ORDINANCE NO. 40-2006

AN ORDINANCE OF THE CITY OF ELK GROVE ADOPTING AND IMPLEMENTING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ELK GROVE AND PULTE HOME CORPORATION

The City Council of the City of Elk Grove does ordain as follows:

Section 1. Purpose and Authority

The purpose of this Ordinance is to adopt and implement the Development Agreement between the City of Elk Grove and Pulte Homes Corporation, attached Exhibit A. This Ordinance is authorized by Government Code Sections 65864-65869.5

Section 2. Findings

California Environmental Quality Act

Finding:

The project is exempt from further environmental review pursuant to CEQA Guidelines section 15182.

Evidence:

The City of Elk Grove certified an Environmental Impact Report for the Laguna Ridge Specific Plan (LRSP) in December 2004. Pursuant to the provisions of Public Resources Code section 21083.3 and CEQA Guideline 15182, if a residential development project is consistent with a city specific plan and an environmental impact report was certified for that plan, no EIR or negative declaration need be prepared for that residential project unless a) substantial changes are proposed in the project which would require major revisions to the previous EIR, b) substantial changes occur with respect to the circumstances under which the project will be undertaken, which will require major revisions of the previous EIR, or c) new information of substantial importance shows that the project will have new or more severe significant environmental effects not discussed in the previous EIR or that there are feasible mitigation measures available to reduce impacts that were not considered feasible in the previous EIR or that the applicant declines to adopt.

The Pulte Home Corporation Development Agreement will implement the developer's residential project in the LRSP area, which is consistent with that plan and will be subject to all the applicable mitigation measures contained in the LRSP EIR. None of the conditions listed above apply and the project does not have any impacts peculiar to the project that were not analyzed in the LRSP EIR. Thus, no further environmental review is necessary.

Development Agreement Findings

Government Code section 65867.5 and City Zoning Code section 23.16.140(3) provide that the City Council is to make certain findings in conjunction with the approval of a development agreement. Set forth below are the proposed findings and supporting evidence.

Findings:

- a. The Development Agreement is consistent with the General Plan objectives, policies, land uses, and implementation programs and any other applicable specific plans.
- b. The Development Agreement is in conformance with the public convenience and general welfare of persons residing in the immediate area and will not be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of the residents of the City as a whole.
- c. The Development Agreement will promote the orderly development of property or the preservation of property values.

Evidence:

- a. The project will result in the development of four parks in the LRSP area, including a 20-acre community park, thereby enhancing quality of life, public convenience and general welfare and is consistent with, and furthers, the land use policies of the City's General Plan and the LRSP.
- b. The development of parks as proposed by the Project will improve (rather than be detrimental to) public health, safety and welfare by providing leisure and recreational facilities to the LRSP area, thereby improving quality of life for City residents in the general area of the parks and the City residents as a whole.
- c. The Development Agreement is a step toward development of the residential subdivision proposed by the applicant and will further (rather than adversely affect) development of property in the area, all consistent with the General Plan, the LRSP and approved entitlement for the property. The Project should also enhance property values by adding attractive parks to the community.

Section 3: Action

The City Council hereby approves and adopts the Development Agreement between the City of Elk Grove and Pulte Home Corporation, attached as Exhibit A. The City Manager and City Clerk of the City of Elk Grove are hereby authorized and directed to execute and attest, respectively, the Development Agreement on behalf of the City of Elk Grove.

Section 4: No Mandatory Duty of Care.

This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 5: Severability.

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 6: Effective Date and Publication

This Ordinance shall take effect thirty (30) days after its adoption. In lieu of publication of the full text of the ordinance within 15 days after its passage, a summary of the ordinance may be published at least five days prior to and fifteen (15) days after adoption by the City Council and a certified copy shall be posted in the office of the City Clerk, pursuant to GC 36933(c)(1).

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 25th

day of October 2006.

RICK SOARES, MAYOR of the

APBROVED AS TO FORM:

CITY OF ELK GROVE

ATTEST:

PEGGY/E. JACKSON,

CITY CLERK

ANTHONY B. MANZANETTI,

CITY ATTORNEY

DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ELK GROVE AND PULTE HOME CORPORATION (PARK DEVELOPMENT)

THIS	DEVELOPMENT	AGREEMENT	(this	"Agreement")	is	entered	into	this
	day of,	2006, between I	PULTE	HOME CORPOR	(TA	ion ("De	velop	er"),
and the City	of Elk Grove, a mun	nicipal corporation	ı, orga	nized and existin	g u	nder the l	aws o	f the
State of Calif	fornia ("City").							

RECITALS

This Agreement is predicated upon the following findings:

- A. Government Code Sections 65864-658695 authorize the City to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property.
- **B.** Pursuant to Government Code Section 65865, the City has adopted rules and regulations establishing procedures and requirements for consideration of development agreements; such rules and regulations are set forth in Section 23.16.140 of the City Code.
- C. Developer owns or has a legal or equitable interest in property (the "Property") located in the Laguna Ridge Specific Plan area (the "LRSP") of the City of Elk Grove. The Property is legally described in <u>Exhibit A</u> attached hereto. Developer proposes to develop a residential project at the Property, which will have a parks component, as set forth in this Agreement, all consistent with this Agreement and the prior approvals as identified in paragraph D herein (the "Project").
- D. Developer has applied to the City for certain land use approvals, permits and other entitlements relating to the development of the Project, including the following:
- 1. <u>Specific Plan</u>. On June 16, 2004, following review and recommendation by the City Planning Commission, and after duly noticed public hearing and certification of an environmental impact report, the City Council, by Resolution 2004-143, approved the Laguna Ridge Specific Plan (the LRSP or "Specific Plan"), including and addressing the Property. The Specific Plan identifies the zoning for The Property. The developer acknowledges that the City may amend the LRSP.
- 2. The EIR. On June 16, 2004, pursuant to the California Environmental Quality Act, the "CEQA Guidelines" and City's local guidelines promulgated thereunder (hereinafter collectively referred to as "CEQA"), the City Council, by Resolution 2004-142, certified a final environmental impact report for the Specific Plan (the "EIR"). Pursuant to CEQA Guidelines Section 15182 and 15183 no additional environmental review is necessary.
- 3. <u>Tentative Map</u>. In May of 2005, the City Planning Commission adopted Resolution No. 2005-37 conditionally approving a tentative map for Del Webb at Laguna Ridge. The City Planning Commission determined that the tentative map for Debb Webb at Laguna

Ridge was consistent with the General Plan, the Specific Plan and all applicable zoning code requirements and zoning regulations ("Tentative Map").

