

ORDINANCE 1054B

AN ORDINANCE ADOPTING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LINCOLN, PAPPAS ARIZONA, LLP AND PAPPAS GATEWAY, LP FOR THE DEVELOPMENT OF APPROXIMATELY 44.13 ACRES WITHIN THE TWELVE BRIDGES PLAN AREA; AND FINDING THE ORDINANCE IS EXEMPT FROM FURTHER ENVIRONMENTAL REVIEW UNDER CEQA

WHEREAS, Pappas Arizona, LLP and Pappas Gateway, LP (“Pappas”) own 44.13 acres of commercially zoned property in the Twelve Bridges Master Plan Area as depicted in Exhibit “A” to the new Development Agreement that is the subject of this Ordinance; and

WHEREAS, the original Development Agreement for the Twelve Bridges Master Plan Area was adopted April 14, 1998, has been amended several times since and will expire April 14, 2023; and

WHEREAS, Pappas acquired a number of Developer Fee Credits in 2017 with their current balance documented in Exhibit F to the proposed Development Agreement; and

WHEREAS, the credit values were not indexed for inflation beginning in 2004; however, the City also did not adjust its fees as provided in the Agreement; and

WHEREAS, City staff has worked cooperatively with Pappas during negotiations and reached agreement regarding indexing and the present value of the credits; and

WHEREAS, Pappas has developed or sold all of its residential projects, but holds on to these commercial parcels, with the intent to develop them in the coming years;

WHEREAS, during negotiations, Pappas provided a compelling case that extending these credits beyond the life of the existing Development Agreement will have public benefits to the City that justify keeping the credits on the City’s books for a period of time to allow for the development of this commercial area.

WHEREAS, the City Council herein makes the necessary findings supporting the conclusion (i) there is a public purpose served by the transfer of funds; and (ii) there is a commensurate benefit to the City in the extension of Pappas’ credits through a new Development Agreement.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LINCOLN does ordain as follows:

Section 1. Incorporation of Recitals. The City Council hereby incorporates by reference the recitals set forth above.

Section 2. CEQA Analysis. This Ordinance is not subject to the California Environmental Quality Act (“CEQA”), as codified at Public Resources Code §§ 21000, et seq., and as further governed by 14 California Code of Regulations §§ 15000, et seq., because the Environmental Impact Report previously approved and adopted by the City Council was intended to be used in connection with each of the entitlements and subsequent approvals needed for the project consistent with other CEQA policies and requirements applicable to tiered EIRs, and the action is further exempted by CEQA Guidelines Sections 15182 [Projects Pursuant to a Specific Plan] and 15183 [Projects Consistent with Zoning].

Section 3. Severability. If any section, sub-section, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. City Council hereby declares that it would have adopted the Ordinance and each section, sub-section, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases or portions to be declared invalid or unconstitutional.

Section 4. Publication. Within fifteen days of passage of this Ordinance, the City Clerk shall cause the full text of the Ordinance, with the names of those City Councilmembers voting for and against the Ordinance, to be published in the Lincoln News Messenger. In lieu of publishing the full text of the Ordinance, the City Clerk, if so directed by the City Attorney and within fifteen days, shall cause a summary of the Ordinance, prepared by the City Attorney and with the names of the City Councilmembers voting for and against the Ordinance, to be published in the Lincoln News Messenger, and shall post in the office of the City Clerk a certified copy of the City Councilmembers voting for and against the Ordinance. The publication of a summary of the Ordinance in lieu of the full text of the Ordinance is authorized only where the requirements of Government Code § 36933(c)(1) are met.

Section 5. Findings of Public Purpose and Benefit to the City of Lincoln.

a. Che City benefited from the infrastructure constructed by Pappas’ predecessors that resulted in the credits.

b. Encouraging local commercial development will raise sales tax revenues, assist the City in meeting its public safety obligations, provide a means to reduce sales tax leakage to neighboring jurisdictions, create local jobs and opportunities for local entrepreneurs, and provide amenities that are desired by the residents of Lincoln.

c. Without the continued availability of these credits going forward, Pappas will be challenged to develop this commercial area, and it would likely sit fallow. With the uncertainty of the present status of the credits, Council is advised large retailers have been reticent to commit to binding obligations for development.

d. The Development Agreement that is the subject of this Ordinance is different from the expiring Development Agreement in several key areas that will benefit the City:

- The DA is specifically limited to only the commercial properties currently owned by Pappas in the Twelve Bridges Specific Plan Area.
- The term is only ten years (versus twenty or longer), with an option to extend one time for five years by giving 90 days’ notice.

- Prior to the expiration of the initial 10-year term, Pappas is required to have pulled permits for at least 40,000 square feet of commercial development or provide the City with letters of intent from commercial tenants to build at least 40,000 square feet of commercial development.
- If Pappas cannot meet the 40,000 square foot requirement but requests the 5-year extension, their credit balance will be reduced by 50%.
- At the termination of the Agreement (whether 10 years if not extended or 15 years if extended), all developer fee credits expire.
- Credits may only be applied in the Twelve Bridges development area.
- The Agreement converts the PFE credits that are currently calculated in Equivalent Dwelling Units (“EDU’s”) to a dollar equivalent. With the update of the Public Facilities Element (“PFE”), the credits will then be indexed at the same rate as the PFE. Ultimately this does not have any impact on the value of those credits but creates a more user-friendly environment for both the City and Developer in tracking the use of those fee credits and their value moving forward.
- Parcels not already annexed into a Landscape and Lighting District (“LLAD”), Benefits Assessment District (“BAD”) or Community Facilities District (“CFD”) must be annexed into CFD 2018-1 (City Maintenance Services). Commercial properties that are developed as senior living or office professional are additionally required to annex into CFD 2018-2 (City Public Services), as they will not generate enough sales tax to offset the public safety component.

Section 6. Consistency with the General Plan. The City Council finds the Development Agreement and entitlements are consistent with the General Plan and Specific Plan.

Section 7. Direction and Approval. The City Manager or designee is hereby directed by the City Council of the City of Lincoln to enter into the Development Agreement by and between the City of Lincoln and Pappas Gateway, LP, and Pappas Arizona, LP, pursuant to the authority of Sections 65864, et seq., of the California Government Code.

INTRODUCED at a regular meeting of the City Council of the City of Lincoln held on September 13, 2022.

PASSED AND ADOPTED this 20th day of September, 2022.

AYES: COUNCILMEMBERS: Joiner, Silhi, Karleskint, Lauritsen, Andreatta

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:


 Holly Andreatta, Mayor

ATTEST:


 Gwen Scanlon, City Clerk

**DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF LINCOLN
AND
PAPPAS GATEWAY, L.P., a California Limited Partnership (“Pappas Gateway”)
and PAPPAS ARIZONA, A LIMITED PARTNERSHIP, a California Limited
Partnership, (“Pappas Arizona”), (Collectively “Pappas”) pursuant to the authority
of Sections 65864 et. seq. of the Government Code of California.
RELATIVE TO THE DEVELOPMENT KNOWN AS
TWELVE BRIDGES PROJECT (“Project”)**

This Development Agreement (“Agreement”) is entered into this _____ day of _____, 2022, by and between the CITY OF LINCOLN, a municipal corporation (“City”), and PAPPAS GATEWAY, L.P., a California Limited Partnership (“Pappas Gateway”) and PAPPAS ARIZONA, A LIMITED PARTNERSHIP, a California Limited Partnership, (“Pappas Arizona”), (Collectively “Pappas”), a California corporation (“Developer”), pursuant to California Government Code Section 65864 et seq.

Recitals

A. State Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risks of development, the Legislature of the State of California adopted Government Code Sections 65864 et seq. (“Development Agreement Statute”), which authorizes City to enter into an agreement with any person having a legal or equitable interest in real property regarding the development of such property.

B. City Authorization. Pursuant to Government Code Section 65865, City has adopted procedures and requirements for consideration of development agreements which are contained in Lincoln Municipal Code Chapter 18.80. This Development Agreement has been processed, considered and executed in accordance with such procedures and requirements.

C. Property Description. The subject of this Agreement is the development of those certain parcels of land consisting of approximately 44.13 acres located within City’s limits as depicted in Exhibit “A” and more particularly described in Exhibit “B” (“Property”), attached hereto and incorporated herein by reference.

D. Developer’s Interest. Developer represents that it has a fee title interest in the Property, and that all other persons holding legal or equitable interests in the Property agree to and shall be bound by this Agreement.

E. Project Description. Developer intends to develop the Property with commercial and residential uses consistent with Approvals.

F. Project Background and Approvals and Ownership.

1. The project is a portion of the Twelve Bridges Master Plan which has been entitled for development over many years and is subject to the Development Agreement (“PHI DA”) between the City of Lincoln and PLACER HOLDINGS, INC., a California corporation (“PHI”) dated as of April 14, 1998 and recorded on May 7, 1998 in the Official Records of Placer County (the “Official Records”) as Document No. 98-0033215. The PHI DA has been amended numerous times as describe here by: that certain First Amendment to PHI DA by and between the City of Lincoln and Placer Holdings, Inc. for the Twelve Bridges Project is dated on or about June 22, 1999 and recorded on September 23, 1999 in the Official Records as Document No. 1999- 0084205; that certain Second Amendment to PHI DA with the City of Lincoln Covering the Twelve Bridges Project dated as of December 12, 2000 and recorded on January 31, 2001 in the Official Records as Document No. 2001-0008137-00; that certain Third Amendment to PHI DA with the City of Lincoln Covering the Twelve Bridges Project dated as of February 13, 2001 and recorded on May 8, 2001 in the Official Records as Document No. 2001-0044026; that certain Fourth Amendment to PHI DA with the City of Lincoln Covering the Twelve Bridges Project dated on or about August 8, 2002 and recorded on November 1, 2002 in the Official Records as Document No. 2002-0136087; that certain Fifth Amendment of PHI DA by and between the City of Lincoln and Placer Holdings, Inc. dated as of June 22, 2004 and recorded on July 29, 2004 in the Official Records as Document No. 2004- 0099999; that certain Sixth Amendment of PHI DA by and between the City of Lincoln and Lawford No. 12 Partners LTD, dated as of August 11, 2015 and recorded on September 3, 2015 in the Official Records as Document No. 2015-0077852; and that certain Seventh Amendment of PHI DA by and between the City of Lincoln and JCPSAC Properties, LP, dated as of May 28, 2019 and recorded on October 2, 2019 in the Official Records as Document No. 2019-0076353-00 (as amended, the “PHI Amended DA”) pursuant to which PHI agreed to develop the Twelve Bridges master planned community within the Twelve Bridges Specific Plan Area of the City of Lincoln subject to certain conditions and obligations set forth in the PHI Amended DA.
2. Centralplot Inc., a Virgin Islands corporation (“Centralplot”) received substantially all of the assets of PHI upon the liquidation of PHI, including all of the rights and obligations of PHI under the PHI Amended DA and the Entitlement Approvals.
3. Pursuant to that certain Assignment and Assumption Agreement (the “Assignment”) by and between Centralplot and Lawford dated on or about

September 19, 2013 and recorded on September 20, 2013 in the Official Records as Document No. 2013-0091804-00, Centralplot assigned to Lawford, and Lawford assumed from Centralplot, all of Centralplot's rights and obligations under the PHI Amended DA and Entitlement Approvals. Pursuant to Section 1.10.3 of the PHI Amended DA, consent by the City to the Assignment was not required, because Lawford is an Affiliated Party (as defined in the PHI Amended DA) of Centralplot.

4. Pappas Arizona acquired a portion of the property described in the attached Exhibit B including all of the rights and obligations attached to said property under the PHI Amended DA pursuant to the Transfer Agreement dated July 30, 2013 and recorded on August 2, 2013, as Document No. 2013-0077408.
5. Pappas Arizona and Pappas Gateway collectively acquired a portion of the property described in the attached Exhibit B including all of the rights and obligations attached to said property under the PHI Amended DA pursuant to the Transfer Agreement dated September 3, 2013 and recorded on September 5, 2013, as Document No. 2013-0087641.
6. The City approved, certified, or adopted various development entitlement, including but not limited to the EIR, MMP, Twelve Bridges Specific Plan, zoning, General Development Plan and various maps and subsequent approvals. The "Entitlements" applicable to the property, collectively, the "Entitlement Approvals" are as described in Exhibit "C". Entitlements Approvals are the same entitlements that are vested in the PHI Amended DA. In addition, the entitlements includes City Ordinance No. ____, dated _____, 2022, adopting this Development Agreement ("Adopting Ordinance").

