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CITY COUNCIL OF THE CITY OF ROSEVILLE

REC'D SEP 17 2001

RESOLUTION NO. 01- 460

RESOLUTION APPROVING FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT IN CONNECTION WITH STONERIDGE WEST COMMUNITY FACILITIES DISTRICT NO. 1

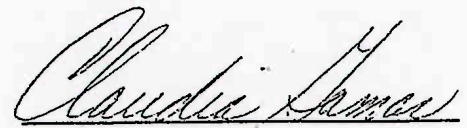
The City Council of the City of Roseville (the "City") resolves:

1. As a part of the proceedings in Stoneridge West Community Facilities District No. 1 (the "District"), this City Council hereby approves a Funding, Construction and Acquisition Agreement (the "Agreement") by and between the City of Roseville and AKT Development, the form of which is attached hereto. The purpose of the Agreement is to provide for the establishment of the District, the acquisition of certain public facilities, payment for certain public services benefiting the property in the District, the issuance and sale of the bonds for the District financing, including incidental expenses, and to provide the terms of any reimbursement to owners of land within the District.

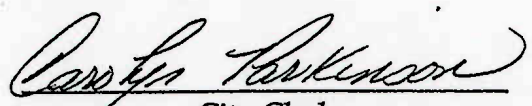
2. The City Council hereby approves the Agreement in the form presented to the City Council at this meeting. The Mayor, the Director of Finance, the City Manager, the City Attorney or such other person or persons as any one of them may designate (collectively, the "Authorized Officers"), are each hereby authorized and directed to execute the Agreement and the City Clerk is hereby authorized to attest its execution, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the City Attorney, upon consultation with the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Roseville this 5th day of September, 2001, by the following vote on roll call:

- AYES: Councilmembers: Earl Rush, Richard Roccucci, Gina Garbolino, Rocky Rockholm  
Claudia Gamar
- NOES: Councilmembers: None
- ABSTAIN: Councilmembers: None
- ABSENT: Councilmembers: None

  
Mayor

ATTEST:

  
City Clerk

**FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT**

**DATED AS OF SEPTEMBER 5, 2001**

**Executed by the**

**CITY OF ROSEVILLE**

**and by**

**AKT DEVELOPMENT CORPORATION**

**RELATIVE TO THE**

**STONERIDGE WEST COMMUNITY FACILITIES DISTRICT NO. 1**

**CITY OF ROSEVILLE  
PLACER COUNTY, CALIFORNIA**

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**FUNDING CONSTRUCTION AND ACQUISITION AGREEMENT  
STONERIDGE WEST COMMUNITY FACILITIES DISTRICT NO. 1**

THIS AGREEMENT is entered into as of the 5<sup>th</sup> day of September, 2001 (the "Effective Date") by and between the CITY OF ROSEVILLE, a California chartered municipal corporation (the "City"), and AKT DEVELOPMENT CORPORATION, a California corporation ("Developer").

**RECITALS**

(A) Developer, together with certain other landowners, owns the real property described as the Stoneridge West Single-Family Property of the Stoneridge Specific Plan, as more particularly described in the Third Amendment to the Development Agreement referred to below (the "Property"). The Property is located within the corporate limits of the City.

(B) Developer proposes to make improvement to the portion of the Specific Plan that includes the Property (the development of such portion of the Specific Plan is defined herein as the "Project") as required by the Project Approvals (as defined below). The City Council of the City approved a Specific Plan for the development of the Property (and properties owned by others) on March 28, 1998, as amended on March 24, 1999, the "Stoneridge Specific Plan" (the "Specific Plan"). The Specific Plan sets forth a comprehensive land use plan and establishes detailed regulations, conditions and programs for development of the property that includes the Property. On April 1, 1998, the City Council of the City approved a development agreement between the City and Developer pursuant to the provisions of Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 of Title 7 of the California Government Code with respect to the permitted uses of the Property, which agreement was amended by the City and Developer on March 31, 1999, on September 6, 2000 and on June 20, 2001 (collectively, the "Development Agreement"). The Specific Plan, Development Agreement, including conditions of approval, and other existing and subsequent approvals granted by City and agreements between Developer and City in implementation of the Project, as the same may be amended from time to time, including amendments thereto, are herein collectively referred to as the "Project Approvals."