- 4. <u>Financing Plan</u>. On May 11, 2005, the City Council adopted Resolution No. 2005-141 approving the Public Facilities Financing Plan for the Laguna Ridge Specific Plan Area dated May 3, 2005. The Financing Plan includes Appendix B, entitled the "Laguna Ridge Specific Plan Infrastructure Phasing Checklist" ("Infrastructure Phasing Plan").
- 5. MMRP. The City adopted a Mitigation Monitoring and Reporting Program, City Project number EG-00-062 (the "MMRP"), applicable to Del Webb at Laguna Ridge pursuant to that certain "Agreement To Mitigation, Monitoring and Reporting Program For Laguna Ridge Specific Plan-General Plan Amendment, Specific Plan, Rezone" recorded in the office of the Sacramento County Recorder on June 28,2005 in book number 20050628, page 0149.
- 6. <u>Approvals</u>. "Approvals" shall mean those prior approvals for the Project as identified in paragraph D.1.-5. herein, and any such other use approvals, actions, agreements, permits or other entitlements necessary or desirable to the development of the Project, including without limitation, subsequent site plan approvals, development plan approvals, use and grading permits, lot line adjustments, sewer and water connections, design review, building permits and certificates of occupancy, provided, however, that Developer only vests in those approvals related to park development and building permits as specified in paragraph 5.1 and Section 6.3 of this Agreement.
- E. Pursuant to Government Code Section 65864, City wishes to attain public objectives that will be furthered by this Agreement. These include that the City is seeking the orderly and timely development of the LRSP parks facilities, and desires to have such parks constructed as early in the development process as reasonably practical, in order to ensure such orderly development. The Developer wishes to obtain a degree of certainty as to the development of the Project. City and the Developer have determined that this Agreement is appropriate for The Property and, therefore, each desires to enter into this Agreement in order to facilitate timely and orderly development of park facilities within the LRSP.
- F. On ______, the Planning Commission of the City, following a duly noticed and conducted public hearing, recommended that the City Council ("Council") approve this Agreement. On ______, the Council, following a duly noticed and conducted public hearing, introduced Ordinance _____ relating to the approval of this Agreement. On _____, the Council adopted Ordinance _____, thereby approving this Agreement on behalf of City. Ordinance _____ is attached to this Agreement as Exhibit B.
- G. As used in this Agreement, the phrase "Rights and Obligations" means the entirety of the provisions of this Agreement (all the benefits, burdens and other provisions). Further, the phrase "Rights and Obligations" is comprised of the term "Rights" -- which is used in this Agreement to mean all of the rights and other benefits of the Agreement, and the term "Obligations" -- which is used in this Agreement to mean all of the duties, obligations, responsibilities and other burdens of this Agreement.

- H. Development of the Project in accordance with this Agreement will provide for orderly growth consistent with the goals, policies, and other provisions of the City's General Plan and the Laguna Ridge Specific Plan.
- NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties contained in this Agreement, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. COVENANTS.

The provisions of this Agreement constitute covenants that run with the land comprising the Property.

2. EFFECTIVE DATE.

This Agreement shall become effective thirty (30) days after the date of the Ordinance approving this Agreement, or the date that the Developer signs this Agreement ("Effective Date") whichever is later. As a legislative act of the City, the approval of this Agreement is subject to referendum pursuant to Government Code section 65867 and other applicable law.

3. TERM.

- 3.1 This Agreement shall commence upon the Effective Date and shall continue until the first to occur of the following:
 - 3.1.1 The twentieth (20th) annual anniversary of the Effective Date.
- 3.1.2 Early termination of this Agreement in accordance with the terms set forth herein.
- 3.2 Notwithstanding the expiration or earlier termination hereof, Developer shall not be relieved of its obligation to indemnify the City pursuant to Section 12.2.

4. INTEREST OF DEVELOPER.

Developer hereby warrants that it has a legal or equitable interest in the Property.

5. DEVELOPMENT PLAN.

The permitted uses of The Property; the density and intensity of use of The Property; the maximum height, bulk and size of proposed buildings: provisions for reservation or dedication of land for public purposes and the location of public improvements; the location of public utilities; and other terms and conditions of development applicable to The Property, shall be as set forth in the Project Approvals, including but not limited to the Specific Plan.

5.1 Vested Rights. The Agreement shall only vest Developer with regard to the development of parks and the timing of the issuance of building permits as identified herein

specifically at paragraph 6.3 of this Agreement. No other rights are vested in Developer or any other party by virtue of this Agreement, and no other prior or subsequent approvals relating to the Property are vested by this Agreement. Developer shall develop the parks at the Property pursuant to the terms and conditions of this Agreement, and, if Developer does so and complies with all other terms of this Agreement, the City shall issue building permits to Developer pursuant to the schedule set forth at paragraph 6.3 of the Agreement. Except as expressly set forth herein, this Agreement does not vest or lock in the Developer to any rules, regulations, or official policies governing permitted uses of the land, governing density, or governing design, improvement, or construction standards and specifications applicable to development of the Property subject to this Agreement. Nothing in this Agreement shall prevent the City, in subsequent actions applicable to the Property, from applying existing or new rules, regulations, and policies which do not conflict with those rules, regulations, and policies applicable to the Property as set forth herein, nor shall this Agreement prevent the City from denying or conditionally approving any subsequent development project application for the Property on the basis of such existing or new rules, regulations, and policies. Specifically, and without limitation, this Agreement does not in any way affect, modify, amend or change the Laguna Ridge Specific Plan ("LRSP"), including, without limitation, the permitted uses of the Property, the density or intensity of use and the maximum height and size of proposed buildings as set forth in the LRSP, subject to amendment, from time to time. The Developer shall be responsible for paying all applicable fees in the future at the time required of other similar projects in the City. Nothing in this Agreement or section shall vest any fee or payment required by the City other than with respect to Parks. Nothing in this Agreement shall prohibit the City from updating these park fees from time to time and the Developer shall be obligated to pay whatever fee amount is in effect at the time of building permit issuance

5.2 Applicable Law. Subject to paragraph 5.1 and the other provisions of this Agreement, the rules, regulations, official policies, standards, specifications, City ordinances and resolutions applicable to The Property relating to park development, as identified in this Agreement, shall be those set forth herein and those in force and effect on the Effective Date, that are applicable to The Property. It is expressly agreed without limitation that the City may apply the then-current California Building Standards Code throughout the Term of this Agreement, provided that any such uniform code shall apply to The Property only to the extent that the code has been adopted by City and is in effect on a city wide basis.

6. PARK DEDICATION AND IMPROVEMENT.

As of the Effective Date, Parties anticipate that City will adopt (if not already adopted) a nexus study establishing certain park fees to be paid within the LRSP ("Nexus Study"). It is the intent of this Agreement for Developer to develop certain community, neighborhood and local parks and provide them to the City in a completed condition- "turn key" (i.e., completely constructed parks all to the City's specifications and satisfaction at no cost or contribution from the City) and in compliance with City standards and this Agreement and for Developer to pay park fees attributable to the parks identified below that will not be constructed by Developer. Therefore, notwithstanding anything to the contrary in the Nexus Study, the Parties desire to set forth the obligation of Developer to (i) pay all fees associated with the future Civic Center Park and a fee for Bartholomew Park as provided below and (ii) dedicate park land and construct the park improvements for other parks located within Laguna Ridge Specific Plan and/or The

Property in accordance with the terms and conditions of this Agreement. The amount of park land to be dedicated and improved pursuant to this Agreement is consistent with the requirements of the Project Approvals. Other than the Civic Center fees to be paid by Developer for the Civic Center and fees to be paid for Bartholomew Park as set forth in this Agreement, Developer shall not be obligated or required to pay any other park fees that have been or will be adopted by City pursuant to the Nexus Study or otherwise unless such fees are adopted on a Citywide basis. Payment of fees by Developer will include all administrative, design, planning, construction and inspection costs.

Developer shall be obligated by the execution of this Agreement to pay this park fee currently calculated at \$2,617 per single family unit, \$1,745 per multi-family unit, \$1,496 per age restricted unit, \$0.20 per commercial square foot, and \$0.33 per office square foot, and \$0.09 per industrial square foot. Payment of this park fee will be required at the time of building permit issuance. The park fee will be increased to keep pace with current costs to build the Civic Center Park and Bartholomew Park from time to time as determined by the City and will be adjusted annually for inflation.

