

Appendix 600-K DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

(This is a template for a Development Agreement and must be modified to fit the conditions expected for a particular development.)

This Development Agreement (the "Agreement") is made and entered into this ____ day of _____, 200__, by and between GROVELAND COMMUNITY SERVICES DISTRICT, a political subdivision of the State of California formed and operated pursuant to California Government Code Section 61000 et seq., (hereinafter "District") and _____ (hereinafter "Developer").

RECITALS

1. Developer has obtained approval from the County of Tuolumne ("County") for a general plan amendment, rezone and tentative subdivision map for a residential project known as _____ (the "Project"). County has also reviewed and approved an Environmental Impact Report (hereinafter "EIR") prepared for the Project in connection with its approval of the Project.
2. Development of the Project will result in a need for municipal services and facilities for water supply and distribution, water treatment, sewage collection and treatment, fire suppression services and park and recreation services. The County, as a condition of its approval of the general plan amendment, rezone and tentative subdivision map for the Project has required the Developer to enter into an Agreement with the District by the terms of which the District will provide domestic water supply and distribution, water treatment, sewer services, fire suppression services and park and recreational services to the Project..
3. The Developer hereby agrees to the following: (a) design, plan, engineer, and construct all sewer, water, parks, and fire service improvements (the "Improvements") required to serve the Project at Developer's sole cost and expense pursuant to plans and specifications approved by District; and (b) pay certain water and sewer connection fees, standby charges and other fees and assessments pursuant to District's policies; and (c) dedicate to District certain real property to serve as a location for fire and park service facilities to serve the Project; and (d) dedicate certain real property to serve as a location for specified water and sewer infrastructure to serve the Project; and (e) reimburse District for its administrative, legal, engineering and environmental consulting costs and expenses incurred in reviewing Developer's application for water, sewer, fire suppression and park and recreation services, negotiating, drafting and implementing this Development Agreement, reviewing the engineering analyses and the plans and specifications for the Improvements, and inspecting construction of the Improvements prior to acceptance by the District. Developer agrees to contribute to the costs of such water, wastewater, sewer, parks and recreation, and fire suppression facilities and services as required herein to mitigate impacts upon the community of the development of the Project. For the purposes of this Agreement, "construction" shall mean the actual building, testing, permitting or certifying, and District acceptance of facilities provided by Developer. Upon payment of all such costs and reimbursement to District of its administrative, legal, engineering and environmental review costs and expenses, District agrees to provide such water, wastewater, sewer, parks and recreation, and fire suppression facilities and services as required herein to assure that Developer may proceed with complete development of the Project in accordance with the terms of this Agreement and Developer's Tentative Map, including the County's Conditions of Approval of such Tentative Map. District and Developer recognize and agree that, but for Developer's agreement to pay all costs and expenses of providing water, wastewater, sewer, parks and recreation, and fire suppression facilities and services to

the Project to mitigate the impacts arising as a result of development of the Project, District would not and could not approve provision of water, sewer, fire suppression, and park and recreational services to the Project as provided by this Agreement. Likewise, but for District's covenant to provide certain water, wastewater, sewer, parks and recreation, and fire suppression facilities and services for the development of the Project, Developer would not and could not commit to provide the mitigation as provided in this Agreement. District's approval of the plan for providing water, sewer, fire suppression and park and recreational facilities to the Project as provided herein is in reliance upon and in consideration of Developer's agreement to pay all costs and expenses of the Improvements and services as provided herein to mitigate the impacts of development of the Project.

4. Developer has completed all Sub-Area Master Plan (SAMP) analyses for District and California Environmental Quality Act (CEQA) documentation for County. County has approved CEQA documents and requires that Developer to address to the satisfaction of County Conditions of Approval. Such Conditions of Approval address, among other things, mitigation of environmental issues, provisions for providing infrastructure, and considerations for community fit and quality of life, as prescribed by the County General Plan and amendments thereto. Prior to final acceptance of infrastructure to be dedicated to District, Developer shall have met all Conditions of Approval to the satisfaction of the County

5. District will provide the following services to the Development:
- Water: Including water supply, treatment, storage and distribution and facilities constructed and dedicated to the District during the course of developing this Project.
 - Wastewater: Including wastewater collections, treatment and disposal and facilities constructed and dedicated to the District during the course of developing this Project.
 - Parks and Recreation: Including access to existing parks and recreation facilities and facilities constructed and dedicated to the District during the course of developing this Project.
 - Fire: Including full-time fire department and facilities constructed and dedicated to the District during the course of developing this Project.
 - Community Facilities: Including access to existing District-owned community facilities and facilities constructed and dedicated to the District during the course of developing this Project.

