \$58,407 - \$6,100
<u>Levee Funding Obligation Amount for Rio Del Oro 4 - Danna 70 Project</u>			
Financing Component Amount to be Included	\$3,425,612		Represents all interest components less long term interest on County & Water Agency Financing
Net Financing Cost as a Percentage of Total Fee	2.18%		= \$3,425,612 / \$157,280,846
Direct Construction Cost on per GDA Basis	\$52,307		From Above
Levee Obligation Amount with Financing to be Included	\$53,471		= \$52,307 / (1-2.18%)
<u>Levee Funding Obligation and Reimbursement Calculation</u>			
GDA's for Rio Del Oro 4 - Danna 70 Project	64,320	TM	From KASL Engineering review of TM and Discussions with MackKay & Somsps
Funding Obligation per Acre	\$53,471		From Above
Total Obligation	\$3,439,286.03		= \$53,471 x 64.32
Total Funding	\$4,703,739.00	EPS	Based on Funding Received through Second Agreement and Total Funding through Separate Agreement
Reimbursement	\$1,264,452.97		= \$4,703,739 - \$1,264,453
			Note: Interest to Start to Accrue once Total Funding is Received

EXHIBIT D

NOTICE OF TERMINATION

THIS NOTICE OF TERMINATION (hereinafter "this Notice") is given this _____ day of _____, 200__, by the County of Yuba (hereinafter "County") for the benefit of _____, (hereinafter "Owner").

1. On _____, 200__, the County of Yuba and _____ entered into that certain agreement entitled "Development Agreement," approved by Ordinance _____ (hereinafter "Agreement"), relative to the development known as the _____ (hereinafter "Subject Property").

2. Owner has fully performed all its duties with respect to that portion of the Subject Property, which portion of the Subject Property is identified and described in **Exhibit A**, attached hereto and incorporated herein by this reference (hereinafter the "Released Property").

3. Pursuant to Section 4.1 of the Development Agreement, the Development Agreement is no longer in effect with respect to the Released Property.

COUNTY OF YUBA

By: _____
Name: _____
Title: _____

[NOTE: SIGNATURE MUST BE NOTARIZED]