6.1 Dedication. Developer shall dedicate, or offer for dedication, the park land, paseos and parkways located within Laguna Ridge Specific Plan and/or The Property shown on Exhibit C attached hereto. The parks are identified on Exhibit C. The location and amount of park land to be dedicated is generally shown on Exhibit C attached hereto and shall be substantially in the amount and location shown the LRSP, however may be subject to minor revisions and the actual dedication requirement shall be in accordance with the approved Tentative Maps for The Property, provided however, in no event shall the acreage of park land, paseos and parkways to be dedicated for each park exceed the acreage shown for such park in the LRSP, and in no event shall the City require that the cumulative parks, paseos and parkway acreage exceed what is required under the LRSP (the "Parks"). City shall accept the Parks other than the Civic Center Park on the later of: (i) recordation of the final map containing such Parks and (ii) completion of the Park Improvements (defined below) for such Parks. The Parties acknowledge that certain portions of the Parks are not owned or controlled by Developer, and in the event Developer fails to acquire such parkland through negotiation, City shall consider in good faith the use of its eminent domain powers, to the extent permitted by law, and the provisions of Government Code section 66462.5 shall apply. The burden of acquiring Park property not currently owned by Developers is upon the Developer, and the City shall not invoke the power of eminent domain unless and until the Developer has made good faith efforts to acquire the property through negotiated purchase, all to the satisfaction of the City, which good faith efforts shall include, but not be limited to, the Developer offering to purchase the property for fair market value as determined by an appraiser acceptable to the City. The City may also seek other options to obtain parkland for which the Developer is unable to secure prior to using eminent domain. In the event the City attempts to secure property without using eminent domain or it exercises the power of eminent domain pursuant to this paragraph, Developer shall pay all costs and expenses associated with the acquisition of any such parksite including but not limited to attorney, paralegal, expert witness, consultants fees and all cost and expenses of litigation. Prior to the initiation of any eminent domain proceedings, Developer shall enter into a reimbursement agreement in a form acceptable to the City and shall make an initial deposit to the City in the amount not less than \$100,000 to begin to fund such eminent domain proceedings, which deposit may me drawn against at the City's discretion to fund any eminent domain proceedings, and which deposit shall be supplemented or replenished within 30 days of request from the City. City shall refund any unused amounts to the Developer within 30 days following the completion of such eminent domain proceedings. In the event City elects, in its sole discretion, not to use its eminent domain powers to acquire such Parks, City shall not require compliance with the dedication and improvements requirements with respect to such parksite, and shall not withhold or delay issuance of entitlements or permits for The Property due to the failure to acquire such parkland.

- Improvement. Developer shall design and construct, or cause the construction 6.2 of, all park improvements to the Parks located within the LRSP and/or The Property, except for Civic Center Park which is a component of the over Civic Center Facility, in accordance with the Exhibit C attached hereto and in accordance with the Park Master Plan to be adopted by City for the remaining Phases of development ("Park Improvements"). City intends to adopt the Park Master Plan following the Effective Date, but prior to the development of Phase III. However, the City's failure to adopt the Park Master Plan prior to the development of Phase III shall not be a breach of the Agreement. City shall work cooperatively with Developer and other developers in the Laguna Ridge Owner's Group to develop the Park Master Plan, including but not limited to, providing draft copies of the Park Master Plan for review by Developer and considering in good faith the comments and suggestions of Developer to such Park Master Plan. The Park Improvement plans for Phase III and Phase IV Parks shall be subject to the City's review, revision and approval, which approval shall be forthcoming in the reasonable discretion of the City Council, and shall be prepared in accordance with the specifications of the Park Master Plan. In the event the Park Master Plan is not completed by City in order for Developer to proceed with Phase III and IV when desired by Developer, Developer shall design and construct, or cause the construction of, all Park Improvements to the Parks located within Phase III and IV to substantially the same standard as the Phase II Parks, and based on City approved Park Improvement Plans. In such event, City shall refund all unexpended amounts to Developer from Developer's deposit. The Parks shall be constructed in accordance with plans approved by the City and in a good and workmanlike condition.
- 6.3 Timing of Park Improvement. Developer shall construct the Park Improvements in accordance with this Agreement. Developer shall provide City with a projected construction schedule for the Parks, which schedule is attached as Exhibit C ("Schedule"). Developer shall progress with the construction of, and complete the Parks in accordance with the approved Schedule.

Provided Developer is developing the Parks in compliance with the approved Schedule, the City Manager shall allow issuance of building permits on the following schedule:

- 1. First 300 building permits shall be issued upon the delivery by Developer to the City of an approved contract (or contracts) for construction of the 1.0 acre (Park E) Local Park, fully executed by the Developer and parks contractor(s) for completion on a date set forth in the Schedule.
- 2. The next 200 building permits shall be issued only after the acceptance by the City of the completed 1.0 acre (Park E) Local Park and delivery by Developer to the City of an approved contract (or contracts) for construction of the 3.0 acre (Park F) Local Park, and the

- 1.8 acre (Park G) Local Park, fully executed by the Developer and parks contractor(s) for completion on a date set forth in the schedule. In addition, the Developer will deliver a schedule acceptable to the City for the construction of the 19.9 acre (Park L) Community Park.
- 3. The next 200 building permits shall be issued only after the acceptance by the City of the completed 3.0 acre (Park F) Local Park and the 1.8 acre (Park G) Local Park. In addition, the Developer shall deliver to the City of an approved contract (or contracts) for construction of the 19.9 acre (Park L) Community Park, fully executed by the Developer and parks contractor(s) for completion on a date set forth in the Schedule.
- 4. No additional permits will be issued until the delivery by the Developer to the City of an acceptable and fully executed construction contract, schedule to complete the park and financial security which has been found accepted to the City for the 19.9 acre (Park L) Community Park.
- 5. After Developer complies with this section 6.3, subsections (1)-(4), inclusive, the remaining 519 building permits shall not be withheld based upon the delivery of additional park facilities.
- 6.4 No Administrative or Legal Challenge to Park Dedication/Improvement Requirements. Except for a claim by Developer due to City's breach of the terms of this Agreement, Developer and Developer's owners agree that they shall not oppose, protest or challenge the park fees, park land dedication or improvement requirements specifically contained herein, or those adopted by the City Council for other properties that are not covered by this Agreement.

6.5 Advanced Park Land Dedication and Improvements above Project Requirements.

- (a) Definitions. Unless the context requires a different meaning, any term or phrase used in this Agreement that has its first letter capitalized shall have that meaning given to it by this Agreement. Certain such terms and phrases are referenced below; others are defined where they appear in the text of this Agreement, including its Exhibits.
- "Cost Sharing Agreement" shall mean the "The Public Land Program Agreement and Park Improvement Agreement" by and among the "Laguna Ridge Development and Implementation Group". The Cost Sharing Agreement includes the current Public Land Program Agreement and Park Improvement Agreement as such agreement may be updated and amended from time to time in accordance with the terms and conditions thereof.
- "PLP" shall mean the Laguna Ridge Specific Plan Public Land Program dated December 21, 2005, as such report may be updated and amended from time to time consistent with the terms and conditions of the Cost Sharing Agreement, Current Approvals and Subsequent Approvals.
- "PIA" shall mean the Laguna Ridge Specific Plan Park Improvement Agreement which is a component of the "Cost Sharing Agreement" as such agreement may be updated and amended from time to time consistent with the terms and conditions of the Current Approvals

and Subsequent Approvals.