(C) In accordance with the Development Agreement, as amended, Developer has requested that the City commence and complete proceedings for the establishment of a community facilities district pursuant to the provisions of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982," (the "Act"), over and including the Property for the purpose of paying a share of the costs for certain public facilities which are necessary to the development of the Specific Plan, prepaying certain building permit fees with respect to development of the properties owned by the other landowners within the District, and the provision of municipal services to the Specific Plan, including the issuance of special tax bonds. Said community facilities district is to be known as "Stoneridge West Community Facilities District No. 1, of the City of Roseville, County of Placer, State of California" (the "District").

(D) Section 53313.5 of the California Government Code provides that a community facilities district may finance the purchase of facilities completed after the adoption of the resolution of formation establishing the community facilities district if the facilities have been constructed as if

they had been constructed under the direction and supervision, or under the authority of, the local agency whose governing body is conducting proceedings for the establishment of the district.

(E) The purpose of this Agreement is to provide for the establishment of the District, the acquisition of such public facilities and prepayment of such building permit fees, the issuance and sale of the bonds for the District to finance the design and acquisition of such public facilities and expenses incidental thereto and to provide the terms of any reimbursement to the Developer.

## AGREEMENTS

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

Section 1. Establishment of District. The City has initiated and concluded proceedings pursuant to the Act for the establishment of the District. Such proceedings included elections pursuant to Sections 53326 and 53327 of the California Government Code on (i) the question of the issuance of bonds for the District to finance the construction or acquisition of the aforementioned public facilities and prepayment of building permit fees, (ii) the issue of annual levy of special taxes on all taxable property within the District for the payment of principal and interest on the bonds of the District and the annual administrative expenses of the City and the District in levying and collecting such special taxes, paying the principal and interest on such bonds and providing for the registration, exchange and transfer of such bonds, including the fees of fiscal agents and paying agents, and any necessary replenishment for the reserve fund for such bonds, accumulation of funds for future bond payments, or the acquisition of public facilities from the proceeds of such special taxes, and (iii) the question of the establishment of an appropriations limit for the District.

Section 2. Sale of Bonds. The City shall proceed, as hereinafter provided, with the sale of bonds for the District in an aggregate principal amount not to exceed \$15,000,000.00 (the "Bonds") for the purpose of raising an amount to pay for the design and construction or acquisition of the aforementioned public facilities and prepayment of such building permit fees. Said public facilities (the "Public Facilities") are generally described in Exhibit "A" attached hereto, which Public Facilities are included in the list of facilities authorized for acquisition by the CFD and are required to be installed by Developer pursuant to the Development Agreement. The timing of the issuance and sale of the Bonds, aggregate principal amount thereof, and the terms and conditions upon which they shall be sold shall be determined by the City. If bonds are not sold within one (1) year of this Agreement, neither the City nor the Developer shall have any obligation hereunder, and this Agreement shall terminate without the requirement for any further notice or action by any party.

Section 3. Tax Requirements. The City shall take all actions which, in the opinion of City's bond counsel, are necessary in order to avoid classification of the bonds as "arbitrage bonds" or the loss of tax exemption for the bonds for any other reason.