G. Consistency with General Plan. Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, the City Council has found and hereby declares this Agreement and the Entitlements are consistent with the General Plan and Specific Plan.

H. Commitment of the Parties. By entering into this Agreement and relying thereupon, Developer is maintaining and extending the term of a vested right to develop the Project on the Property, now in accordance with the terms and conditions of this Agreement. City, at the request of Developer, intends to assist Developer in development of the Project in accordance with the terms of this Agreement. Development of the Project has required a major investment by Developer in public facilities, substantial front-end investment in on-site and off-site improvements, major dedications of land for public purposes and benefit, and substantial commitment of Developer's resources to achieve the public purposes and benefits of the Project for its future residents and for City. Financing certain public facilities and dedicating land for public benefit are key elements of consideration for City's execution of this Agreement. In addition, this Agreement provides City with the assurance of implementation of the General Plan and Specific Plan as

Developer proceeds with the development of the Property. City recognizes and has determined that granting vested development rights and assurances in a project of this magnitude will assist Developer in undertaking the development of the Project and thereby achieve the public purposes and benefits of the Project. Without said commitments on the part of City, Developer would not enter into this Agreement nor develop the Project.

I. Intent of this Agreement. City and Developer desire that the development of the Property pursuant to this Agreement will result in significant benefits to Developer by assurances to Developer that it will have the ability to develop the Property in accordance with the Entitlements. The City and Developer are entering this Agreement to make the rights and obligations of the parties as they apply to the Property clear and to terminate the PHI Amended DA as it applies to the Property conterminously with the adoption of this Agreement.

J. Project Benefits. City and Developer desire that the development of the Project pursuant to this Agreement will result in significant benefits to City and Developer by providing Developer with the ability to develop the Property in accordance with this Agreement and providing assurances to City that the Property will be developed in accordance with the General Plan and Specific Plan. Consistent with this desire, City has determined that the Project presents certain public benefits and opportunities, which are advanced by City and Developer in entering into this Agreement. This Agreement will, among other things: (1) make this commercial site within City more competitive for retail users within the region and reduce sales tax leakage from the City; (2) strengthen City's economic and job base; (3) provide for commercial development which in turn will generate substantial general and special revenues for City; (4) reduce uncertainties in planning and provide for the orderly development of the Project; (5) reduce vehicle miles travelled (VMT) within the City; (6) provide long-term infrastructure solutions and public services; (7) clarify rights consistent with the current Public Financing Element (PFE) Implementation Plan and Policies ("PFE Policy"); and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted.

NOW, THEREFORE, in consideration of the promises, covenants and provisions set forth in this Agreement, the parties agree as follows:

Agreement

ARTICLE I

GENERAL PROVISIONS

1.1 Incorporation of Recitals. The preamble, the Recitals, and all defined terms set forth in both are hereby incorporated into this Agreement as if set forth herein in full. Any reference to a section within this Agreement shall be inclusive of all subsections within that section. By way of example, a reference to Section 2.1 of this Agreement shall incorporate Section 2.1.1, Section 2.1.2, Section 2.1.3, and Section 2.1.4.

1.2 Binding Covenants. The provisions of this Agreement, including the Entitlements, shall constitute covenants which shall run with the Property and the benefits and burdens of this Agreement shall be binding upon and benefit the parties and their successors in interest.

1.3 Defined Terms.

“Adopting Ordinance” shall have that meaning set forth in Recital F.6 of this Agreement.

“Agreement” shall mean this Development Agreement and any amendments hereto.

“CEQA” shall mean the California Environmental Quality Act.

“CFD” shall mean Mello-Roos Community Facilities Districts pursuant to and as authorized by Government Code Sections 53311 et seq.

“Changes in the Law” shall have the meaning set forth in Section 2.7.

“City” shall mean the city of Lincoln, California and shall include, unless otherwise provided, City’s agencies, departments, officials, employees and consultants.

“City Acknowledgments” shall have the meaning set forth in Section 3.6.

“Community Development Director” shall mean the Director of City’s Department of Community Development or his or her designee.

“Developer” shall have that meaning set forth in the preamble and shall further include, unless otherwise provided, Developer’s successors, heirs, assigns, and transferees.

“Development Agreement Statute” means California Government Code Sections 65864 et seq.

“Effective Date” shall have the meaning set forth in Section 1.5.1.

“EIR” shall mean the environmental impact report described in Recital F.6 and prepared for the Specific Plan pursuant to CEQA.

“Entitlements” shall have the meaning set forth in Recital F.6 of this Agreement and shall also include, for purposes of this Agreement, any Subsequent Entitlements approved by City.

“Exactions” means all development impact fees, connection or mitigation fees, taxes, assessments and other exactions required by City to support the construction of any public facilities and improvements or the provision of public services in relation to development of the Property.

“General Development Plan” shall have the meaning set forth in Recital E of this Agreement.

“General Plan” means City’s 2050 General Plan adopted on March 25, 2008, by City Council Resolution No. 2008-048, together with all amendments thereto made prior to the Effective Date of this Agreement.

“Lender” shall mean the beneficiary under a deed of trust or the mortgagee under a mortgage, or any other person or entity who has advanced funds to, or is otherwise owed money by a debtor, where the obligation is embodied in a promissory note or other evidence of indebtedness, and where such promissory note or other evidence of indebtedness is secured by a mortgage or deed of trust encumbering the Property or a portion thereof.

“Master Plan” shall have the meaning set forth in Recital F.1.

“Mitigation Fee Act” means California Government Code Sections 66000 to 66025 (AB 1600).

“MMP” shall mean the Mitigation Monitoring Program described in Recital F.7 and adopted in conjunction with the EIR.

“Parcel Map(s)” means the Parcel Map(s) for the project as set forth in Recital F.6.

“Permitted Delay” shall have the meaning set forth in Section 6.3.

“Permitted Delay Notice” shall have the meaning set forth in Section 6.3.

“PFE Fee” shall have the meaning set forth in Section 4.1.

“PFE Fee Policy” shall have the meaning set forth in Section 4.1.

“PFE Fee Program” shall have the meaning set forth in Section 4.1.

“Project” means the overall development of the Property pursuant to this Agreement and the Entitlements.

“Property” means those parcels depicted in Exhibit “A” and more particularly described in Exhibit “B” as set forth in Recital C of this Agreement.

“Public Improvements” shall have the meaning set forth in Section 3.2.

“Specific Plan” means the Twelve Bridges Specific Plan as set forth in Recital F.6.

“Subsequent Entitlements” shall mean all additional and further land use entitlements approved for development of the Property by City following the date of City’s approval of this Agreement.

“Term” shall have the meaning set forth in Section 1.5.1.

“Transfer Agreement” shall have the meaning set forth in Section 1.9.1(a).

“Zoning Ordinance” shall mean City’s zoning ordinance contained in Title 18 of City’s Municipal Code.

1.4 Interest of Developer. Developer is the fee owner and holds a legal interest in the Property and all portions thereof and all other persons holding legal or equitable interests in the Property are to be bound by this Agreement. Notwithstanding anything set forth in this Agreement to the contrary:

(a) Subject to Section 2.8 regarding the timing of development, the Property shall be developed in accordance with this Agreement as set forth herein.

(b) Developer is not obligated by the terms of this Agreement to affirmatively act to develop all or any portion of the Property, pay any sums of money, dedicate any land (except as set forth in this Agreement), indemnify any party, or to otherwise meet or perform any obligation with respect to the Property, except and only as a condition to the development of any portion of the Property and even then only to the extent that such act or obligation is necessitated by and in proportion to Developer's development of that portion or phase of the Property.

Any development of a portion of the Property shall be subject to the terms of this Agreement, and all the rights, duties, and obligations of both parties to this Agreement shall pertain to such Property.

1.5 Term.

1.5.1 Term. The term of this Agreement shall commence upon April 13, 2023 (“Effective Date”) and shall extend for a period of ten (10) years from the Effective Date (“Term”). Developer shall have the option to extend this Agreement on its same terms and conditions, taking into account any amendments mutually agreed upon following the Effective Date. Property owner shall have the right to extend this Agreement for one consecutive period of five (5) years, upon giving City written notice of the desire to extend the term at least ninety (90) days prior to the expiration of the current term. At the time Developer exercises its right to provide the 90-day notice to extend the term of this Agreement, Developer shall not be in material breach of this Agreement that cannot be cured within said 90-day period; otherwise, Developer shall not be entitled to the 5-year

extension. Prior to the initial ten (10) year term expiring, Developer shall have had building permits secured on said property for at least 40,000 square feet of commercial development, and/or provide the City with user letter(s) of intent to build at least an aggregate of 40,000 square feet of commercial development. In the event that such construction has not occurred and/or letter(s) of intent have not been provided to the City, the then-balance of Developers Fee Credits addressed in Section 4.1 below shall be reduced by fifty percent (50%).

1.6 Termination. This Agreement shall be terminated and of no further effect upon the occurrence of any of the following events:

- (a) Expiration of the Term, at which time all Developers Fee Credits expire;
- (b) Completion of the Project in accordance with the Entitlements and City's issuance of all required occupancy permits and acceptance of all dedications and improvements required under the Entitlements and this Agreement;
- (c) For any specific residential dwelling or other structure within the Project, this Agreement shall automatically be terminated upon the issuance by City of a certificate of occupancy for such dwelling or other structure;
- (d) Entry of final judgment (with no further right of appeal) or issuance of a final order (with no further right of appeal) directing City to set aside or withdraw City's approval of this Agreement or any material part of the Entitlements; or
- (e) The effective date of a termination as provided in Article 6 of this Agreement.

1.6.1 Notice of Termination. City shall, upon written request made by Developer to City's Community Development Director, determine if the Agreement has terminated with respect to any parcel or lot at the Property, and shall not unreasonably withhold, condition, or delay termination as to that lot or parcel. Upon termination of this Agreement as to any lot or parcel, City shall upon Developer's request record a notice of termination that the Agreement has been terminated as to that parcel or lot at the Property. The aforesaid notice may specify, and Developer agrees, that termination shall not affect in any manner any continuing obligation to pay any item specified by this Agreement. Termination of this Agreement as to any parcel or lot at the Property shall not affect Developer's rights or obligations under any of the Entitlements and Subsequent Entitlements, including but not limited to, the General Plan, Specific Plan, Zoning Ordinance and all other City policies, regulations and ordinances applicable to the Project or the Property, including such rights set forth in Article 4, including but not limited to the right to secure PFE Fee credits and any and all reimbursements due to Developer from Non-Participating Landowners. City may charge a reasonable fee for the preparation and recordation of any notice(s) of termination requested by Developer.

1.7 Amendment of this Agreement. This Agreement may be amended from time to time, in whole or in part by mutual written consent of the parties hereto or their

successors in interest, and as follows:

(a) Minor Amendments. Any Amendment to this Agreement which does not relate to (i) the Term of this Agreement, (ii) permitted uses of the Project, (iii) density or intensity of use, (iv) provisions for the reservation or dedication of land, or (v) monetary contributions by Developer and which can be processed under CEQA as exempt from CEQA, or with the preparation of a Negative Declaration, shall be a minor amendment and shall not require a noticed public hearing prior to the parties executing an amendment to this Agreement as allowed by City Municipal Code Section 18.84.100.c., except as otherwise required by state law, provided, however, that City shall retain discretion to hold a public hearing if it so chooses.

(b) Substantial Amendments. Except as otherwise described in Section 1.7(a), amendments to this Agreement shall require notice and a public hearing pursuant to California Government Code Section 65868.

(c) Parties Required to Amend. Where a portion of Developer's rights or obligations have been transferred, assigned, and assumed in accordance with this Agreement, the signature of the person or entity to whom such rights or obligations have been assigned shall not be required to amend this Agreement unless such amendment would materially alter the rights or obligations of such assignee, provided thirty (30) days' prior written notice of any amendment is provided to such person or entity by the amending parties. In no event shall the signature or consent of any non-assuming assignee be required to amend this Agreement.