- (b) Developer's park dedication may exceed Developer's pro-rata share dedication requirement for The Property within the LRSP, In addition, the Park Improvements provided by Developer pursuant to this Agreement may exceed Developer's fair share obligation for The Property or may be less than Developer's fair share obligation.
- (c) For public land dedications and park improvements, Developer shall be entitled to reimbursement from other developers (or shall provide reimbursement to other developers) in the LRSP as provided in the Cost Sharing Agreement, based on the PLP and PIA, as such reports may be updated and amended from time to time. City and Developer acknowledge that the Cost Sharing Agreement has or will be executed by certain developers in the LRSP in order to establish a mechanism to enforce reimbursement for public land dedications, including park land dedications and improvements, in accordance with the PLP and PIA, which are not reimbursable through existing public fee programs.
- The Parties acknowledge that the City is not a party to the Cost Sharing Agreement. This document has been reviewed by Economic & Planning Systems, Inc. (EPS) and Developer, and the Developer has determined that the Cost Sharing Agreement, the PLP and the PIA equitably allocate costs of public land dedications and park improvements to uses that benefit from such dedications and improvements. In the event another developer (residential, commercial or otherwise) commences or continues the entitlement process with the City for any development in the LRSP or other area of the City that will utilize, create additional impacts to, or benefit from these dedications and/or park improvements (an "Additional Developer"), City shall encourage such Additional Developer to enter into a development agreement providing for payment of the Additional Developer's fair share of the dedications and/or park improvements or, if the Additional Developer declines to enter into a development agreement, the City shall condition the Additional Developer, as a condition of approval of any discretionary entitlement, to become a party to the Cost Sharing Agreement in order for the parties to privately enforce reimbursement mechanisms for public land dedications and park improvements or to otherwise satisfy its fair share obligation of the improvements, consistent with Government Code sections 66486 and 66487. Such condition shall be substantially in the form attached hereto as Exhibit D. To the extent the City receives funds pursuant to such condition, such funds shall be used to reimburse Developer and other developers constructing or funding such dedications and/or park improvements in excess of their pro-rata share pursuant to the PLP and PIA. Under no circumstance shall the City be obligated to make reimbursement payments to the Developer or any other developer unless the City actually receives funds from other subsequent developers, following the City's good faith efforts to obtain such funds. Developer, in the exercise of its sale discretion, may elect not to receive any funds collected by City for such reimbursement. Except for imposition and requiring compliance with the condition set forth herein, the City shall have no further enforcement obligation. It is expressly agreed that the City will not be a party to the Cost Sharing Agreement and that any dispute arising under the Cost Sharing Agreement or any failure of a party under the Cost Sharing Agreement to provide the reimbursement required thereunder shall be resolved as a private contractual dispute pursuant to the terms and conditions of the Cost Sharing Agreement. Developer shall indemnify, defend and hold harmless City, its officers, agents and employees for any claims arising out of or accruing from of the Cost Sharing Agreement or the condition of approval described in this paragraph.

(e) If any public improvement constructed by Developer is subject to an existing fee program, City shall reimburse or provide fee credits for eligible costs to the Developer in accordance with such fee program.

6.6 Full and Final Satisfaction of Park Land Obligations. Developer's compliance with this Agreement shall constitute full and final satisfaction of Developer's obligations to provide park land, park fees and park improvements for The Property. Developer shall have no obligation relating to The Property and the provision of park land other than as described in this Agreement. City agrees that dedication of the Parks, and improvement of all Parks within the Property, except for the Civic Center Park which Developer shall not be obligated to improve, fully mitigates the impacts from development of The Property and also provides additional voluntary benefit to City. City shall be solely responsible for the design and construction of the Civic Center Park.

7. WATER SUPPLY.

Prior to approval of a final map for the Project, Developer shall demonstrate a sufficient water supply for the Project, as provided by Government Code sections 66437.7 and 65867.5(b).

8. ASSIGNMENT.

The rights and obligations of Developer under this Agreement may not be transferred or assigned without first obtaining the express written consent of the City Manager and, if necessary or desired by the City, the City Council, which consent shall not be unreasonably withheld or delayed.

9. BINDING EFFECT OF AGREEMENT.

The burdens of this Agreement bind and the benefits of the Agreement inure to the successors in interest to the parties to it.

10. ENFORCED DELAY.

Performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, acts of God, governmental restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, or new or supplemental environmental regulations, provided such excuse for non-performance is not within the reasonable control of the party to be excused. Third-party litigation attacking the validity of this Agreement, any of the Project Approvals, or any permit, ordinance, entitlement or other action of a governmental agency necessary for the development of the Project pursuant to this Agreement shall be deemed to create an excusable delay. Upon the request of either party hereto, an extension of time for such cause will be granted in writing for the period of the enforced, delay, or longer as may be mutually agreed upon.

11. RELATIONSHIP OF PARTIES.

- 11.1 It is understood that the contractual relationship between the City and Developer is such that Developer is not the agent of the City; and nothing herein shall be construed to the contrary.
- 11.2 City and Developer agree that nothing contained herein or in any document executed in connection herewith shall be construed as making Developer and City joint venturers or partners.
- 11.3 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 in this Agreement.

12. MISCELLANEOUS PROVISIONS.

12.1 Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person, by any overnight courier that routinely issues receipts Of sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the City and Developer. Notices shall be effective on the date they are delivered in person, or the date indicating delivery to the address of the receiving party indicated below:

Notice to City:

City of Elk Grove

8380 Laguna Palms Way Elk Grove, CA 95758 Fax: 916-691-2001 Attn: City Manager

With copy to:

Anthony Manzenetti

City Attorney - City of Elk Grove 8380 Laguna Palms Way, Suite 200

Elk Gove, CA 95758 Fax: 916-691-4007

Notice to Developer:

Pulte Home Corporation

4196 Douglas Blvd., Suite 100

Granite Bay, CA 95746 Attention: Jay Pawlek Fax 916-746-6140

With copy to:

None

12.2 Indemnification, Defense, and Hold Harmless.

12.2.1 Developer agrees to and shall hold the City, its council members, appointed and elected officers, agents, employees and representatives ("City") harmless from liability for damage or claims of damage, for personal injury, including death and claims for

property damage which may arise from the direct or indirect operations of Developer or those of its contractor(s), subcontractor(s), agent(s), employee(s), or the person(s) acting on its behalf by reason of Developer's activities in connection with the Project, Project Approval, and this Agreement.