Section 4. Amounts to be Included in Bonds. The aggregate principal amount of the Bonds shall include an amount needed to fund a reserve fund for the payment of principal of and interest of the Bonds as is determined by the City to be necessary and appropriate, capitalized interest on the Bonds for such period as the City shall determine is appropriate (if and to the extent not provided by the levy and collection of special taxes in advance of such Bond sale), the amount of the discount of the underwriter who purchases the Bonds, and other expenses incurred by the City in

connection with the issuance and sale of the Bonds, including bond counsel fees, legal fees, fees of the bank which will act as transfer agent, registrar and paying or fiscal agent for the Bonds, other fees and costs normally incidental to the sale of Bonds, and such other fees and costs enumerated in Section 53345.3 of the California Code as the City determines are necessary and appropriate. The City may also include within the aggregate principal amount of the Bonds an amount determined by the City to equitably reimburse Developer for costs and expenses incurred by it which are related to the establishment of the District and the design and construction of the Public Facilities; provided that the City shall determine the amount to be so reimbursed on the basis of detailed itemizations of costs provided by Developer and the decision of the City shall be final. In no event shall Developer be reimbursed from Bond proceeds for (i) in-house administrative overhead (except that Developer shall be entitled to payment equal to four percent (4%) of actual construction costs as and for project and construction management services), (ii) interest expense incurred by Developer on moneys advanced during the proceedings for formation of the District and issuance of Bonds, and during construction of the Public Facilities (provided, that Developer shall be entitled to interest on acquisition proceeds as provided in Section 15 hereof); and (iii) any other costs and expenses incurred by Developer which are not authorized by the Act.

**Section 5. Design** Public Facilities to be acquired by the City shall be designed in conformance with all applicable City standards, requirements and the Development Agreement. Upon completion of the design of each such Public Facility to the satisfaction of the City and when Developer has paid to the City all applicable plan checking and other fees, the City shall notify Developer that the design of the Public Facility is completed and acceptable to the City. It shall be the responsibility of Developer, not the City, to determine the requirements for design and construction of Public Facilities to be acquired by or dedicated to other public agencies, and City's acceptance of Developer's design shall not relieve Developer of this responsibility.

Developer has been authorized by the City to commence the design of the Public Facilities, and the City has approved Developer's project engineer to design streets, traffic signals, water, sewer and storm drainage facilities, and Developer's landscape architect to plan and design street and open space landscaping. Developer may, after obtaining approval of the City, retain the services of additional consultants to design other portions of the Public Facilities.

Developer shall be reimbursed out of the proceeds of the sale of the Bonds, less the amounts to be deducted therefrom for the expenses described in Section 4 above and less the amount used for the prepayment of building permit fees under the Development Agreement (which remaining amount shall be referred to as the "Available Construction Proceeds"), for Developer's expenses incurred in designing those Public Facilities set forth in **Exhibit "A"** hereto, including all applicable plan checking and other fees paid by Developer as provided above in this Section, subject to the City's determination of the amount to be so reimbursed pursuant to the terms hereof, and subject to the limitation that reimbursement in all cases is to be made from available bond proceeds and special tax revenues of the District and from no other source. Reimbursement for design and plan check services shall be made in one or more lump sum payments only after City has received and approved all invoices for such services associated with any particular Public Facility.

Notwithstanding the preceding provisions of this Section, if the City determines that Developer is not proceeding with the design of the Public Facilities on a reasonable schedule which will enable the City to insure that construction of all of the Public Facilities can be completed within the time specified in Section 6 hereof, the City may take over the design of the Public Facilities by giving

Developer written notice thereof. Upon receipt of such a notice, Developer shall surrender to the City all plans and specifications which have then been completed or which are in progress.

If the City takes over the design of the Public Facilities as provided above, the City shall reimburse Developer from the Available Construction Proceeds a reasonable amount, reasonably determined by the City, for the expenses incurred by Developer in connection with the design of the Public Facilities which have not previously been reimbursed, provided there are sufficient funds remaining, after payment for the Public Facilities, to do so.

**Section 6. Construction for Acquisition.** The City shall only be required to acquire from Developer those public facilities which will ultimately be owned by the City. Developer shall proceed with the construction of the Public Facilities in accordance with the approved plans and specifications (either prior to or following the formation and confirmation of the authority of the District.)