1.7.1 Effect of Amendment. Any amendment to this Agreement shall be operative only as to those specific portions of this Agreement expressly subject to the amendment, with all other terms and conditions remaining in full force and effect without interruption. No amendment to this Agreement shall be effective unless contained in a writing executed by both City and Developer, or their successors in interest.

1.8 Project Approval Amendments. To the extent permitted by state and federal law, any Entitlement may, from time to time, be amended or modified in the following manner:

1.8.1 Minor Amendments. Amendments to the Specific Plan shall comply with Section 7.6.2 thereof. Amendments to the General Development Plan shall comply with Section 4.4 thereof. For amendments or modifications to any Entitlement or Subsequent Entitlement (other than this Agreement), the Specific Plan, or the General Development Plan, Developer may submit a written request for amendment or modification to the Community Development Director. The Community Development Director or his/her designee shall determine whether the requested amendment or modification is a minor amendment or modification that may be approved by the Community Development Director without notice or public hearing. For purposes of this section only and by way of example, minor modifications or amendments include changes in pedestrian paths; amendments to lot patterns and street alignments which will not have a substantial or material impact on the circulation system as described for each village area in the Specific Plan; minor changes in landscaping for any landscaping shown on a final map or landscape plan; variations in the location of lots or home sites that do not substantially alter the design

concepts of the Project; reductions in the number of lots or home sites that do not substantially alter the design concepts of the Project; and variations in the location or installation of utilities and other infrastructure connections or facilities that do not substantially alter the design concepts of the Project. Notwithstanding the foregoing, City retains the exclusive right to make the determination, in its own discretion, as to whether a modification or amendment constitutes a minor modification or amendment or requires an amendment in accordance with Section 1.8.2 below. The Community Development Director and/or the City Manager shall retain the right and discretion to present any amendment or modification to City's Planning Commission and/or City Council for approval at a noticed public hearing and/or a public meeting of those legislative bodies.

1.8.2 Substantial Amendments. Any request of Developer for an amendment or modification to an Entitlement or Subsequent Entitlement (other than this Agreement) which is determined by City not to be a minor amendment as set forth in Section 1.8.1 above shall be subject to the provisions of review, consideration and action pursuant to the Specific Plan, General Development Plan, and other applicable law.

1.8.3 Vesting of Entitlements Made By Amendments. In the event of any change to any Entitlement or Subsequent Entitlement made pursuant to Sections 1.8.1 or 1.8.2 above, the change to such Entitlement or Subsequent Entitlement shall be vested for the then remaining duration of the Term of this Agreement, or the period of time allowed by applicable statute, whichever is longer.

1.8.4 Subsequent Approvals; Application of Agreement. City shall accept for processing and review any and all applications submitted by Developer for land use entitlements necessary or convenient for the exercise of Developer's rights under the Entitlements for the use and development of the Property.

1.8.5 Environmental Mitigation. The parties understand that the EIR included in the Project Approvals and referenced in Recital F6 was intended to be used in connection with each of the Entitlements and Subsequent Approvals, needed for the Project consistent with other CEQA policies and requirements applicable to tiered EIR's, City agrees to use the EIR in connection with the processing of any Subsequent Approvals to the maximum extent allowed by law and not to impose on the Project any mitigation measures or other conditions of approval other than those specifically imposed by the Entitlements and the Mitigation Monitoring Program or specifically required by Applicable Law. In addition, to the extent consistent with CEQA's policies and requirements applicable to tiered EIR's, the City agrees to use the EIR in connection with the processing of Subsequent Approvals to the maximum extent allowed by law. Specifically, and not to limit the generality of the foregoing, City agrees to apply the statutory and other exemptions afforded by CEQA including CEQA Guidelines Sections 15182 and 15183.

1.9 Assignment of Interests, Rights and Obligations. Developer may assign all or any portion of its interests, rights or obligations under this Agreement to third parties

acquiring an interest or estate in the Property or any portion thereof in accordance with the provisions of this Article.

1.9.1 Transfer Agreements. In connection with the transfer or assignment by Developer of all or any portion of the Property, Developer and the transferee shall enter into a written agreement in the form attached hereto as Exhibit "D" ("Transfer Agreement") regarding the respective interests, rights and obligations of Developer and the transferee in and under this Agreement. Such Transfer Agreement shall: (i) release Developer from obligations under this Agreement, as described in the Transfer Agreement, provided that the transferee expressly assumes such obligations; (ii) transfer to the transferee rights under this Agreement; and (iii) address any other matter deemed by Developer to be necessary or appropriate in connection with the transfer or assignment. Transfer Agreement(s) must be approved by the City Manager, provided the City Manager's approval shall not be withheld or delayed unless City demonstrates, based on substantial evidence, the proposed transferee is unable to fulfill its obligations under this Agreement. Transfer Agreement(s) shall be conclusively deemed approved by the City Manager if Developer does not receive a written response containing the City Manager's approval or disapproval within ten (10) days of receipt of Developer's written request for approval. Upon recordation of any Transfer Agreement in the Official Records of Placer County, Developer shall be automatically released from those obligations assumed by the transferee therein. No breach or default hereunder by any person succeeding to any portion of Developer's obligations under this Agreement shall be attributed to Developer, nor may Developer's rights hereunder be canceled or diminished in any way by any breach or default of any transferee.

1.9.2 Non-Assuming Transferees. Except as otherwise elected by Developer, upon the sale of any parcel for which all public improvements required for the development thereon have been completed (or for which public improvements adequate financial security for the completion thereof has been posted by Developer and accepted by City) and any financing districts required to include such parcel hereunder have been formed, then the burdens, obligations and duties (but not the rights) of Developer under this Agreement as to such conveyed parcel shall terminate with respect to such transferee. In such event, a Transfer Agreement shall not be required in connection with the conveyance of such parcel and the assignment of the rights, without the obligations, under this Agreement. Nothing in this Section shall exempt any property transferred from payment of applicable fees and assessments or compliance with applicable conditions of approval.

1.10 Notices. All notices required or provided for under this Agreement shall be in writing and shall be sent by: (i) U.S. mail first class postage prepaid with return receipt requested; (ii) by overnight courier or hand delivery; or (iii) by facsimile with original

forwarded by U.S. Mail, addressed as follows, with email copies provided to the email addresses below:

Notice to City: City of Lincoln
Attention: City Manager
600 6th Street
Lincoln, CA 95648
Telephone: 916.434.2490
Facsimile: 916.645.8903

Notice to Developer: Pappas Investments
2020 L Street, 5th Floor
Sacramento, CA 95811
ATTN: Thad Johnson

Notice shall be effective when the postal authorities indicate the mailing was delivered, the date delivered in person, or upon receipt of the entire document by the receiving party's fax machine, as evidenced by the sending party's facsimile confirmation report.

1.11 Development Agreement Controls. In the event of any inconsistency between the terms and provisions of this Agreement, the Specific Plan, the General Development Plan, the Large Lot Map conditions of approval, and/or the conditions of approval for any tentative subdivision map for the Project, the terms and provisions of this Agreement shall control.

1.12 Termination of PHI Amended Development Agreement. At the time this agreement becomes effective the parties hereby agree to have the PHI Amended Development Agreement terminate as to the Property and the City shall provide for the appropriate Notice of Termination pursuant to Section 1.7 of the PHI Amended DA.

ARTICLE 2

DEVELOPMENT OF THE PROPERTY

2.1 Vested Rights. Except as set forth in Sections 2.4, 2.5, 2.6, and 2.7, Developer shall have the vested right to proceed with development of the Property in accordance with the Entitlements as adopted and vested in the PHI Amended DA, and to have Subsequent Entitlements considered for approval or denial, based upon the terms, standards and requirements set forth in the Entitlements and this Agreement. It is the intent of City and Developer that Developer's vested rights shall include: (i) the permitted land uses, density and intensity of use, timing or phasing of development, zoning, provisions for reservation or dedication of land for public purposes, the maximum height and size of proposed buildings, the location and size of public improvements, and the design, improvement, and construction standards and specifications applicable to development of the Property all as set forth in the Entitlements and in this Agreement; and (ii) all other

terms and conditions of the development of the Project as set forth in the Entitlements and in this Agreement. Uses permitted within the Project are those shown for the Property and contained in the Specific Plan and the GDP as may be amended from time to time by the mutual consent of City and Developer. Subsequent changes to the City's zoning code shall only be applicable to Property with written consent of Developer. Any amendments to this Agreement will affect only those sections amended and shall not affect any other term of this Agreement.

2.2 Extension of Entitlements and Subsequent Entitlements. Pursuant to Government Code Section 66452.6, all vesting tentative subdivision maps, vesting tentative parcel maps, parcel maps, tentative subdivision maps, planned unit development permits, specific development permits, special permits, general development plans or any other maps, zonings, re-zonings or land use entitlements of potentially limited duration previously, contemporaneously or subsequently approved by City for the Property subject to this Agreement shall be valid for a minimum term equal to the Term of this Agreement, or for a period of forty-eight (48) months, whichever is longer, but in no event for a period shorter than the maximum period of time permitted by the California Subdivision Map Act or Government Code for such land use entitlements.

2.3 Rules, Regulations and Policies. Except as set forth in Sections 2.5, 2.6 2.7 and 2.8, below, the rules, regulations, policies, ordinances, and resolutions of City governing the development of the Project, including permitted uses of the Property, density, and design, improvement, and construction standards and specifications, shall be those in force on the Effective Date of the Agreement and as contained in the Entitlements and this Agreement. In the event of any conflict between the provisions of this Agreement and any ordinance, resolution, rule, regulation or policy of City, the provisions of this Agreement shall control.

2.4 Application of Subsequently Enacted or Modified Rules, Regulations and Ordinances.

(a) City may, during the Term of this Agreement, apply such City-enacted or modified rules, regulations, ordinances, laws, and official policies including improvement and construction standards and specifications and plans adopted or modified after the date of this Agreement which are not inconsistent with or in conflict with the Entitlements or this Agreement, are applied uniformly to all similar properties, or otherwise do not prevent development of the Project in accordance with the Entitlements and the terms of this Agreement.

(b) Should an ordinance or resolution or other measure be enacted, whether by action of the City Council, by initiative, referendum or otherwise which is in conflict with or reduces Developer's vested development rights as provided in the Entitlements and/or this Agreement, City agrees that such ordinance, resolution or other measure shall not apply to the Project, or any development thereof, or construction related thereto, or construction of improvements necessary therefore.

(c) Should an ordinance or resolution or other measure be enacted, whether by action of the City Council, by initiative, referendum or otherwise which relates

to the rate, timing or sequencing of the development or construction of the Project, including, but not limited to, development no-growth or slow growth moratoria, or any other City moratoria, to the extent any such measure is inconsistent with or conflicts with the Entitlements and/or this Agreement, City agrees that such ordinance, resolution or other measure shall not apply to the Project, or any development thereof, or construction related thereto, or construction of improvements necessary therefore.

(d) Should any initiative, referendum, or other measure be enacted, and any failure to apply such measure to the Property by City is legally challenged, Developer agrees to fully defend City against such legal challenge with legal counsel selected by Developer and approved by City, which approval shall not to be unreasonably withheld, including providing all necessary legal services, bearing all reasonable costs therefore, and otherwise holding City harmless from all costs and expenses reasonably incurred by City in connection with such legal challenge and litigation, but only if City's failure to apply any such measure to the Property was at the written request of Developer. In addition, if Developer is not named as a party in any such litigation, City agrees that it will support Developer's efforts to intervene in any such litigation if Developer should choose to do so.

(e) Without limiting the terms of Section 2.1, by virtue of this Agreement, Developer is being given the vested right to develop the Project without having to comply with the terms and provisions of any future City-enacted inclusionary housing ordinance, affordable housing ordinance, or similar ordinance that would require Developer to provide a minimum number of below-market rate housing units at the Property or pay a fee in-lieu of providing below-market rate housing units at the Property.

2.5 Uniform Building Code and Improvement Standards. Except as otherwise specifically set forth in this Agreement, and provided they have been adopted by City and are in effect on a city-wide basis, City may apply to the Property, at any time during the Term of this Agreement, the then current City Improvement Standards and Design Criteria, California Uniform Building Code ("UBC"), and any other uniform construction codes as approved by City.