- 12.2.2 Developer agrees to and shall defend City from any and all actions or claims for damages caused or alleged to have been caused by reason of Developer's activities in connection with the Project, Project Approvals, and this Agreement.
- 12.2.3 Developer's obligation under this section 12.2 to hold harmless the City shall not extend to liability for damage or claims for damage arising out of the sole negligence or willful misconduct of the City. In addition, Developer's obligation shall not extend to any award of punitive damages or penalties against the City resulting from the conduct of the City, except with regard to awards based on validity of this Agreement or any Project Approval, environmental, financial or other documentation related to approval of this Agreement or the Project, or any action taken in furtherance of this Agreement, including without limitation claims, liabilities and/or penalties based on violations of the Americans with Disabilities Act; Title 24 California Code of Regulations (Building Code); the California Environmental Quality Act or other environmental laws, prevailing wage laws; and public bidding requirements in accordance with law.
- 12.2.4 With respect to any action challenging the validity of this Agreement or Agreement or any Project Approval, environmental, financial or other documentation related to approval of this Agreement or the Project, or any action taken in furtherance of this Agreement, including without limitation claims, liabilities and/or penalties based on violations of the Americans with Disabilities Act; Title 24 California Code of Regulations (Building Code); prevailing wage laws; the California Environmental Quality Act or other environmental laws, and public bidding requirements in accordance with law. Developer further agrees to defend, indemnify, hold harmless, pay all damages, including punitive damages, claims, liabilities and/or penalties, costs and fees, if any incurred to either the City or plaintiff(s) filing such an action should a court award plaintiff(s) damages, penalties, costs and/or fees, and to provide a defense for the City in any such action.
- 12.2.5 Developer, for itself, its successor and assigns, release the City from any and all claims, demands, actions or suits for monetary damages, known or present, that are covered in this Agreement, including but not limited to, any claim or liability, based or asserted, on Article I, Section 19 of the California Constitution, the Fifth and Fourteenth amendments of the United States Constitution, or any other law or ordinance that seeks to impose any other liability or damage, whatsoever, upon the City because it entered into this Agreement, or because of the manner of implementation.
- 12.2.6 Notwithstanding the foregoing or anything to the contrary herein, Developer's indemnity obligation hereunder shall not include any claims, causes of action, demands, challenges, protests or damages brought by any third party relating to the validity of fees, exactions or dedication requirements imposed by City on property outside of the LRSP.
 - 12.3 Periodic Review of Compliance With Agreement. City and Developer shall

annually review this Agreement and all actions taken pursuant to the terms of this Agreement. Such annual review shall be undertaken in accordance with the provisions of this section and the City's procedures for reviewing development agreements set forth in the City's Code.

- 12.4 Amendment or Cancellation of Agreement. This Agreement may be amended or canceled in whole or in part only by the mutual written consent of the parties and in the manner provided for in the City's Code, and Government Code Sections 65867,65867.5, and 65868 (or their successor sections).
- 12.5 Damages Upon Termination. In no event shall Developer be entitled to any damages against the City upon termination of this Agreement.
- 12.6 Attorneys Fees and Costs. If legal action by either party is brought because of breach of this Agreement or to enforce a provision of this Agreement, the prevailing party is entitled to reasonable attorney's fees and court costs.

12.7 Rules of Construction.

- 12.7.1 The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive.
- 12.7.2 If a part of this Agreement is held to be invalid, the remainder of the Agreement is not affected.
- 12.7.3 This Agreement, together with its exhibits, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement.
- 12.7.4 Each person executing this Agreement warrants to the other party hereto that he/she is fully authorized to execute this Agreement in the capacity indicated by his/her signature and warrants that he/she has the authority to bind the party with respect to the provisions contained herein.
- 12.7.5 Within 30 days following a written request which either party or a mortgagee may make from time to time, the receiving party shall execute and deliver to the requesting party a written notice ("Notice of Compliance") in recordable form, duly executed and acknowledged by that party, certifying that:
- 12.7.5.1 This Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modification;
- 12.7.5.2 There are no current uncured defaults under this Agreement or specifying the dates and nature of any such default.

The failure to deliver the Notice of Compliance within such time shall be deemed an admission by that party that this Agreement is in full force and effect without modification, except as may be represented by the requesting party and that there are no uncured defaults in the performance of the requesting party.

- 12.8 Venue. This Agreement has been executed and delivered in, and shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of California. All Rights and Obligations of the parties created thereunder are performable in the City of Elk Grove, County of Sacramento, California. Any legal action or other proceeding shall be initiated and maintained in Sacramento County, and Sacramento County shall be the venue for any legal action or proceeding that may be brought, or which may arise out of, in connection with or by reason of this Agreement.
- 12.9 Statute of Limitations. Pursuant to Government Code § 65009, no action or proceeding ("Action") by a person, public or private corporation, partnership, association, organization nor other business or non-business entity other than the parties to the Agreement (or their successors) to attack, review, set aside, void, or annul all or any portion of this Agreement or the decision of the City to approve and execute it shall be maintained or allowed unless the Action is commenced and service is made on the City within ninety (90) days from the date this Agreement is adopted by the City.

13. MEMORANDUM OF AGREEMENT.

Contemporaneously herewith, the City and Developer shall execute a notarized Memorandum of this Agreement in the form attached hereto as **Exhibit E**, which Memorandum shall be recorded with the Sacramento County recorder against the Property.

IN WITNESS WHEREOF this Agreement has been executed by the parties on the dates set forth below, to be affective on the Effective Date.

DEVELOPED.

CITT.	DEVELOTER.		
City of Elk Grove, a municipal	Pulte Home/Corporation/		
corporation	a Michigan Corporation		
Ву:	Ву:		
Name:	Name: Ohristopher B. Cady		
Title:	Title: President		
	Pulte Home Corporation,		
	a Michigan Corporation		
	Ву:		
	Name: Jay Pawlek		
	Title: Vice President, Land Planning & Entitlements		

CITY.

APPR	OVED AS TO FORM:
•	Anthony Manzanetti, City Attorney
ATTE	ST:
Ву: _	Peggy E. Jackson, City Clerk
Date:	

ACKNOWLEDGMENT				
State of California County ofPlacer				
On September 15 2006, before me, Mina C. Lacuesta, Notary (here insert name and title of the officer)				
personally appeared Christopher B. Cady and Jay Pawlek				
personally known to me (or proved to me on the basis of satisfactory evidence) to be				
the person(s) whose name(s) is are subscribed to the within instrument and				
acknowledged to me that he/she/they executed the same in his/her/their authorized				
capacity(ies), and that by his/het/their signature(s) on the instrument the person(s),				
or the entity upon behalf of which the person(s) acted, executed the instrument.				
WITNESS my hand and official seal. MINA C. LACUESTA Commission # 1554848 Notary Public - California Placer County				
Signature Mina C. Jacuesta Piacer County My Comm. Expires Feb 25, 2009				
(Seal)				

EXHIBIT A

Legal Description of Property

EXHIBIT A

DESCRIPTION OF PROPERTY DEL WEBB – LAGUNA RIDGE

All that certain real property situate in the East One-Half of Section 3, Township 6 North, Range 5 East, Mount Diablo Meridian, City of Elk Grove, County of Sacramento, State of California, and being further described as follows:

Being a portion Area 1 of that certain Boundary Line Adjustment recorded on May 30, 2006, in Book 20060530, at Page 2231, Official Records of Sacramento County, a portion of the Lands of Pulte Home Corporation as described in that certain Grant Deed recorded on September 27, 2005, in Book 20050927, at Page 1810, Official Records of Sacramento County, and a portion of the Lands of Stathos and Ehnisz, as described in that certain Grant Deed recorded on October 31, 1990, in Book 901031, at Page 0054 and situate in the East One-Half of said Section 3, being further described as follows:

BEGINNING at a found brass disk in monument well, stamped L.S. 5854, marking the Center One-Quarter corner of said Section 3, as shown on that certain Record of Survey filed for record in Book 59 of Surveys, at Page 3, Sacramento County Records; thence from said POINT OF BEGINNING, along the North line of the Southeast One-Quarter of said Section 3, North 88°08'37" East a distance of 1042.09 feet to a point of curvature; thence leaving said North line of the Southeast One-Quarter of Section 3, from a radial line which bears North 64°12'31" East, 82.62 feet along the arc of a non-tangent 250.00 foot radius curve to the right through a central angle of 18°56'06"; thence South 06°51'23" East a distance of 23.42 feet; thence North 68°16'14" East a distance of 69.31 feet; thence North 24°41'29" East a distance of 88.76 feet to the North line of the Southeast One-Quarter of said Section 3; thence along said North line of the Southeast One-Quarter of Section 3, North 88°08'37" East a distance of 300.26 feet; thence leaving said North line of the Southeast One-Quarter of Section 3, the following fourteen (14) arcs, courses and distances:

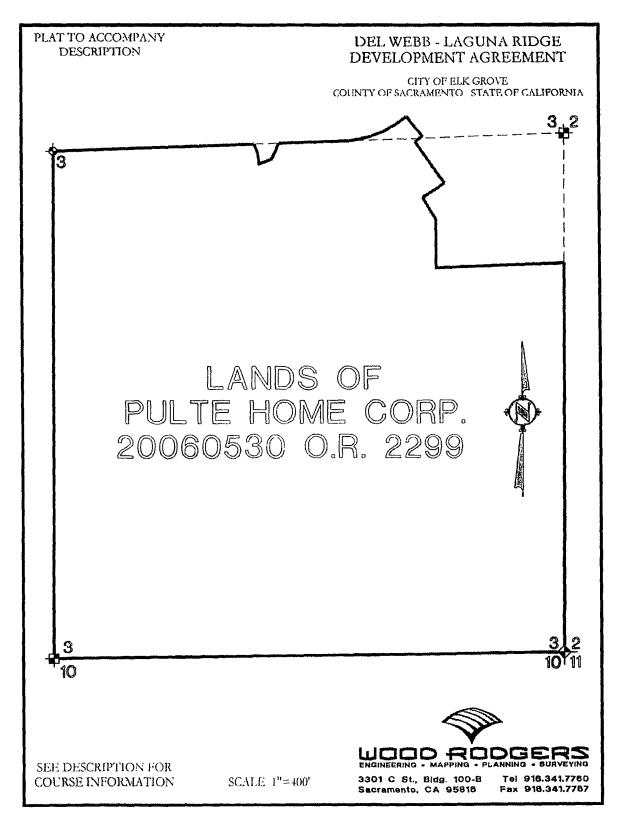
- 1. North 87°34'35" East a distance of 64.04 feet;
- 2. North 82°04'56" East a distance of 62.70 feet;
- 3. North 75°29'13" East a distance of 62.70 feet;
- 4. North 68°53'31" East a distance of 62.70 feet; .
- 5. North 61°44'36" East a distance of 73.21 feet;
- 6. North 54°05'11" East a distance of 72.35 feet:
- 7. South 39°43'09" East a distance of 130.00 feet to a point of curvature;
- 8. from a radial line which bears South 39°43'09" East, 47.53 feet along the arc of a non-tangent 675.00 foot radius curve to the right through a central angle of 04°02'03";
- 9. South 35°41'06" East a distance of 130.73 feet;
- 10. South 51°11'25" West a distance of 1.45 feet;
- 11. South 36°37'33" East a distance of 130.00 feet to a point of curvature;

(Continued)

- 12. from a radial line which bears North 36°37'33" West, 134.98 feet along the arc of a non-tangent 885.00 foot radius curve to the right through a central angle of 08°44'20";
- 13. South 27°53'13" East a distance of 20.00 feet; and
- 14. South 30°52'29" East a distance of 114.77 feet to the West line of said Area 1;

thence along said West line of Area 1, South 00°10'55" West a distance of 252.06 feet to the Southwest corner of said Area 1; thence leaving said West line of Area 1, along the South line of said Area 1, North 88°08'35" East a distance of 663.84 feet to the East line of the Southeast One-Quarter of said Section 3; thence leaving said South line of Area 1, along said East line of the Southeast One-Quarter of Section 3, South 00°11'57" West a distance of 2012.63 feet to a found nail and washer stamped RCE 16802 in top of fence post marking the Southeast corner of said Section 3, as shown on said Record of Survey; thence leaving said East line of the Southeast One-Quarter of Section 3, along the South line of the Southeast One-Quarter of said Section 3, South 89°25'20" West a distance of 2651.51 feet to a found brass disk in monument well, stamped L.S. 5854, marking the South One-Quarter corner of said Section 3, as shown on said Record of Survey; thence leaving said South line of the Southeast One-Quarter of Section 3, along the West line of the Southeast One-Quarter of said Section 3, North 00°07'46" East a distance of 2624.20 feet to the Point of Beginning.

APN: 132-0270-017



Page 3 of 6

DESCRIPTION OF PROPERTY ZGRAGGEN RANCH – LAGUNA RIDGE

Parcel 1:

All that certain real property situated in the City of Elk Grove, County of Sacramento, State of California, being Lot 2 and part of Lot 1 of that particular Boundary Line Adjustment recorded in Book 20030724 at Page 2226 in the Official Records of the County of Sacramento, and being more particularly described as follows:

Lot 2 per said Boundary Line Adjustment, together with the following described parcel;

Beginning at the northwest corner of Lot 2 per said Boundary Line Adjustment, thence, from the **Point of Beginning**, South 00° 44' 52" West, a distance of 935.11 feet along a westerly line of said Lot 2;

Thence, South 89° 26' 25" west, a distance of 30.08 feet along a common line between said Lot 2 and Lot 1 of said Boundary Line Adjustment;

Thence, North 00° 44' 52" East, a distance of 935.11 feet to a point on the north line of said Lot 1;

Thence, North 89° 25' 15" East, a distance of 30.08 feet along the north line of said Lot 1 to the Point of Beginning;

Also together with Lot 2 per said Boundary Line Adjustment the following described parcel;

Beginning at the southwest corner of said Lot 2, thence, from the Point of Beginning, South 89° 26' 49" West, a distance of 30.08 feet along the south line of said Lot 1;

Thence, North 00° 33' 33" West, a distance of 338.25 feet;

Thence, North 44° 26' 27" East, a distance of 82.01 feet;

Thence North 89° 26' 25" East, a distance of 30.07 feet to an angle point common to Lot 2 and Lot 1 of said boundary Line Adjustment;

Thence, South 44° 26' 27" West, a distance of 82.00 feet along a common line between Lot 2 and Lot 1 of said Boundary Line Adjustment;

Thence, South 00° 33' 33" East, a distance of 338.26 feet along a common line of Lot 2 and lot 1 of said Boundary Line Adjustment to the Point of Beginning as contained in that Boundary Line Adjustment recorded in Book 20030729, Page 1648, Official Records.