For construction of Public Facilities under this Section the Developer shall comply with all of the following requirements to insure that the Public Facilities will be constructed as if they had been constructed under the direction and supervision, or under the authority of the City:

(a) The plans and specifications, the bidding and contract award procedures, and the bidding and contract documents shall be approved by the City Engineer and City Attorney for conformance with City Codes and policy.

(b) Based on qualifications submitted by the contractors, the Developer, in consultation with the City Engineer shall select a list of qualified bidders for each element of work. If the Developer determines that the nature of a particular element of the construction does not require a pre-qualified bid list, the Developer may allow a particular element of the work to be publicly bid without a pre-qualified bid list.

(c) Developer shall receive and open bids and report the results to the City Engineer. On elements of work with a pre-qualified bid list, bids will only be accepted from pre-qualified bidders. Any value engineering proposals shall be submitted to the City Engineer for approval. The City Engineer may, after consulting with Developer, require changes to the work. Developer shall promptly order such changes. The City Engineer shall be consulted with respect to any proposed change to the originally approved design. The contract or contracts for the construction of the Public Facilities shall be awarded to the responsible bidder(s) submitting the lowest responsible bid(s) for the construction of the Public Facilities, as determined by the Developer.

(d) Developer shall require, and the specifications and bid and contract documents shall require, all such contractors to pay prevailing wages and to otherwise comply with applicable provisions of the California Labor Code, Government Code and Public Contracts Code relating to public works projects of cities and as required by the procedures and standards of the City with respect to the construction of its public works projects.

(e) All such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Public Facilities which they will construct in conformance with the City's standard procedures and requirements. Developer shall cause the Public Facilities to be constructed in an expeditious manner so that construction of all such



Section 9. Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Section 3115 and 3116 of the California Civil Code, Developer shall provide to the City such evidence or proof as the City shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the Public Facilities (or approved segment or phase thereof, as shown on Exhibit "A" hereof) constructed by Developer for acquisition by the City have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation.

Section 10. Acquisition; Maintenance. Upon completion of the construction of each Public Facility, segment or phase constructed by Developer for acquisition by the City, the City, through its Finance Director, shall determine the acquisition price to be paid by the City for the acquisition of the completed Public Facility, segment or phase from Developer. The acquisition price as to each Public Facility, segment or phase shall include the actual cost of construction thereof as determined by the contract prices as set forth in contracts and purchase orders entered into by Developer with its contractors, and suppliers, in accordance with standards and procedures therefor as prescribed by the City. Developer shall furnish to the City such proof of the amounts which Developer contends should be included in the acquisition price for a completed Public Facility, segment or phase as the City shall require, together with lien releases from all contractors and suppliers providing work and materials for the completed Public Facility, segment or phase in form satisfactory to the City. The City shall have seven (7) business days from its receipt of a payment claim from Developer to determine the acquisition price. The determination of the City as to the acquisition price for a completed Public Facility, segment or phase shall be final.

Upon determining the acquisition price for a completed Public Facility, segment or phase, the City shall promptly notify Developer in writing of such acquisition price. Upon presentation by Developer to the City of such documents, including lien releases, as the City shall require as to the completed Public Facility, segment or phase, the City shall, within seven (7) business days thereafter, pay from the Available Construction Proceeds or available Special Tax Revenues the amount of the acquisition price for the completed Public Facility, segment or phase, but in the case of a completed Public Facility less a retention of 150% of the value of "Punch List" work not completed. Upon payment and acceptance of the acquisition price for each completed Public Facility, segment or phase, Developer shall have no further claim for payment from the City with respect to the retentions. The City shall hold the retention amount on all Facilities acquired until the Punch List work is completed and accepted by the City.

Notwithstanding the preceding provisions of this Section, the City will not pay for the acquisition of any Public Facilities, segment or phase unless and until the street, drainage or other utility rights of way where they are located have been irrevocably offered to the City for dedication.