2.6 State and Federal Law. As provided in California Government Code Section 65869.5, this Agreement shall not preclude the application to the Property of changes in law, permits, regulations, plans or policies, design criteria and improvement standards to the extent that such changes are specifically mandated and required by changes in state or federal laws, regulations or permits ("Changes in the Law"). In the event Changes in the Law prevent or preclude compliance with one or more provisions of this Agreement by either party hereto, such provisions of this Agreement shall be modified or suspended or performance delayed, as may be necessary to comply with Changes in the Law, and City and Developer shall meet and confer in good faith to determine whether the Changes in the Law apply to the Property and whether an amendment to this Agreement is necessary in light of the Changes in the Law. City and Developer shall take such action as may be necessary to meet the minimum requirements of such state or federal law, rule or regulation in a manner which is consistent with the original intent and rights and obligations originally placed on each party by this Agreement. In the event City and

Developer, after having engaged in good faith negotiations, are unable to agree on any amendment, they shall consider whether suspension of the Term of this Agreement is appropriate, and if so, what the terms and conditions of any such suspension should be. In the event City and Developer, after having engaged in good faith negotiations are unable to agree on the suspension issues, then Developer shall have the right to terminate this Agreement by giving City sixty (60) days' written notice of termination. Developer or City shall have the right to institute litigation relating to the Changes in the Law and raise any issues regarding the validity of the Changes in the Law. If such litigation is filed, this Agreement shall remain in full force and effect until final judgment is issued. Provided, however, that if any action that City would take in furtherance of this Agreement would be rendered invalid, facially or otherwise, by the Changes in the Law, City shall not be required to undertake such action until the litigation is resolved, or the Changes in the Law are otherwise determined invalid, inapplicable, or are repealed. In the event that such judgment invalidates the Changes in the Law or determines that it does not affect the validity of this Agreement, this Agreement shall remain in full force and effect, and its Term shall be extended by the amount of time between the effective date of the Changes in the Law, and the effective date of the judgment. In the event that such judgment determines that the validity of this Agreement is, directly or indirectly affected by the Changes in the Law, then the provisions of this Section shall apply.

2.7 Health and Safety Measures. Notwithstanding anything to the contrary contained in this Agreement, nothing herein shall be construed to limit City's general police power to implement, based upon appropriate and adequate findings, specific measures necessary to alleviate legitimate and bona fide harmful and noxious uses, or protect against real, actual, and dangerous threats to the health and safety of City residents, in which event any rule, regulation or policy imposed on the development of the Property shall be done to the minimum extent necessary to correct such bona fide harmful and noxious uses or protect against any such real, actual and dangerous threats to the health and safety of City residents.

2.8 Development Timing. This Agreement does not require Developer to proceed with development of the Property or to initiate or complete development of any phase of the development of the Property or any portion thereof within any period of time set by City. City acknowledges the timing of development of the Property shall be in Developer's sole and absolute discretion. No future modification of City's municipal code or any ordinance or regulation which limits the rate of development over time shall be applicable to the Property. However, as provided in Section 1.5 above, extension of the term either requires a certain level of development or commitment to development to maintain PFE Fee Credits.

ARTICLE 3

DEVELOPER OBLIGATIONS

3.1 Fee Obligations. Subject to certain fee credits and/or fee reimbursements as set forth in Article 4, Developer shall pay only those Exactions listed in Exhibit "E"

hereto. Nothing in this Agreement shall constitute a waiver of Developer's right to challenge the legality of the amount of, allocation of, or any future increases in, the Exactions applied to the Property.

3.2 Public Improvements. Developer agrees to pay applicable fees, subject to the requirements and limitations of the Mitigation Fee Act as well as certain fee credits and/or fee reimbursements as set forth in Article 4. City and Developer agree that all necessary public improvements for the property have been constructed.

3.3 Dry Utilities. Developer has no obligation to construct any additional offsite dry utilities.

3.4 Roadways. Developer has no obligation construct any additional roadway improvements, except for a portion of Redrock Road.

3.5 Wastewater. In consideration for infrastructure constructed and/or funded by Developer's predecessors, City shall grant Developer wastewater connections for the Property any time such connections are requested.

3.6 Water. In consideration for infrastructure (including water storage and groundwater wells) constructed and/or funded by Developer's predecessors, City shall grant Developer water connections for the Property any time such connections are requested.

3.6.1 Water Supply Verification. City acknowledges and agrees that Developer has complied with the terms of California Government Code Section 66473.7 for the Project.

3.7 Drainage. Developer has no obligation to construct any additional drainage improvements.

3.8 Parks and Open Space. Developer shall have no requirement for the dedication or construction of parks or open space other than the payment of the park construction component of the PFE Community Services fee.

3.9 Infrastructure, Maintenance and Public Services Finance.

3.9.1 Maintenance and Public Services Finance. City acknowledges and agrees that all the Property except Parcel 329-010-033 has prior to the execution of this Agreement annexed into the Landscaping and Lighting District, CFD 2004-1 Storm Water, and Twelve Bridges Assessment District 95-1. Excepting Parcel 329-010-033, Developer shall not be required to annex into any additional Infrastructure or Maintenance Community Facilities District, or Lighting and Landscaping District, including but not limited to the CFD No. 2018-1 (City Maintenance Services) and Community Facilities District No. 2018-2 (City Public Services). Prior to issuance of the first Building Permit for Parcel 329-010-033, Developer agrees said Parcel shall be annexed into CFD No. 2018-1 (City Maintenance Services) less the stormwater component. Commercial property within Parcel 329-010-033 will not be required to annex into Community Facilities District No. 2018-2 (City Public Services) provided that the use is a commercial use that generates sales

tax revenue. The parties agree any development of this commercial property that would be used as residential living or is not a tax-exempt parcel pursuant to the CFD Resolution, would be required to be on its own legal parcel which would annex into Community Facilities District No. 2018-2 (City Public Services).

3.9.2 Regional Fees. City acknowledges that the regional and cumulative impacts of the Project have been analyzed in the Project's EIR and that appropriate mitigation for such impacts has been adopted and imposed on the Project. In recognition of this analysis and the imposition of such mitigation City shall not impose any regional development fees, charges or other exactions on the development of the Project other than the collection of the South Placer Regional Transportation Authority (the "Authority") fee currently in effect, as may be adjusted by the Authority due to changes in the actual cost of the regional improvements or changes to the number of EDU's subject to the fee.

ARTICLE 4

CITY OBLIGATIONS

4.1 Public Facilities Element Fee Program. City is currently in the process of updating its PFE fee program to include the public facilities required to serve the 2050 General Plan ("PFE Fee Program"). Upon adoption of the PFE Fee Program and consistent with the provisions within this section and PFE Policy, City shall administer said program and policy and impose a PFE Fee Program fee ("PFE Fee") on all developing parcels covered by this Agreement.

4.1.1 PFE Fee Program Credits/Reimbursements. Developer currently has PFE Fee credits ("Developer Fee Credits") listed in Exhibit "F," which depicts the number of EDUs in each infrastructure category and corresponding existing PFE Fee for such EDU. It also depicts any dollar PFE Fee credits that exist under the existing PFE fee program. Upon the adoption of the new PFE Fee Program by City, Developer and City shall enter into a PFE Fee Credits/ Reimbursement Agreement within 45 days in the form of which is attached hereto as Exhibit "G". PFE Fee credits shall only be valid within the Property area, except that any credits sold by Pappas within the Twelve Bridges area prior to the Effective Date shall remain valid. Existing Developer Fee Credits will be adjusted pursuant to this agreement when the new PFE Fee Program is adopted as described below.

4.1.2 Update of PFE Fees and Credits. In order to be consistent with current City fee methodology and PFE Policy, and to ensure equivalent value of existing Developer Fee Credits, at the time City adopts the new PFE Fee Program, the Developer Fee Credits shall convert to a credit account. The value of the new credit account shall be calculated by multiplying the EDUs remaining in the account at the time of adoption of the PFE Fee Program and PFE Policy by the New Adopted Fee per EDU. The New Adopted Fee means all components of the fee (less any admin fee) adopted with the PFE Fee Program. For example, if 10 Wastewater EDUs remain in the account at adoption of the PFE Fee Program, and the total Wastewater Fee (including "Collections, "WWTRF",

“Critical”, “Non-Critical” or any other identification of components, but less the admin component) is \$6,000.00, the value of the account shall be \$60,000.00. In no event shall the value of the account be less than the remaining EDU at time of adoption of the current PFE fee as shown on Exhibit “F.” Pursuant to City PFE Policy, the dollar amounts of credits may be pooled. PFE Fee Credits shall escalate at the same time and rate that the respective fees escalate pursuant to the adopted PFE Policy. The PCWA Transmission Credits and the existing Dollar Credits shall not be subject to the modifications in this section but remain valid and applicable.

4.1.3 Nature of PFE Fee Credits/Reimbursements. All rights to PFE Fee credits and/or reimbursements shall be personal to Developer (Pappas) and shall not run with the land, unless such rights are expressly designated in writing to do so by Developer. Credits may be transferred to other parties consistent with PFE policy.

4.2 Review and Approval of Improvement Plans and Final Maps. To complete the improvement plan and final map review, City agrees it shall return first check prints to Developer no later than thirty (30) days from the date of submittal to City. Upon receipt by City of the second submittal, City shall, provided Developer adequately responds to City’s comments on the first check prints, within fifteen (15) days of City’s receipt of such second submittal, review and verify that the plans submitted satisfactorily address all City comments. Within fifteen (15) days of City’s receipt of completed plans and maps deemed ready for approval, plans shall be signed by the City Engineer, and City staff shall place such maps on the next available City Council hearing agenda. If City determines it will be unable to comply with this Section, and notifies Developer of such determination, then plan check and map review tasks shall be subcontracted to an outside service provider at Developer’s request and expense provided the outside service provider is on City’s on-call list.

4.3 Building Permits.

a. City shall review a construction drawing master plan for each model home (“Master Plan”) at the Property prior to construction of said model homes. City and Developer shall endeavor to resolve all City plan check comments within forty-five (45) days after any application for a Master Plan is deemed complete by City. Thereafter, City shall issue building permits for homes subject to that Master Plan within seven (7) days of City’s acceptance of a complete building permit application provided all of the following have occurred: (1) City’s Design Review Board and Community Development Director have approved the Master Plan; (2) a final map has been recorded for the property; and (3) Developer has paid plan check fees. Recordation of a final map for the Property shall not be required prior to issuance of a building permit for a model home.

b. In the event that an amendment to the UBC results in the need to change the Master Plan, construction of residential units pursuant to the Master Plan shall be allowed to continue for a period of six (6) months from the date the State of California publishes notice of a change in the UBC which triggers a corresponding need for changes to the Master Plan provided the model home is consistent with City’s Design Standards.

4.4 Other Government Permits. Developer shall be responsible for applying for and obtaining approvals and permits required by other governmental agencies having

jurisdiction over, or providing services to, the Project. To the extent possible, City shall cooperate with Developer in obtaining all such approvals and permits in as timely a manner as possible.

ARTICLE 5

ANNUAL REVIEW

5.1 Annual Review.

(a) During the Term of this Agreement, City shall once every calendar year review the extent of good faith compliance by Developer with the terms of this Agreement. The cost for City's annual review of this Agreement shall be paid by Developer. Such periodic review shall be limited in scope to compliance with the terms and conditions of this Agreement pursuant to California Government Code Section 65865.1. This review shall be conducted pursuant to Chapter 18.86 of the Lincoln Municipal Code. At least ten (10) days prior to any Planning Commission and City Council meetings held in connection with said annual review, City shall provide Developer with a copy of the City staff report concerning Developer's compliance with the terms and provisions of this Agreement.

(b) Upon not less than thirty (30) days' written notice by the Community Development Director, Developer shall provide such information as may be reasonably requested by the Community Development Director in order to ascertain Developer's compliance with this Agreement.

(c) Failure by City in any given calendar year to undertake and complete its annual review of the Agreement shall constitute a finding by City that Developer is not in default in the performance of its obligations under the Agreement for that calendar year, for purposes of the Estoppel Certificate.