APN: 132-0050-075

(Continued)

Parcel 2:

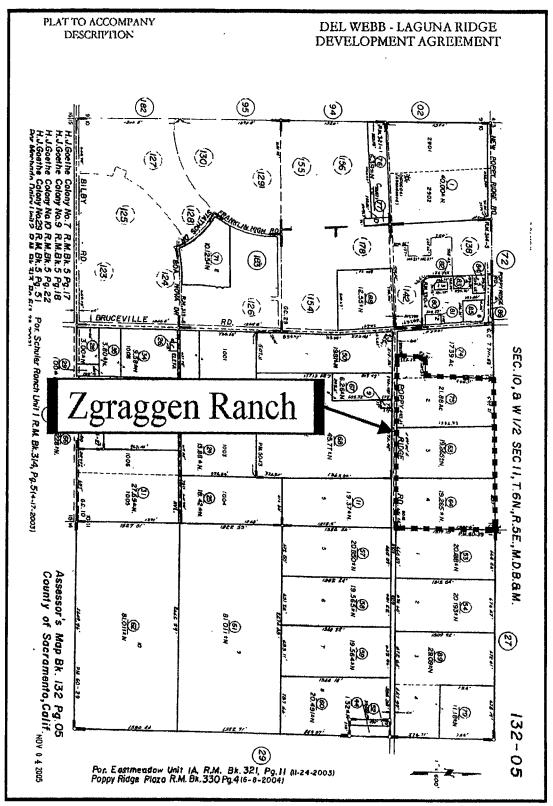
Lot 3, as shown on the Plat of "H.J. Goethe Company's Colony No. 7", recorded in the office of the County Recorder of Sacramento County, April 15, 1903, in Book 5 of Maps, Map No. 17.

APN: 132-0050-063

Parcel 3:

Lot 4, as shown on the Plat of "H.J. Goethe Company's Colony No. 7", recorded in the office of the County Recorder of Sacramento County, April 15, 1903, in Book 5 of Maps, Map No. 17.

APN: 132-0050-064



Page 6 of 6

EXHIBIT B

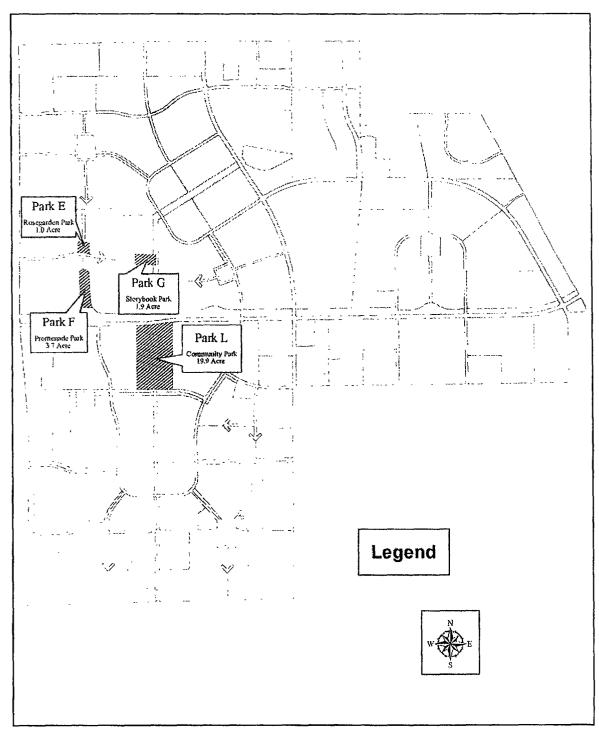
[Ordinance approving Development Agreement]

EXHIBIT C

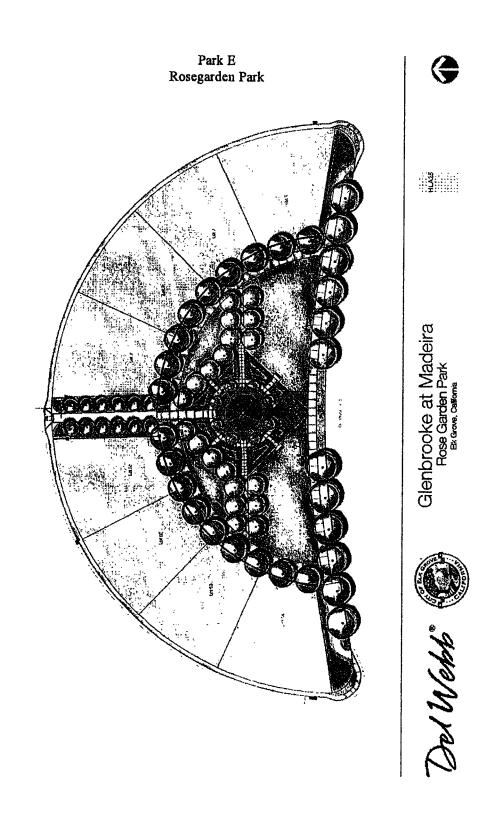
[Description of park improvements]