Until a Public Facility is acquired by the City, Developer shall maintain it, and shall transfer it to the City free of any liens and in good operating condition. Upon the acquisition of a Public Facility by the City, the City shall, except as otherwise provided in the Project Approvals, become responsible for its maintenance, subject to any contractor's warranty or maintenance provisions of bonds required under the Final Map. Provided, however, from and after the Effective Date of this Agreement and prior to the sale of the Bonds, the City may accept a completed Public Facility for ownership and maintenance purposes, without acquiring it, and the City agrees to remain obligated hereunder to acquire such Facility from Developer upon the subsequent sale of the Bonds in accordance with the provisions of this Section 10, provided such covenant to acquire the accepted

Facility shall be dependent upon the subsequent sale of CFD Bonds and the City shall have no obligation to pay for the acquisition of such Facility from any funds other than any Available Construction Proceeds realized by such subsequent Bond sale and any Special Tax Revenues generated by the CFD.

Section 11. Indemnification; Insurance. Developer shall defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the construction of the Public Facilities to be constructed by Developer for acquisition by the City, including, but not limited to, liability, costs, expense and claims arising under the procedures set forth in Section 6 of this Agreement. Developer shall also defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the ownership of the Public Facilities to be construction by Developer for acquisition by the City prior to the time the City accepts the Public Facilities, whether or not such Public Facilities are to be acquired with bond proceeds. Developer shall procure and provide, until construction of all of the Public Facilities to be constructed by Developer is completed and acceptance thereof by the City has occurred, a broad form comprehensive general liability policy of insurance, in a form acceptable to the City, naming the City, the District and their officers, agents and employees as additional insureds, having a single aggregate liability limit as to all coverages provided thereby in the amount of \$2,000,000. Before commencing the construction of any Public Facility, Developer shall provide the City with a certification of insurance and endorsement as to such insurance, in a form acceptable to the City, and Developer shall upon each renewal of such insurance policy provide the City with a new certificate of insurance with respect thereto.

Developer shall also furnish to the City, prior to commencing the construction of any Public Facility to be constructed by Developer for acquisition by the City, a certificate of insurance evidencing that Developer has procured and has in force a current policy of workers' compensation insurance in compliance with California law as to all workers to be employed by Developer in connection with the design and construction of the Public Facilities. Developer shall require each person, firm or corporation with whom it contracts in connection with the design and construction of the Public Facilities to provide and maintain such workers' compensation insurance and a broad form comprehensive general liability insurance policy in the amount hereinabove specified and in a form acceptable to the City. Developer shall provide to the City proof, in such form and at such intervals as set forth below, that each contractor with whom it contracts has procured and is maintaining such insurance.

Upon the execution of each contract with each person, firm or corporation with whom Developer contracts in connection with the design and construction of the Public Facilities, and prior to permitting any such person, firm or corporation to commence work under such contract, Developer shall provide to the City a certificate from the insurance provider for each such contractor that the contractor has in force the insurance policies required of it under this Section 11, that the City is named as an additional insured on the broad form comprehensive general liability insurance policy of such contractor, and that the policies will not be canceled or allowed to lapse without 30 days written notice to the City.

The premiums paid by Developer for the insurance required by this Section may be included in the acquisition price to be paid by the City for the Public Facilities to be constructed by Developer as an incidental cost.

**Section 12. Ownership of Facilities.** Notwithstanding the fact that some of the Public Facilities, segments or phases to be constructed by Developer for acquisition by the City may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated or offered for dedication to the City, District or Public Utility, such Public Facilities, segments or phases shall be and remain the property of Developer, and Developer shall be responsible for any loss or damage thereto or liability arising therefrom (until they are accepted and/or acquired by the City or other agencies as provided in the preceding Sections of this Agreement). Such ownership by Developer shall likewise not be affected by any agreement which Developer may enter into with the City pursuant to the provisions of the Subdivision Map Act, Section 66410 et seq. of the California Government Code, which may contain or include provisions with respect to the construction and ownership of public facilities which may seem to be contradictory to the provision of this Agreement, and the provisions of this Section shall control.