5.2 Estoppel Certificate. Any party to this Agreement and any Lender may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party: (i) the Agreement is in full force and effect and a binding obligation on the parties; (ii) the Agreement has not been amended or modified, either orally or in writing, and if so amended or modified, identify the amendments or modifications; and (iii) as of the date of the estoppel certificate, the requesting party (or any party specified by a Lender) is not in default in the performance of its obligations under the Agreement, or if in default to describe therein the nature of any such default and the steps or actions to be taken by the other party reasonably necessary to cure any such alleged default. The party requesting the certificate shall pay all reasonable costs borne by City to complete the certificate. A party receiving a request hereunder shall execute and return such certificate or give a written detailed response explaining why it will not do so within thirty (30) days following the receipt of such request. Each party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. An estoppel certificate provided by City establishing the status of this Agreement shall be in recordable form and may be recorded at the expense of the recording party.

ARTICLE 6

DEFAULT, TERMINATION AND ENFORCEMENT

6.1 Defaults. Except as provided below, any failure by any party to perform any term or provision of this Agreement, which failure continues uncured for a period of thirty (30) days following the receipt of written notice of such failure from the other party, shall constitute a default under this Agreement. If the nature of the alleged default is such that it cannot reasonably be cured within thirty (30) days, the thirty-day time period will be tolled if: (a) the cure is commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the party in default's receipt of the notice), the party in default provides written notice to the non-defaulting party that the cure cannot practicably be completed within such 30-day time period; and (d) the cure is completed at the earliest practicable date. Any notice given pursuant to the preceding two sentences shall specify the nature of any alleged failure and, where appropriate, specify the manner in which said failure may be satisfactorily cured. Upon the occurrence of a default under this Agreement, the non-defaulting party may institute legal proceedings to enforce the terms of this Agreement or, in the event of an uncured material default, may terminate this Agreement. If the default is cured, then no default shall exist and the non-defaulting party shall take no further action.

6.2 Termination. If City elects to consider terminating this Agreement due to an uncured material default of Developer, then City shall give a written notice of intent to terminate this Agreement to Developer and the matter shall be scheduled for consideration and review by the City Council at a duly noticed and conducted public hearing. At least ten (10) days prior to said hearing, City shall provide Developer with a copy of the City staff report concerning such proposed termination of this Agreement. Developer shall have the right to offer written and oral evidence prior to or at the time of said public hearing. If the City Council determines that a material default has occurred and is continuing, and elects to terminate this Agreement, City shall give written notice of termination of this Agreement to Developer by certified mail and this Agreement shall thereby be terminated sixty (60) days thereafter.

6.3 Force Majeure. Performance by any party of its obligations under this Agreement (other than for payment of money) shall be excused during any period of "Permitted Delay" as hereinafter defined. For purposes hereof, Permitted Delay shall include delay beyond the reasonable control of the party claiming the delay (and despite the good faith efforts of the party) including: (i) acts of God; (ii) civil commotion; (iii) riots; (iv) acts of terrorism; (v) strikes, picketing or other labor disputes; (vi) shortage of materials, energy or supplies; (vii) damage to work in progress by reason of fire, flood, earthquake or other casualties; (viii) as to Developer only, failure, delay or inability of City to provide adequate levels of public services, facilities or infrastructure to the Project site; (ix) failure, delay or inability of the other party to act; (x) with respect to completion of the Annual Review, the failure, delay or inability of any party to provide adequate information or substantiation as reasonably required to complete the Annual Review; (xi) delay caused by governmental restrictions imposed or mandated by other governmental entities; (xii) enactment of conflicting state or federal laws or regulations; (xiii) judicial decisions or

similar bases for excused performance; (xiv) litigation brought by a third party attacking the validity of this Agreement; (xv) City's inability to issue or sell bonds necessary to finance any public facilities necessary for the Project's development and use; and (xvi) building moratoria, water connection moratoria or sewer connection moratoria. Any party claiming a Permitted Delay shall notify the other party in writing of such delay within thirty (30) days after the commencement of the delay, which notice ("Permitted Delay Notice") shall include the estimated length of the Permitted Delay. A Permitted Delay shall be deemed to occur for the time period set forth in the Permitted Delay Notice unless a party receiving the Permitted Delay Notice objects in writing within ten (10) days after receiving the Permitted Delay Notice. In the event of such objection, the parties shall meet and confer within thirty (30) days after the date of objection with the objective of attempting to arrive at a mutually acceptable solution to the disagreement regarding the Permitted Delay. If no mutually acceptable solution can be reached any party may take action as may be permitted under Section 6.1 of this Agreement.

6.4 Legal Action. In addition to any other rights or remedies, any party may institute legal action to cure, correct or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer, and that therefore, Developer hereby waives any and all claims for damages against City for breach of this Agreement. Developer further acknowledges that as an instrument which must be approved by ordinance, a development agreement is subject to referendum and that under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard. Nothing in this Section is intended to nor does it limit Developer's or City's rights to equitable remedies as permitted by law.

ARTICLE 7

DEFENSE AND INDEMNITY/HOLD HARMLESS

7.1 Defense and Indemnity. Developer shall indemnify, defend and hold City, its elected and appointed commissions, officers, agents, and employees harmless from and against any and all actual and alleged damages, claims, costs and liabilities, arising out of this Agreement, including, without limitation, contractual and statutory claims, and those arising out of the personal injury or death of any third party, or damage to the property of any third party, to the extent such damages, claims, costs or liabilities arose out of or in connection with the Agreement or the operations of the Project under this Agreement by Developer or by Developer's contractors, subcontractors, agents or employees, provided that Developer shall not be obligated to indemnify, defend, or hold City harmless for damages, claims, costs and liabilities arising out of City's sole negligence or willful misconduct. Nothing in this Article 7 shall be construed to mean that Developer shall defend, indemnify or hold City harmless from any damages, claims, costs or liabilities arising from, or alleged to arise from, activities associated with the maintenance or repair by City or any other public agency of improvements that have been offered for dedication and accepted by City or such other public agency. City and Developer may from time to

time enter into subdivision improvement agreements, as authorized by the California Subdivision Map Act, or other agreements related to the Project, which agreements may include defense and indemnity provisions different from those contained in this Article 7. In the event of any conflict between such provisions in any such subdivision improvement agreements or other Project agreements and the provisions set forth above, the provisions of such subdivision improvement agreement or other Project agreements shall prevail.

ARTICLE 8

COOPERATION IN THE EVENT OF LEGAL CHALLENGE

8.1 Cooperation. In the event of any administrative, legal, or equitable action or other proceeding instituted by any person not a party to this Agreement challenging the validity of any provision of any of the Entitlements, Subsequent Entitlements or this Agreement, the parties shall cooperate in defending such action or proceeding to dismissal, settlement or final judgment. Each party may select its own legal counsel, and Developer shall pay City's legal defense fees and costs, including attorneys' fees, consistent with Developer's obligations under Section 7.1. In no event shall City be required to bear the fees or costs of Developer, including Developer's attorneys' fees. If requested by Developer, City agrees to support any efforts made by Developer to intervene or join as a party in any such administrative, legal or equitable proceedings if Developer was not named as a party therein. Neither Developer nor City shall settle any action or proceeding on grounds that include non-monetary relief or admissions of liability without written consent of the other party. City agrees to not settle any action based upon monetary relief without the written consent of Developer, unless City is solely liable and agrees to pay such monetary relief. In the event of an award by the court or by an arbitrator of attorneys' fees to a party challenging this Agreement or any of the Entitlements or Subsequent Entitlements, then Developer shall be liable for satisfying the payment of any such award of third party's attorneys' fees.

8.2 Court Judgment or Order. City and Developer shall meet and endeavor, in good faith to attempt to reach agreement on any amendments needed to allow development of the Property to proceed in a reasonable manner taking into account the terms and conditions of the court's judgment or order. If agreement is reached, the procedures for amending this Agreement as specified herein shall apply. If agreement is not reached, Developer shall have the right to terminate this Agreement by giving City sixty (60) days' notice of termination. In the event that amendment of this Agreement is not required, and the court's judgment or order requires City to engage in other or further proceedings, City agrees to comply with the terms or the judgment or order expeditiously.

ARTICLE 9

MISCELLANEOUS PROVISIONS

9.1 Authority to Execute Agreement. The person or persons executing this Agreement on behalf of Developer warrant and represent that they have the authority to execute this Agreement and the authority to bind Developer to the performance of its obligations hereunder.

9.2 Cancellation or Modification. In addition to the rights provided the parties in Article 5 of this Agreement with respect to City's Annual Review, and Sections 6.1 and 6.2 of this Agreement as to default and termination, any Party may propose cancellation or modification of this Agreement pursuant to Government Code Section 65868, but such cancellation or modification shall require the consent of any parties hereto retaining any legal interest in the Property or any portion thereof.

9.3 Consent. Where consent or approval of a Party is required or necessary under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

9.4 Interpretation of Agreement. All parties have been represented by legal counsel in the preparation of this Agreement and no presumption or rule that ambiguity shall be construed against a drafting Party shall apply to interpretation or enforcement hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend or affect the meaning of the provision to which they pertain.

9.5 California Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. City and Developer shall each comply with all applicable laws in the performance of their respective obligations under this Agreement

9.6 No Joint Venture or Partnership. City and Developer hereby renounce the existence of any form of joint venture, partnership or other association between City and Developer, and agree that nothing in this Agreement or in any document executed in connection with it shall be construed as creating any such relationship between City and Developer.

9.7 Covenant of Good Faith and Fair Dealing. No Party shall do anything which shall have the effect of injuring the right of another Party to receive the benefits of this Agreement or do anything which would render its performance under this Agreement impossible. Each Party shall perform all acts contemplated by this Agreement to accomplish the objectives and purposes of this Agreement.

9.8 Partial Invalidity Due to Governmental Action. In the event state or federal laws or regulations enacted after the Effective Date of this Agreement, or formal action of any governmental jurisdiction other than City, prevent compliance with one or more

provisions of this Agreement, or require changes in plans, maps or permits approved by City, the parties agree that the provisions of this Agreement shall be modified, extended or suspended only to the minimum extent necessary to comply with such laws or regulations.

9.9 Further Actions and Instruments. The parties agree to provide reasonable assistance to the other and cooperate to carry out the intent and fulfill the provisions of this Agreement. Each of the parties shall promptly execute and deliver all documents and perform all acts as necessary to carry out the matters contemplated by this Agreement.

9.10 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.11 No Waiver. No delay or omission by a party in exercising any right or power accruing upon non-compliance or failure to perform by another party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver. A waiver by a party of any of the covenants or conditions to be performed by another party shall not be construed as a waiver of any succeeding breach or non-performance of the same or other covenants and conditions thereof.

9.12 Severability. If any provision of this Agreement shall be adjudicated to be invalid, void or illegal, it shall in no way affect, impair or invalidate any other provision, and, with the exception of such provision found invalid, void or illegal, this Agreement shall remain in full force and effect.

9.13 Recording. Pursuant to California Government Code Section 65868.5, no later than ten (10) days after City enters into this Agreement, the City Clerk shall record an executed copy of this Agreement in the official records of the Placer County Recorder's Office and thereafter provide Developer with a copy of the recorded Agreement.

9.14 Attorneys' Fees. Should any legal action be brought by any party for breach of this Agreement or to enforce any provisions herein, the prevailing party shall be entitled to reasonable attorneys' fees, court costs and other costs as may be fixed by the Court. Attorneys' fees shall include attorneys' fees on any appeal, and in addition a party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating such actions, taking depositions and discovery, and all other necessary costs incurred in the litigation.

9.15 Venue. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

9.16 Time is of the Essence. Time is of the essence of each and every provision of this Agreement.

9.17 Several Obligations of Owners. Notwithstanding anything to the contrary contained herein, no default in the performance of a covenant or obligation in this Agreement with respect to a particular portion of the Property shall constitute a default applicable to any other portion of the Property, and any remedy arising by reason of such

default shall be applicable solely to the portion of the Property where the default has occurred. Similarly, the obligations of Developer and any successor in interest thereof shall be several and no default hereunder in performance of a covenant or obligation by any one of them shall constitute a default applicable to any other owner who is not affiliated with such defaulting owner, and any remedy arising by reason of such default shall be solely applicable to the defaulting owner and the portion of the Property owned by such defaulting owner.