EXHIBIT C

IDENTIFICATION OF PARKS DEL WEBB – LAGUNA RIDGE

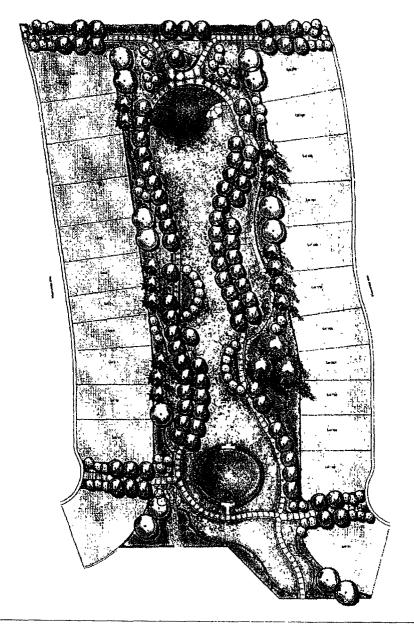


Page 1 of 6



Page 2 of 6

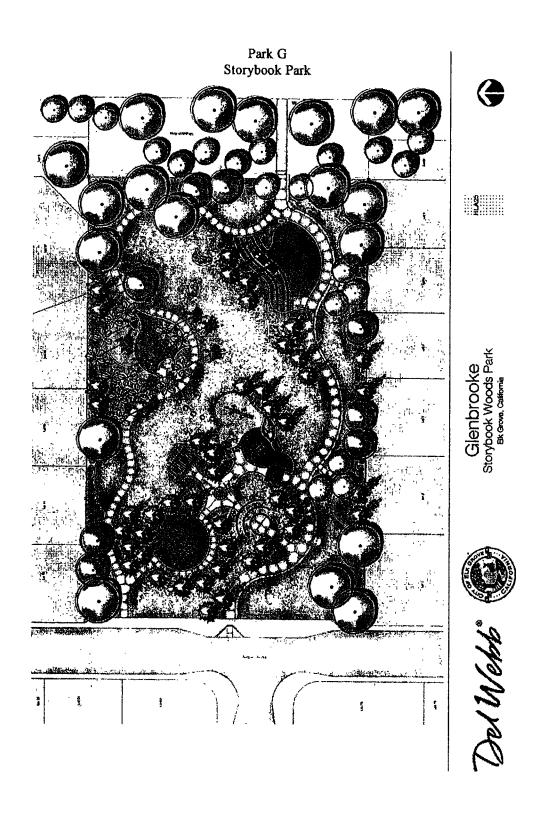
Park F Promenade Park



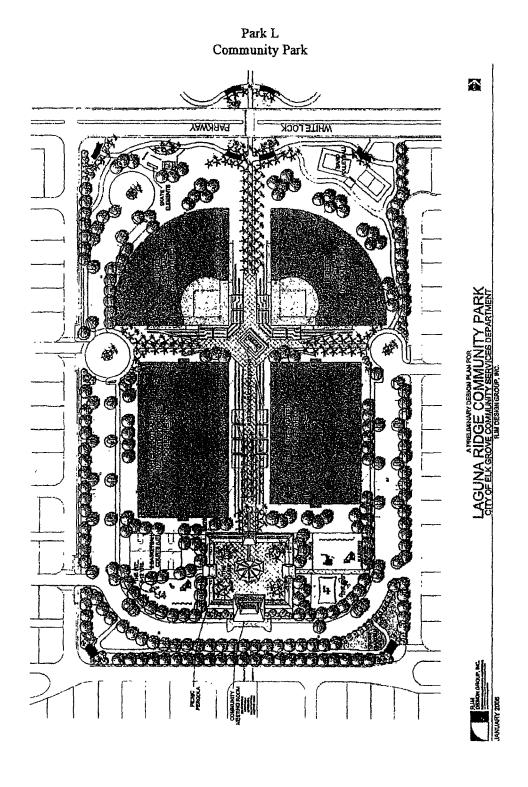


HLA25



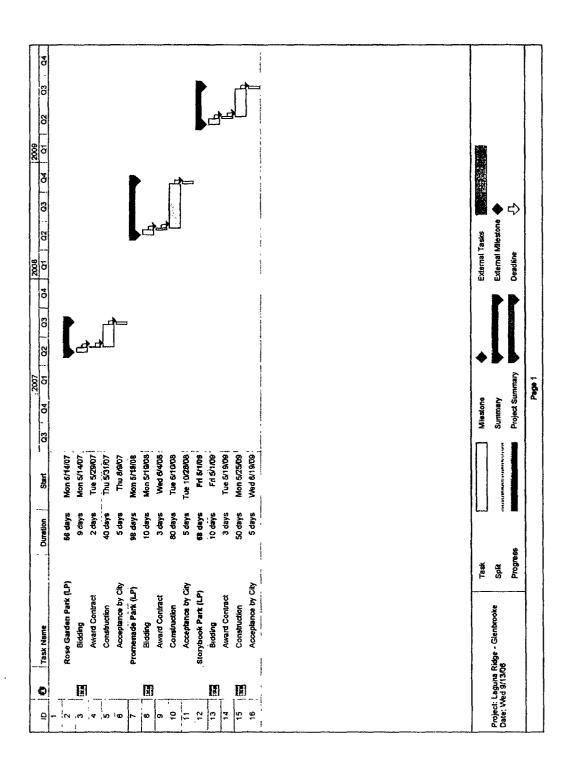


Page 4 of 6



Page 5 of 6

SCHEDULE



Page 6 of 6

EXHIBIT D

Proposed Conditions of Approval

Land Acquisition/dedication condition:

Prior to approval of the final map, the project applicant shall fund the project's share of land acquisition/dedication costs for public improvements in the Laguna Ridge Specific Plan that are not funded by other sources. This condition may be satisfied by:

- (1) Becoming a party to an Indemnification, Hold Harmless and Defense Agreement in a form acceptable to the City with respect to any claims arising out of the project approval, and
- (a) Entering into a Master Cost Sharing Agreement, in a form acceptable to the City, with the Laguna Ridge Owner's Group; or
- (b) By the payment of cash to the Laguna Ridge Owner's Group in an amount agreed to by the Laguna Ridge Owner's Group and the City as the project applicant's share of the cost of the public improvements; or
- (c) By some combination of the methods outlines in (a) and (b), above, in a form acceptable to the City.

Park improvement condition:

Prior to approval of the final map, the project applicant shall fund the project's share of park improvements in the Laguna Ridge Specific Plan (including parks, parkways, and paseos) that are not funded by other sources. This condition may be satisfied by:

- (1) Becoming a party to an Indemnification, Hold Harmless and Defense Agreement in a form acceptable to the City with respect to any claims arising out of the project approval, and
- (a) Entering into a Master Cost Sharing Agreement with the Laguna Ridge Owner's Group, in a form acceptable to the City; or
- (b) By the payment of cash, as the project applicant's share of the cost of the public improvements, to the Laguna Ridge Owner's Group in an amount agreed to by the Laguna Ridge Owner's Group and the City; or
- (c) By the payment of a park fee that fully funds the project applicant's fair share cost of the Laguna Ridge Specific Plan park improvements, as calculated by the City;
- (d) By some combination of the methods outlined in (a), (b), and (c), above, in a form acceptable to the City.

EXHIBIT E

Memorandum of Agreement

Recording Requested by and When Recorded Return to: City of Elk Grove 8400 Laguna Palms Way Elk Grove, CA 95758 No recording fee required pursuant to Government Code Section 27383 SPACE ABOVE THIS LINE FOR RECORDER'S USE MEMORANDUM OF DEVELOPMENT AGREEMENT This Memorandum Of Development Agreement is made this ____ day of ___, 2006, by and between the City of Elk Grove ("City") and ______ ("Developer"). City and Developer are parties to that certain "Development Agreement" dated _____ (the "Development Agreement"), the terms and conditions of which are hereby incorporated by this reference as if set forth in full herein. The Development Agreement controls the development of that certain real property, including improvements thereto, situated in the County of Sacramento. State of California, and described as follows (the "Property"): [See Exhibit A] CITY: DEVELOPER: Pulte Home Corporation City of Elk Grove, a municipal a Michigan Corporation corporation By: By: Name: Name: ristopher B. Cady President Title: Title: Pulte Home Corporation, a Michigan Corporation By: Name: ∕Jay Pawlek Title: Vice President, Land Planning & Entitlements

APPROVED AS TO FORM: By:	ATTEST: By:
Anthony Manzanetti, City Attorney	Peggy E. Jackson, City Clerk
Date:	Date:

EXHIBIT "A"

TO MEMORANDUM OF AGREEMENT

The land referred to herein is situate in the State of California and is described as follows:

County: Sacramento STATE OF CALIFORNIA Place COUNTY OF GONTRA COSTA	City: Elk Grove))ss)
personally known to me (or proved to me or person(s) whose name(s) is are subscribed to he she/they executed the same in his/her/the	before me, Mua C. dauenta. Illy appeared Christopher B. Cacly the basis of satisfactory evidence) to be the the within instrument and acknowledged to me that ir authorized capacity(ies), and that by his her/their or the entity upon behalf of which the person(s)
WITNESS my hand and official seal MINA C. LACUESTA Commission # 1554848 Notory Public - California Placer County My Comm. Expires Feb 25, 2009	Mina C. dacuesta (Signature of Notary Public)
STATE OF CALIFORNIA Placer COUNTY OF CONTRA COSTA))ss)
he/she/they executed the same in his/her/the	before me, Mine C. Lacusta lly appeared Ay Pawell the basis of satisfactory evidence) to be the the within instrument and acknowledged to me that ir authorized capacity(ies), and that by his/her/their or the entity upon behalf of which the person(s)

WITNESS my hand and official seal.

acted, executed the instrument.

MiNA C. LACUESTA
Commission # 1854848
Notary Public - California
Placer County
My Comm. Expires Feb 25, 2009

Mina C. dacusta (Signature of Notary Public)

CERTIFICATION ELK GROVE CITY COUNCIL ORDINANCE NO. 40-2006

STATE OF CALIFORNIA)	
COUNTY OF SACRAMENTO)	ss
CITY OF ELK GROVE)	

I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing ordinance was duly introduced on October 11, 2006 and approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on October 25, 2006 by the following vote:

AYES: COUNCILMEMBERS: Soares, Scherman, Briggs, Leary, Cooper

NOES: COUNCILMEMBERS: None

ABSTAIN: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

A summary of the ordinance was published pursuant to GC 36933(c) (1).

Peggy E Jackson, City Clerk City of Elk Grove, California