**Section 13. Improvement Security.** Notwithstanding the provisions of this Agreement, Developer shall be required to agree to construct and to secure the construction and completion of construction of the Public Facilities, or portions thereof, as a condition precedent to the approval of final subdivision or parcel maps for portions of the Property as required by the City pursuant to Section 66462 and Sections 66499 through 66499.10 of the Government Code.

The aggregate principal amount of the improvement bonds or other security provided by Developer pursuant to this Section shall be reduced by such amount as the City shall determine is appropriate upon receipt of the proceeds from the sale of the Bonds. The amount of the reduction of such aggregate principal amount shall be determined by the City based on the amount of each such improvement bond or other security which relates to the Public Facilities to be constructed or acquired with the proceeds of the sale of the Bonds.

All subdivisions and performance bonds shall provide, inter alia, that the principal thereof, whether that be Developer or its contractor(s), guarantees that the completed Public Facilities shall be free from defects resulting from faulty workmanship and materials for a period of one (1) year from the date of acceptance by the City, and the obligation of the surety shall extend to the fulfilling of that guarantee. At the end of said one year period, and subject to certification from the City Engineer that any defects have been corrected, the obligation of the principal and surety named therein shall cease.

**Section 14. Failure to Complete Construction.** Notwithstanding the preceding provisions of this Agreement, if Developer fails to expeditiously prosecute the construction of the Public Facilities to be constructed by Developer for acquisition by the City, the City shall have the right and may elect to take over the construction of such Public Facilities, or any part thereof, if it determines it is necessary for it to so proceed in order to protect the City's interests. If the City elects to so proceed, it shall notify Developer in writing that if Developer does not satisfy the City that construction is proceeding expeditiously on the construction of a Public Facility within 30 days after receipt of such notice, the City will take over the construction of such Public Facilities. If after receiving such a written notification Developer does not satisfy the City that it is proceeding expeditiously to construct that portion of the Public Facilities identified in the written notification to the satisfaction of the City, within 30 days from the date of receipt thereof, Developer shall relinquish to the City all design documents, and shall cooperate with the City in every way to ensure that the construction of the Public Facilities will be completed expeditiously.

Notwithstanding the provisions of this Section, the only sources of funds to be utilized by the City for the construction of any such Public Facilities shall be (i) the proceeds of the sale of the Bonds and any available Special Tax Revenues, (ii) the proceeds of applicable City development fees collected pursuant to the applicable codes, ordinances and policies of the City, (iii) proceeds from the sale of the bonds of another community facilities district or assessment district established over and including property in the City, (iv) interest earnings on the reserve fund for the Bonds, to the extent such earnings are determined by the City to be available for construction of the Public Facilities, (v) the Developer's subdivision bond or bonds to the extent applicable, (vi) any other performance security that may have been provided by the Developer, and (vii) the Developer's and/or contractors' performance bonds. To the extent that the proceeds of the sale of the Bonds and such other funds may be insufficient to pay for the construction of a Public Facility which will be constructed by the City pursuant to this Section, the City may either construct only those Public Facilities which can be constructed within the total of the amounts of the proceeds from the sale of the Bonds and such other funds which are available therefor, or the City may proceed to complete the Public Facilities and charge the Developer, the Developer's bond or any contractor's bond for the costs thereof.