ARTICLE 10

PROVISIONS RELATING TO LENDERS

10.1 Lender Rights and Obligations.

10.1.1 Prior to Lender Possession. No Lender shall have any obligation or duty under this Agreement prior to the time the Lender obtains possession of the Property to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of Developer or Developer's successors-in-interest prior to Lender's possession of the Property, but such Lender shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which it holds an interest. Nothing in this Section shall be construed to grant to a Lender rights beyond those of Developer hereunder or to limit any remedy City has hereunder in the event of default by Developer, including termination or refusal to grant subsequent additional land use entitlements with respect to the Property.

10.1.2 Lender in Possession. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of Developer and which remain unpaid as of the date such Lender takes possession of the Property or any portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive entitlements with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of Developer hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of Developer hereunder or entitled to enforce the provisions of this Agreement against City unless and until such Lender or successor in interest qualifies as a recognized assignee of this Agreement and makes payment of all delinquent and current City fees and charges pertaining to the Property.

10.1.3 Notice of Developer's Default Hereunder. If City receives notice from a Lender requesting a copy of any notice of default given Developer hereunder and specifying the address for notice thereof, then City shall deliver to such Lender, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that Developer has committed a default, and if City makes a determination of non-compliance, City shall likewise serve notice of such non-compliance

on such Lender concurrently with service thereof on Developer.

10.1.4 Lender's Right to Cure. Each Lender shall have the right, but not the obligation, during the same period of time available to Developer to cure or remedy, on behalf of Developer, the default claimed or the areas of non-compliance set forth in City's notice. Such action shall not entitle a Lender to develop the Property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of Developer hereunder.

10.1.5 Other Notices by City. A copy of all other notices given by City to Developer pursuant to the terms of this Agreement shall also be sent to Lender at the address provided pursuant to Section 10.1.3 above.

ARTICLE 11

ENTIRE AGREEMENT AND EXHIBITS

11.1 Integration Clause and List of Exhibits. This Agreement consists of Twenty-seven (27) pages and seven (7) Exhibits, which constitute in full the final and exclusive understanding and agreement of the parties and supersedes all negotiations or previous agreements of the parties with respect to all or any part of the subject matter hereof. The following exhibits are attached to this Agreement and are hereby incorporated herein for all purposes:

Exhibit A	Property Map
Exhibit B	Legal Description of Property
Exhibit C	Entitlements (Incorporated by Reference)
Exhibit D	Transfer Agreement Form
Exhibit E	Exactions Applicable to Project
Exhibit F	Developer (Pappas) PFE Fee Credits
Exhibit G	PFE Fee Credit/Reimbursement Agreement Form

IN WITNESS WHEREOF, the City of Lincoln, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attestation by its City Clerk under authority of Ordinance No. _____, adopted by the City Council of the City of Lincoln on the __ day of _____, 2022, and Developer has caused this Agreement to be executed.

“City”

City of Lincoln,
A Municipal Corporation

By: _____

Sean Scully

City Manager

“Developer”

PAPPAS GATEWAY, L.P.,
a California limited partnership

By: JCP Properties LLC,
a California limited liability
company

Its: General Partner

By: _____

John Papagiannopoulos

Its: Manager

PAPPAS ARIZONA, LIMITED
PARTNERSHIP,
a California limited partnership

By: JCP Properties LLC,
a California limited liability
company

Its: General Partner

By: _____

John Papagiannopoulos

Its: Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

“City”

City of Lincoln,
A Municipal Corporation

By: _____

Sean Scully

City Manager

“Developer”

PAPPAS GATEWAY, L.P.,
a California limited partnership

By: JCP Properties LLC,
a California limited liability
company

Its: General Partner

By:  _____

John Papagiannopoulos

Its: Manager

PAPPAS ARIZONA, LIMITED
PARTNERSHIP,
a California limited partnership

By: JCP Properties LLC,
a California limited liability
company

Its: General Partner

By:  _____

John Papagiannopoulos

Its: Manager

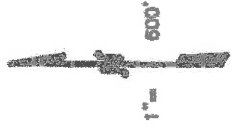
ATTEST:

City Clerk

APPROVED AS TO FORM:

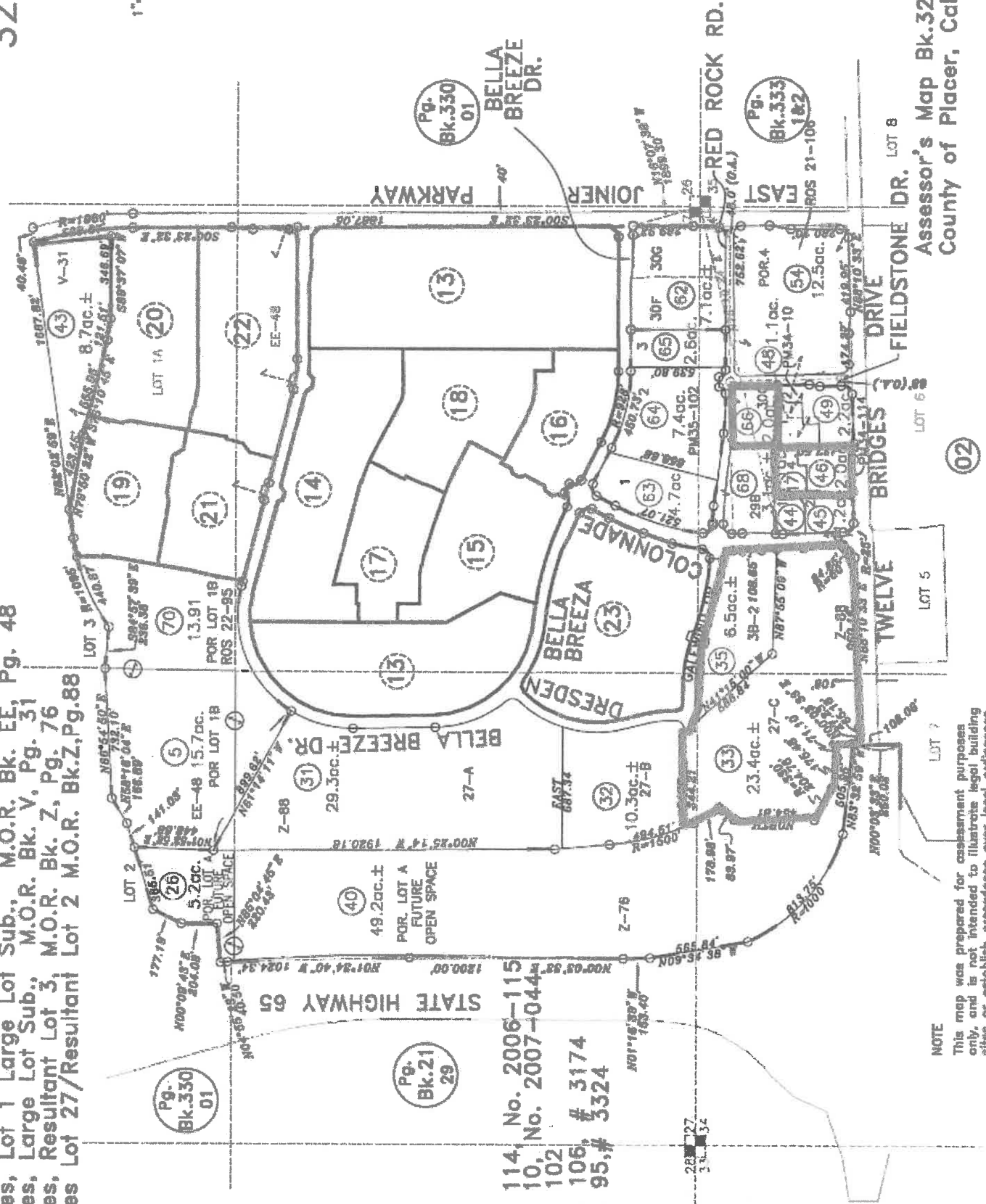
City Attorney

EXHIBIT A



PORS. SEC.27 & 34, T.12N., R.6E., M.D.B.&M.
 Twelve Bridges, Lot 1 Large Lot Sub., M.O.R. Bk. EE, Pg. 48
 Twelve Bridges, Large Lot Sub., M.O.R. Bk. V, Pg. 31
 Twelve Bridges, Resultant Lot 3, M.O.R. Bk. Z, Pg. 76
 Twelve Bridges Lot 27/Resultant Lot 2 M.O.R. Bk.Z, Pg.88

Bk. 34, Pg. 114, No. 2006-115
 Bk. 34, Pg. 10, No. 2007-044
 Bk. 35, Pg. 102
 Bk. 21, Pg. 106, # 3174
 Bk. 22, Pg. 95, # 3324



NOTE

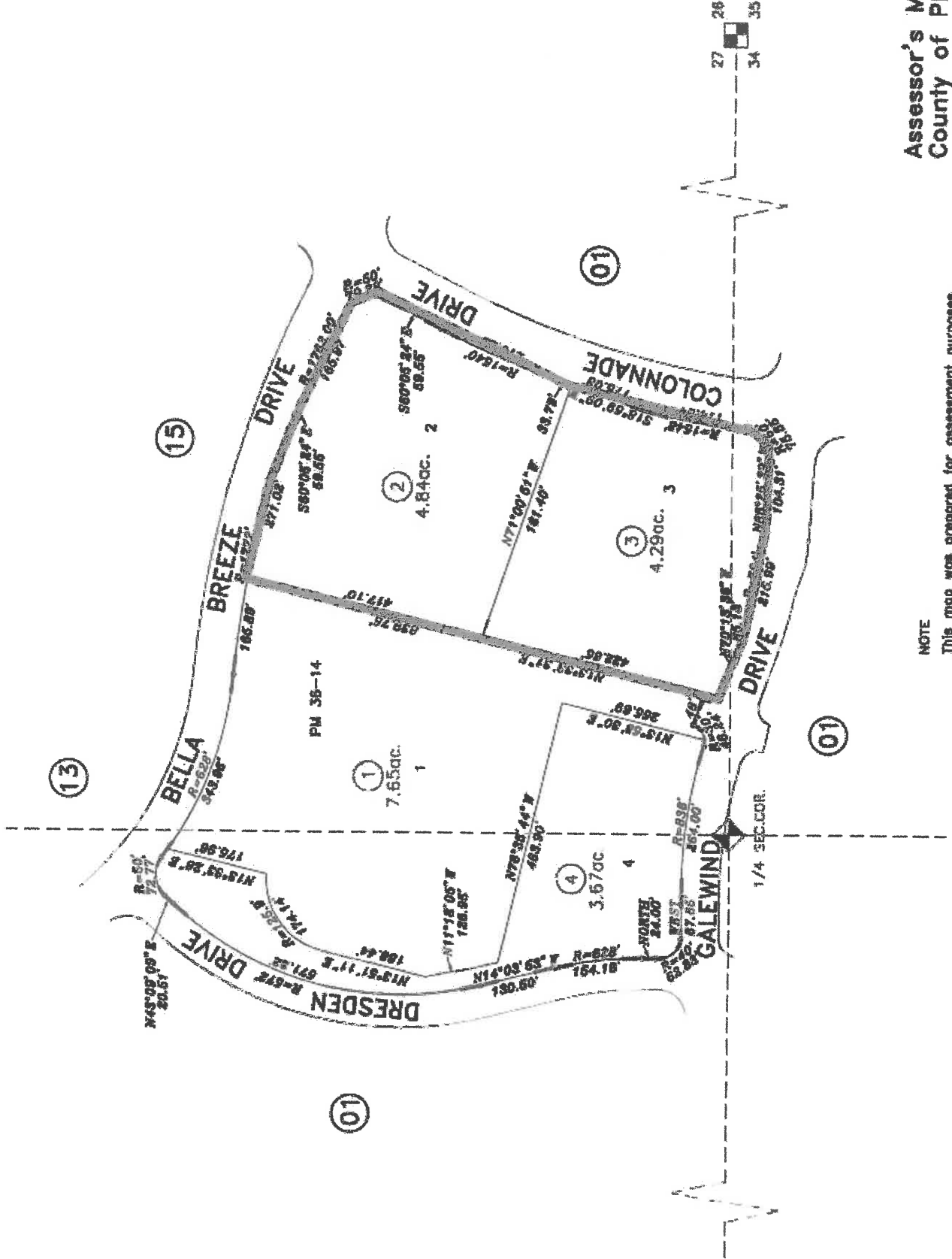
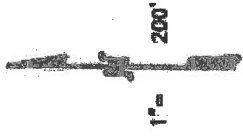
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents

NOTE

NOTE
 Assessor's Block Numbers Shown in Ellipses.