Section 15. Responsibility for Improvements Required by Conditions of Approval. If the bonds are not sold in an aggregate principal amount sufficient to construct and acquire all of the Public Facilities, Developer shall nevertheless construct and dedicate to the City the Public Facilities required by the Specific Plan Development Agreement, and the City may require such assurances of performance as the City deems appropriate. To maximize the amount of Bond proceeds that will be available to fund the construction of the Public Facilities, until the Bonds are issued and sold, City covenants to assess the special tax against all properties within the District at the maximum rate permitted under the District for Fiscal Year 2001-2002; thereafter, the City may assess the special tax at the maximum rate to provide additional Special Tax Revenues in excess of the amount required to service the Bonds and pay the City's administrative costs for the District. Any such additional Special Tax Revenues shall be used to fund interest on the Bonds, in lieu of capitalized interest thereon, and for the costs approved by the City for the Public Facilities to the extent not reimbursed from the Bonds.

Section 16. Construction of Other Facilities. Developer shall also proceed expeditiously with the design and construction of the other improvements and facilities, other than the Public Facilities, which are necessary to the development of the Specific Plan and the provision of municipal services within the District and to the residents therein. Such other public improvements and facilities shall be designed and constructed on a schedule which will not delay or interfere in any way with the design and construction of the Public Facilities. The provisions of this Section shall not supersede those of any other agreement between Developer and the City.

Section 17. Termination. If for any reason the City is unable to sell the Bonds, this Agreement shall not become effective.

Section 18. Binding on Community Facilities District. The District shall automatically become a party to this Agreement to the extent permitted by California law, and all provisions hereof which apply to the City shall so apply to the District. The City Council of the City, acting for the District, shall perform all parts of this Agreement which require performance on the part of the District.

Section 19. Assignment. Developer may not assign this Agreement or any right or duty hereunder without the express written approval of the City. The City may condition any such approval

on proof of the financial responsibility and experience of a proposed assignee to undertake and perform the duties and responsibilities of Developer under this Agreement. The City's approval of an assignment of this Agreement and the rights and duties of Developer hereunder shall not be unreasonably withheld.


Section 20. Prompt Action. All consents, approvals and determinations required of either the City or Developer pursuant to this Agreement shall be promptly given or made, and shall not be unreasonably withheld.

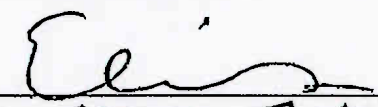
Section 21. General. This Agreement contains the entire agreement between the parties with respect to the matters herein provided for, and may be amended by a subsequent written agreement signed on behalf of both parties. This Agreement is for the exclusive benefit of the parties and shall not be construed to confer any rights or benefits upon any persons other than the City and the Developer. This Agreement shall, however, inure to the benefit of and be binding upon the successors and assigns of the parties. This Agreement shall be construed and governed by the Constitution and laws of the State of California. Should either party to this Agreement commence a court action or proceeding against the other party with respect to this Agreement or the design and acquisition or construction of the Public Facilities, the party prevailing in such action or proceeding shall be entitled to receive from the losing party its attorney's fees, expert witness' fees, court costs, and other costs incurred by it in prosecuting or defending such action or proceeding. The captions of the sections of this Agreement are provided for convenience only, and shall not have any bearing on the interpretation of any section hereof. This Agreement may be executed in several counterparts, each of which shall be an original of the same Agreement.

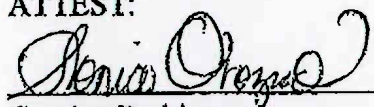
IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date first above written.


**CITY OF ROSEVILLE,**  
a municipal corporation

**AKT DEVELOPMENT CORPORATION,**  
a California corporation

By:   
Allen E. Johnson  
City Manager

By:   
Name: ELENI BAKOPOULOS  
Title: PRESIDENT

ATTEST:  
  
Carolyn Parkinson  
City Clerk

APPROVED AS TO FORM:  
  
Mark J. Doane  
City Attorney

**EXHIBIT "A"****LIST OF PUBLIC FACILITIES  
(Stoneridge West)**

The public improvements and ancillary design and construction costs therefor proposed to be financed consist of the following improvements, which may be acquired upon completion of each Improvement or any Segment thereof described below. With respect to each of the road improvements described below, the sidewalk, median landscaping, corridor landscaping and soundwalls described as part of such improvements may be treated as separate Segments of the Improvements, in which case the balance of each road improvement, upon completion thereof, may be acquired prior to completion of the sidewalk, landscape and soundwall improvements related thereto:

1. Secret Ravine Parkway

Construction of four lanes from the intersection of Roseville Parkway approximately 4,300 feet easterly, excluding the False Ravine Bridge. The roadway improvements shall include necessary roadway grading; asphalt paving with aggregate base; storm drainage facilities; curb and gutter; sidewalk; sewer facilities; water facilities; street signs; street lighting; landscape median islands; landscape corridors, including soundwalls; electrical facilities, including electric, telephone, gas and broadband facilities; and necessary appurtenances thereto, to provide sufficient width for four traffic lanes, appropriate turning lanes, widenings at intersections, and any other necessary or related improvements.

2. Alexandra Drive

Construction of two (2) lanes from intersection of Roseville Parkway northeast approximately 3,000 feet, consisting of necessary roadway grading; asphalt paving with aggregate base; storm drainage facilities; curb and gutter; sidewalk; sewer facilities; water facilities; street signs; street lighting; landscape corridors; electrical facilities, including electric, telephone, gas and broadband facilities; and necessary appurtenances thereto, to provide sufficient width for two traffic lanes, appropriate turning lanes, and any other necessary or related improvements.

3. Roseville Parkway Frontage Improvements

Frontage improvements to Roseville Parkway (including without limitation, grading and asphalt paving with aggregate base for the frontage lanes adjacent to the Property; storm drainage facilities; curb and gutter; sidewalk; sewer facilities; water facilities; street signs; street lighting; landscape corridors, including soundwalls; median landscaping; electrical facilities, including electric, telephone, gas and broadband facilities; and necessary appurtenances thereto, and any other improvements to Roseville Parkway that do not qualify for reimbursement from the City's Transportation Management Fees), to the extent the costs of such improvements are not otherwise reimbursed with proceeds from the existing Stoneridge Parcel No. 1 Community Facilities District No. 1.

4. Signal Improvements

Installation of traffic signals, including all underground conduit and appurtenances thereto, for the following intersections: Roseville Parkway and North Sunrise Boulevard, Roseville Parkway and Secret Ravine Parkway, Roseville Parkway and Alexandra Drive, Roseville Parkway and Rocky Ridge and Roseville Parkway and Leadhill Drive, to the extent the costs of such signal improvements are not otherwise reimbursed with proceeds from the existing Stoneridge Parcel No. 1 Community Facilities District No. 1 or from the City's Traffic Mitigation Fees. These improvements may be acquired with the applicable segment of Roseville Parkway described above, or may be installed and acquired after substantial completion of such segments.

5. Parcel 23 Sewer Lift Station

Sewer lift station and force main through Parcel 23 to serve Parcels 17, 23 and 27, consisting of a lift station structure, electrical equipment, transformer, mechanical equipment, pump, motors, pipe, and other necessary related equipment and appurtenances thereto, and force main from lift station, including force main cleanouts and other necessary improvements and other related equipment thereto.

6. Contribution to Park Improvements

\$6,700 to fund an anticipated shortfall in financing for neighborhood park improvements, in accordance with the requirements of the Development Agreement and without credit to Developer.

7. Surveying, Design, Construction Management, Dry Utilities, Permits, Mitigation

All ancillary costs related to the foregoing improvements, including costs of design, engineering, tree mitigation, if any, permitting, construction staking and construction management equal to four percent (4%) of construction costs, shall be included in the invoice for the applicable Improvement or Segment thereof as separate line items and each item so invoiced shall be eligible for financing with such Improvement or Segment.

All City costs associated with review and approval of the design of the public improvements and inspection and approval of the construction thereof shall be included in the invoice for the applicable Improvement or Segment thereof as separate line items and each item so invoiced shall be eligible for financing with such Improvement or Segment.