Assessor's Map Bk.329Pg.01
 County of Placer, Calif.

POR. SEC.27 & 34, T.12N., R.6E., M.D.B.&M.
Twelve Bridges Lot 27 / Resultant Lot 3 M.O.R. Bk. Z, Pg 76
Parcel Map M.O.R. Bk. 36, Pg. 14



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, Sacramento Area, as of 10/1/01

EXHIBIT B

EXHIBIT B

LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF LINCOLN, COUNTY OF PLACER, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL A

PARCELS 3, AND 4, AS SHOWN ON THE FINAL MAP OF "TERRA COTTA VILLAGE", FINAL MAP NO. 2006-115, FILED FOR RECORD NOVEMBER 19, 2008, IN BOOK 34 OF MAPS, MAP NO. 114, OFFICIAL RECORDS OF PLACER COUNTY.

APN: 329-010-046 AND 329-010-047

PARCEL B

LOTS 27-C AND 3B-2, AS SHOWN AND DESIGNATED ON FINAL MAP NO. 2004-164, RECORDED SEPTEMBER 24, 2004, IN BOOK Z OF MAPS, PAGE 88, OFFICIAL RECORDS OF PLACER COUNTY, AND AMENDED BY THAT CERTIFICATE OF CORRECTION RECORDED JUNE 9, 2006 AS SERIES NO. 2006-0062198 OF OFFICIAL RECORDS.

APN: 329-010-033 AND 329-010-035

PARCEL C

RESULTANT LOT 30C, AS SHOWN ON THE LOT LINE ADJUSTMENT RECORDED MARCH 15, 2011 AS INSTRUMENT NO. 2011-0020773-00, BEING A PORTION OF LOTS 30C AND 30D/E OF BOOK Z OF MAPS AT PAGE 76, FILED JUNE 8, 2004, PLACER COUNTY RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 30C, LYING ON THE WESTERLY RIGHT-OF-WAY LINE OF FIELDSTONE DRIVE; THENCE ALONG THE BOUNDARY OF SAID LOT 30C, SOUTH 88°10'33" WEST A DISTANCE OF 342.01 FEET; THENCE ALONG THE WESTERLY BOUNDARY LINE OF SAID LOTS 30C AND 30D/E, NORTH 01°49'27" WEST A DISTANCE OF 298.15 FEET; THENCE LEAVING SAID WESTERLY BOUNDARY LINE, SOUTH 83°02'53" EAST A DISTANCE OF 75.82 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT; THENCE EASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 1500.00 FEET, AN ARC LENGTH OF 192.27 FEET THROUGH A CENTRAL ANGLE OF 07°20'39"; THENCE NORTH 89°36'28" EAST A DISTANCE OF 75.72 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF FIELDSTONE DRIVE; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE, SOUTH 01°49'27" EAST A DISTANCE OF 267.60 FEET TO THE POINT OF BEGINNING.

THIS LEGAL IS MADE PURSUANT TO THAT CERTAIN APPROVAL OF LOT LINE ADJUSTMENT, RECORDED MARCH 15, 2011 AS INSTRUMENT NO. 2011-0020773 OF OFFICIAL RECORDS.

APN: 329-010-066

PARCEL D

PARCELS 2 AND 3, AS SHOWN ON THE PARCEL MAP "DRESDEN DRIVE/GALEWIND DRIVE," PARCEL MAP NO. 2019-183, RECORDED AUGUST 27, 2019, IN BOOK 36 OF PARCEL MAPS, MAP NO. 14, OFFICIAL RECORDS OF PLACER COUNTY.

APN: PORTION OF 329-230-002 AND 329-230-003

EXHIBIT C

EXHIBIT C

Parcel A

APNs: 329-010-046 and 329-10-047

General Plan: 2050 General Plan - Community Commercial (CC)

Specific Plan/Development Plan: Twelve Bridges

Zoning: General Commercial-1 (GC-1)

Other: Final Map as described in Exhibit B of this Development Agreement
Twelve Bridges Final Environmental Impact Report Dated _____

Parcel B

APNs: 329-010-033 and 329-010-035

General Plan: 2050 General Plan - Employment Center (EC)

Specific Plan/Development Plan: Twelve Bridges

Zoning: Employment Center -1 (EC-1)

Other: Final Map as described in Exhibit B of this Development Agreement
Twelve Bridges Final Environmental Impact Report Dated _____

Parcel C

APNs: 329-010-066

General Plan: 2050 General Plan - Community Commercial (CC)

Specific Plan/Development Plan: Twelve Bridges

Zoning: General Commercial -1 (GC-1)

Other: Lot Line Adjustment as described in Exhibit B of this Development Agreement
Twelve Bridges Final Environmental Impact Report Dated _____

Parcel D

APNs: Portion of 329-230-002 and 329-230-003

General Plan: 2050 General Plan - Employment Center (EC)

Specific Plan/Development Plan: Twelve Bridges

Zoning: Employment Center -1 (EC-1)

Other: Parcel Map as described in Exhibit B of this Development Agreement
Twelve Bridges Final Environmental Impact Report Dated _____

EXHIBIT D



**Twelve Bridges Village XX
Lots XX - YY
Certification and Assignment
of Fee Credits**

APN #329-XXX-XXX-0000

In conjunction with the purchase of Twelve Bridges Village XX, APN# 329-XXX-XXX (“Property”), JCPSAC Properties, LP, a California Limited Partnership (hereinafter “Seller”) acquired certain fee credits which can be used towards the payment of the City of Lincoln (“City”) utility connections and other community services (“PFE Fees”) which are paid at building permit.

The Property has been sold from Seller to Name of Buyer (“Buyer”), and development rights have been transferred pursuant to the Transfer Agreement recorded December 15, 2017 as Series 2017-0099895, Placer County Official Records. Seller now desires to assign the following credits to Buyer which shall be used for the payment of PFE Fees. Buyer acknowledges that the following fee credits do not represent all fees payable by Buyer, which may change based upon the size of Buyer’s project and other factors. Seller and the City wish to certify the availability of the Fee Credits and hereby consent to the assignment of the below Fee Credits to Buyer.

1. The City hereby acknowledges and certifies that Seller is the current holder of the following Fee Credits (pooled and unpoolled) pursuant to Paragraph 4.1 of that certain Development Agreement dated as of [date], 2022, and recorded on [date], 2022 in the Official Records of Placer County as Document No. 22-XXXXXXXX (as amended from time to time).
2. For good and valuable consideration, receipt of which is hereby acknowledged, Seller does hereby assign and transfer to Buyer; and Buyer does hereby accept from Seller the assignment and transfer of the Fee Credits as attached hereto as Exhibit A. By signing below the City does hereby consent and agree to the above assignment.

In order to receive credit against otherwise due and payable PFE Fees, excluding the payment of the Critical Component and Administration Fees, Buyer should submit this fully executed form to the City along with building permit applications.

(Signatures are on the following page.)



**Twelve Bridges Village XX
Lots XX - YY
Certification and Assignment
of Fee Credits**

APN #329-XXX-XXX-0000

Seller:

JCPSAC Properties, LP, a California limited partnership

By: JCPSAC Properties, LLC,
a California limited liability company, its general partner

By: _____
John Papagiannopoulos, Manager

Buyer: **Name of Buyer**, a California Corporation

By: _____

Name and Title: _____





City of Lincoln:

By: _____
Its: City Manager

Approved as to form

Kristine L. Mollenkopf, City Attorney





Exhibit A

Schedule of Fee Credits

Twelve Bridges Village XX
Lots XX - YY
Certification and Assignment
of Fee Credits

APN #329-XXX-XXX-0000

Fee Credits:

Fee / Components	EDU/\$ Credit
Sewer Connection - Non-Critical Component (1)	16 EDU
Water Connection / Storage - Non-Critical Component (1)	16 EDU

(1) Fee credit is assigned in an amount of capacity and is not convertible to a dollar amount that can be pooled and applied towards other fees

EXHIBIT E

EXHIBIT E

Exactions Applicable to Project

City of Lincoln Building Permit and Miscellaneous Fees

- Building Permit Fee
- Plan Check Fee
- Energy Plan Check & Inspection Fee
- Incremental Fee
- California Building Standards Commission (CBSC) Fee
- Strong Motion Instrumentation Fee
- Water Meter Fee
- Building Occupancy Fee
- Refuse Container
- Technology Fee
- General Plan Maintenance Fee
- Business License Fees
- Supplemental Fee
- Green Building Fee

Engineering/Inspection/Encroachment Permits

- Map Check
- Improvement Plan Check
- Improvement Inspection
- Fire Flow Test
- Grading Plan Check
- Grading Inspection
- Water Quality Management Plan
- Review of Project CC&R's

Public Services Fees

Water Meter – Construction Hydrant

Public facilities Element (PFE Fees)

City Water Connection Fee

Drainage Impact Fee

Sewer Connection Fee

Traffic Mitigation Fee

Community Services Fee

Park Tax

County and Regional Fees

Placer County Capital Facilities Impact Fee

South Placer Regional Transportation Authority Tier I (SPRTA)

City of Lincoln Source Water Connection Charge (WCC)

Western Placer Unified School District

*Any fee identified in the most recently adopted City of Lincoln Master Fee Schedule that may not have been anticipated at the time of drafting of this Development Agreement shall also apply.

EXHIBIT F

JCPSSAC Properties

Developer PFE Infrastructure Credits	EDU Credits	Current Value per EDU
Wastewater (Sewer) Connection	26.182	\$6,286.19

Other Developer PFE Credits	EDU Credits
PCWA Transmission Credits	2.43

Pappas Arizona

Developer PFE Infrastructure Credits	EDU Credits	Current Value per EDU
Wastewater (Sewer) Connection	429.62	\$6,286.19
Water Storage Connection	352.16	\$3,485.12

Dollar Credits	Amount
Community Services Fee - Fire	\$29,460.21

EXHIBIT G

CITY OF LINCOLN
PUBLIC FACILITIES ELEMENT (PFE)
FEE CREDIT AGREEMENT

(PAPPAS ARIZONA and JCPSAC PROPERTIES LP)
Wastewater and Water Improvements

This PFE Fee Credit Agreement (the "Agreement") is entered into by and between the City of Lincoln (hereinafter the "City") and PAPPAS ARIZONA, A LIMITED PARTNERSHIP, a California Limited Partnership ("Pappas Arizona") and JCPSAC PROPERTIES LP, a California Limited Liability Company ("JCPSAC"), collectively ("Pappas"), and/or its successors in interest, (hereinafter the "Owner") as of the day of _____ 2022 (the "Effective Date").

RECITALS

WHEREAS, Owner has constructed or funded significant amounts of wastewater and water infrastructure required as part of the Twelve Bridges Project (the "Project"), including PFE improvements that serve the Project and other areas of the City; and,

WHEREAS, Owner was required, as a condition of development of the Project, to construct or fund the PFE facilities and improvements described in Exhibit A hereto (hereinafter the "PFE Facilities"); and

WHEREAS, the City and Owner (Pappas) are parties to a Development Agreement that has been amended numerous times, which contains provisions related to PFE Facilities and PFE Fee Credits, as defined below and that agreement history is as follows:

the original Development Agreement ("PHI DA") between the City of Lincoln and PLACER HOLDINGS, INC., a California corporation ("PHI") dated as of April 14, 1998 and recorded on May 7, 1998 in the Official Records of Placer County (the "Official Records") as Document No. 98-0033215. The PHI DA has been amended as described here by: that certain First Amendment to PHI DA by and between the City of Lincoln and Placer Holdings, Inc. for the Twelve Bridges Project is dated on or about June 22, 1999 and recorded on September 23, 1999 in the Official Records as Document No. 1999-0084205; that certain Second Amendment to PHI DA with the City of Lincoln Covering the Twelve Bridges Project dated as of December 12, 2000 and recorded on January 31, 2001 in the Official Records as Document No. 2001-0008137-00; that certain Third Amendment to PHI DA with the City of Lincoln Covering the Twelve Bridges Project dated as of February 13, 2001 and recorded on May 8, 2001 in the Official Records as Document No. 2001-0044026; that certain Fourth Amendment to PHI DA with the City of Lincoln Covering the Twelve Bridges Project dated on or about August 8, 2002 and recorded on November 1, 2002 in the Official Records as Document No. 2002-0136087; that certain Fifth Amendment of PHI DA by and between the City of Lincoln and Placer Holdings, Inc. dated as of June 22, 2004 and recorded on July 29, 2004 in the Official Records as Document No. 2004-0099999; that certain Sixth Amendment of PHI DA by and between the City of Lincoln and Lawford No. 12 Partners LTD, dated as of August 11, 2015 and recorded on September 3, 2015 in the Official Records as Document No. 2015-0077852; and that certain Seventh Amendment of PHI DA by and between the City of Lincoln and JCPSAC

Properties, LP, dated as of May 28, 2019 and recorded on October 2, 2019 in the Official Records as Document No. 2019-0076353-00 (as amended, the "PHI Amended DA"); and

WHEREAS, the City and Owner (Pappas Arizona) have entered into a Development Agreement dated _____, 2022 (Pappas DA)which terminates the PHI Amended DA as to the property covered by such DA and references this Agreement with regard to PFE Facilities and PFE Fee Credits; and

WHEREAS, Both Development Agreements and this Agreement recognize that PFE Facilities and PFE Fee Credits are personal to Owner; and

WHEREAS, the Project will be required to pay the PFE, adopted by the City pursuant to Chapter 18.99 of the Municipal Code (hereafter the "PFE Fee Program"), as part of the mitigation for the Project's impacts to PFE facilities identified in the most recently adopted version of the PFE, including the annual adjustments (hereafter the "PFE Final Report"), which includes a nexus analysis and was approved by the City Council to support the adoption of the PFE Fee Program; and

WHEREAS, Municipal Code 18.99.040 and the PFE Implementation Plan and Policies ("PFE Policy"), as used herein shall be the PFE Policy in effect as of the Effective Date, allows for credits and reimbursements to the Owner for constructing or funding PFE facilities; and

WHEREAS, administration of the City's PFE Fee Program will be the responsibility of the City's Finance Director, or their designee (the "Administrator"); and

WHEREAS, the PFE Fee Program includes a critical component and non-critical component as defined in the City's Public Facilities Element Implementation Plan and Policies (the "PFE Policy"); and

WHEREAS, the PFE Facilities constructed or funded by the Owner will provide fee credits and reimbursements ("PFE Fee Credits") from the critical and non-critical component of the PFE Fee Program; and

WHEREAS, City and Owner now desire to enter into an agreement to provide for allowable PFE Fee Credits, to be applied as credits at building permit against the PFE Fees on the terms set forth in this Agreement, the amount available for reimbursements from the PFE Fee Program, or transfer of credits upon the sale of their property to a new owner with written document approved in form and acknowledged by the City.

WHEREAS, this Agreement will not apportion any PFE Fee Credits that Owner may elect to apply as PFE Fee Credits to ~~any particular real property~~ ("Property") subject to the City of Lincoln and Pappas Development Agreement dated _____ 2022 ("Pappas DA"), within the Twelve Bridges Specific Plan ("Specific Plan"). Such apportionment shall be accomplished at Owner's discretion to any portion or portions of the ~~Project Property~~ as described herein;

NOW, THEREFORE, in consideration of the mutual promises contained herein, City and Owner agree as follows:

SECTION 1. DEFINITIONS

All terms not otherwise described herein shall have the meaning described thereto in the PFE Policy.

SECTION 2. PURPOSE OF THE AGREEMENT

This Agreement is not intended to modify or amend in any way the rights and obligations defined in the PFE Policy or development agreements related to the PFE Facilities and earned PFE Fee Credits. The purpose of the Agreement is to specify the PFE Facilities, the related earned PFE Fee Credits and the options available to the Owner in regards to application of earned PFE Fee Credits.

SECTION 3. PFE FEE CREDITS

City and Owner agree that the amount of PFE Fee Credits available to the Owner hereunder shall be as set forth on Exhibit B hereto and made a part hereof.

SECTION 4. PFE FEE CREDITS - APPLICATION, REIMBURSEMENT OR TRANSFER

PFE Fee Credits available to the Owner; (1) may be applied towards the critical and non-critical portions of the applicable PFE pool related to the Owner's Project in accordance with the PFE Policy, or (2) may be requested for reimbursement from the applicable PFE pool in accordance with the PFE Policy. PFE Fee Credits shall only be applied within the Specific Plan.

SECTION 5. PRIORITY FOR REIMBURSEMENT PAYMENT FOR PFE FEE CREDITS

The priority of reimbursement payments for PFE Fee Credits shall be based on the date of acceptance of the PFE improvement by the City. Reimbursement payments shall be paid on an annual basis from available funds on deposit in the applicable PFE pool. The City shall provide Owner with a list of existing recorded development agreement and/or credit and reimbursement agreements that have priority over Owner's credits, if any.

The obligation arising from this Agreement is not a debt of the City, nor a legal or equitable pledge, charge, lien, or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues, and is payable only and solely from the applicable PFE pool.

SECTION 6. TRANSFER OF PFE FEE CREDITS

PFE Fee Credits are personal to Owner and do not run with the Project that is generating such credits. The Owner may transfer the rights to the PFE Fee Credits to a subsequent landowner ~~Owner of the Project Property or any landowner within the City~~ that wishes to use the credits for PFE Fees. Any assignment of the rights to PFE Fee Credits shall be made in writing and delivered to the Administrator in the form attached hereto as Exhibit C. Assigned PFE Fee Credits carry the same priority the assignor had in the PFE Fee Credits.

SECTION 7. ACCOUNTING OF PFE FEE CREDITS/REIMBURSEMENTS

Within fifteen (15) days of receipt of written request by Owner, City shall provide Owner with a written accounting of Owner's current balance of PFE Fee credits and/or reimbursements, including complete documentation of the basis for such PFE Fee credits and/or reimbursements. The PFE Fee credit and reimbursement obligations will be calculated in the manner set forth in the PFE Fee Program and/or PFE Policy.

SECTION 8. ANNUAL ADJUSTMENTS TO PFE FEE CREDITS OR REIMBURSEMENTS

The PFE Fee Credits shall be adjusted on an annual basis using the percentage determined by the PFE Policy and/or PFE Fee Program.

SECTION 9. BINDING ON SUCCESSORS AND ASSIGNS

Each and every provision of this Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto, in the same manner as if such parties had been expressly named herein.

SECTION 10. ATTORNEY'S FEES

If any suit, action or proceeding in law or equity (except for the dispute resolution process set forth herein) is brought to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable costs and attorneys' fees.

SECTION 11. AUTHORITY TO ENTER INTO AGREEMENT

Owner and City certify that they have the authority and are legally empowered to enter into this Agreement on behalf of their entity and to bind their party to the performance of its obligations hereunder.

SECTION 12. NOTICES

Any notices, requests, demands or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally (FedEx and similar services, each of which is hereinafter called an "Express Courier," shall be considered to be personal service) or by telephone facsimile or other electronic transmission (provided that the sender of a telephone facsimile or other electronic transmission has received confirmation of successful transmission by the sending fax machine), and upon receipt, if mailed to the party to whom notice is to be given, by first-class mail, registered or certified, postage prepaid, return receipt requested, and properly addressed as follows:

(a) If to City:

City of Lincoln
Attn: Finance Director / Administrator
600 Sixth Street
Lincoln, CA 95648
Telephone: (916) 434-2400
Facsimile: (916) _____

With a copy to:

City of Lincoln
Attn: City Engineer

600 Sixth Street
Lincoln, CA 95648
Telephone: (916) 434-2400
Facsimile: (916) _____

(b) If to Owner:

Pappas
Attn: Thad Johnson
Address 2020 L Street, 5th Floor
Sacramento, CA 95811
Tel: 916-447-7100
thad@pappasinvestments.com

Either party may change its mailing address at any time by giving written notice of such changes to the other party in the manner provided herein.

SECTION 13. TERM

The term of this Agreement shall start on the day and year duly executed by all parties and shall remain in effect until all the terms and conditions contained in this Agreement have been satisfied and the PFE Fee Credit balance is zero (\$0).

SECTION 14. SEVERABILITY

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

SECTION 15. CONFLICTS

This agreement is intended to implement and be consistent with the requirements of the Pappas DA and the PFE Policy as it exists at the time of the effective date of this agreement. Therefore, in the event of any conflicts between the Pappas DA, PFE Policy and this Agreement, the requirements of the Pappas DA shall first prevail and control, then the PFE Policy as they existed at the effective date of this Agreement shall prevail and control.

SECTION 16. EXHIBITS

The Exhibits attached hereto are hereby incorporated herein by this reference.

SECTION 17. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the parties regarding the subject matter hereof. The Agreement may be amended only by writing executed by both parties.

SECTION 18. RIGHT OF APPEAL

Owner may appeal any final determination by the Administrator and/or City Engineer to the City Manager and thereafter to the City Council pursuant to the provisions of Lincoln Municipal Code. Prior to submitting the matter to the City Council, the City Manager may, in his/her discretion, elect to engage the services of a mediator to attempt to mediate the dispute in a non-binding fashion, not to exceed a total of thirty (30) calendar days. Any decision of the City Council shall be final with no right of further appeal or action thereafter.

SECTION 19. EFFECTIVE DATE

The date of such execution by the City and Owner shall be deemed to be the “Effective Date” of this Agreement. Upon execution of this Agreement by the City and Owner, the City shall insert the Effective Date in the Preamble to this Agreement and provide a copy of this fully executed and dated Agreement to Owner.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above-written.

CITY:

CITY OF LINCOLN,
a municipal corporation

By: _____

Its: City Manager

ATTEST:

By: _____

Its: City Clerk

APPROVED AS TO CONTENT:

By: _____

Its: City Engineer

APPROVED AS TO CONTENT:

By: _____

Its: Finance Director

APPROVED AS TO FORM:

By: _____

Its: City Attorney

OWNER:

*PAPPAS ARIZONA, LIMITED
PARTNERSHIP,
a California limited partnership*

By: *JCP Properties LLC,
a California limited liability company*
Its: *General Partner*

By: _____
John Papagiannopoulos
Its: *Manager*

*JCPSAC Properties, LP, a California limited
partnership*

By: *JCPSAC Properties, LLC,
a California limited liability company,
its general partner*

By: _____
Name: John Papagiannopoulos
Its: *Manager* _____

EXHIBIT A

PFE FACILITIES AND IMPROVEMENTS

1. Wastewater
 - a. Treatment Plant – expansion of existing treatment facilities and development of new treatment and reclamation plant.
2. Water
 - a. Groundwater Wells
 - b. Storage tanks

EXHIBIT B

IDENTIFICATION OF PFE FEE CREDITS

Pappas

Date of Agreement: _____, 2022

PFE Fee Credits: \$ _____

Initial Value

PFE Fee Credits Based Upon: _____
2021 PFE Program adopted by City _____
and to be adjusted annually as provided herein

EXHIBIT C

**FORM OF CERTIFICATE OF ASSIGNMENT AND
TRANSFER OF PFE FEE CREDITS**

The undersigned Owner, as the holder of certain PFE Fee Credits related to the PFE Fee Credits Agreement between Owner and the City of Lincoln, dated _____ (the "Agreement"), hereby assigns, transfers and conveys to the undersigned Assignee the PFE Fee Credits as indicated below:

Owner's Legal Name: _____

Assignee's Legal Name: _____

[Detailed list of PFE Fee Credits descriptions and amounts]

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

OWNER:

a _____

By: _____

Name: _____

Title: _____

Date: _____

Owner Contact:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail: _____

ASSIGNEE/HOME BUILDER:

a _____

By: _____

Name: _____

Title: _____

Date: _____

Assignee/Home Builder Contact:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail: _____