AGREEMENT

NOW, THEREFORE, the parties hereto in consideration of the performance of the covenants and conditions hereinafter set forth agree as follows:

1. District Provision of Services to Project.

1.1 Developer shall have the right to receive from District domestic water supply and distribution, wastewater treatment, sewer collection and treatment, fire suppression services and park and recreation services to real property comprising the Project in accordance with the terms and conditions of this Agreement, the County's Conditions of Approval, any amendments to any of them as shall, from time to time, be approved either by the parties to this Agreement, or by County. Developer's right to receive such services within the Project from the District shall be subject to subsequent District approvals, as provided herein.

1.2 Provisions for development of plans and specifications for water system, sewer system, parks and recreation, and fire suppression improvements; construction of water system, sewer system, parks and recreation, and fire suppression improvements; reservation or dedication of land to the District for public purposes; location and maintenance of onsite and offsite Improvements; and location, nature and extent of public utilities shall be those set forth in this Agreement, the County's Conditions of Approval, any subsequent amendments to this Agreement or such Conditions of Approval. District acknowledges

that the County Conditions of Approval provide for the following land uses and approximate acreages for the Project:

Description of Project)

1.3 Developer and District intend that this Agreement and the resolution adopted by District approving this Agreement shall constitute District's approval of providing water, sewer, fire suppression and park and recreation services to the real property comprising the Project against any subsequent District resolutions, ordinances or initiatives that directly or indirectly limit the provision of water, wastewater, sewer, fire suppression and park and recreational facilities and services to the Project. Developer and the Project shall, however, be subject to any District ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied District-wide or area-wide basis and directly concerns public safety, health or welfare issue, in which case District shall treat Developer and the Project in a uniform, equitable and proportionate manner with all other properties within the District which are impacted by that public safety, health or welfare issue.

2. Plans and Specifications for Water and Sewer System Improvements.

2.1 Developer shall be responsible for funding all the costs for design, engineering, and construction of water system and sewer system improvements necessary to serve the Project (the "Improvements") without imposing level of service reductions on existing customers of the District. A list of the Improvements to the District's water system and sewer system to be funded by Developer is attached hereto, marked Exhibit A and incorporated herein by this reference.

2.2 Developer shall prepare construction plans and specifications for the Improvements at Developer's sole cost and expense (the "Plans and Specifications"). The Plans and Specifications for Improvements shall comply with all applicable District standards and be approved in writing by the District's engineers. Developer agrees that construction of the Improvements shall not commence until the Plans and Specifications for the Improvements have been approved in writing by District.

2.3 The District may, without invalidating this Agreement, order changes in the scope of the work to be performed by Developer consisting of additions, deletions or modifications in the nature and extent of the Improvements. Any such revisions to the Plans and Specifications must be approved in writing by District. Developer shall comply with any and all revisions to the Plans and Specifications in constructing the Improvements.

3. Construction of Water and Sewer System Improvements.

3.1 Developer shall, without expense to District, furnish all labor, materials, equipment, mechanical workmanship, appliances, supervision, coordination, building permits, other required permits, sales taxes, and samples to complete construction of the Improvements in a workmanlike manner.

3.2 Developer shall be required to begin construction of the Improvements twelve (12) months after written notification to that effect by District and to complete the work in accordance with the Plans and Specifications to the satisfaction of the District within twenty-four (24) months from said written notice. Should Developer fail to complete construction of the Improvements within the time fixed for completion, or performs work that does not comply with the Plans and Specifications, or fails to comply with any other term or condition of this Agreement, the District may terminate Developer's right to perform all or any portion of the work, may have the work performed by others, or may complete the work itself, and charge the cost to Developer. The cost of completion by the District shall include reasonable reimbursement for additional executive and administrative expense including legal fees together with all damages for delay and other damages sustained by District as a result of Developer's default.

3.3 Developer agrees and understands that it is the responsibility of Developer to obtain and pay for all necessary permits required for the construction of the Improvements from any and all jurisdictions that have authority over the work. Developer also agrees and understands that it is the responsibility of Developer to call for and obtain all required inspections from any and all governmental agencies having jurisdiction over the work during the course of the construction of the Improvements. Developer is not relieved of its obligations to secure all permits and obtain all inspections by virtue of District's assistance in procuring the necessary permits.

3.4 Upon completion of construction of the Improvements, Developer agrees to dedicate all such Improvements to District to become a part of the District's water and sewer systems. District shall accept the offer of dedication of the Improvements if it finds all of the following: (1) that the design and construction of the Improvements complies with all applicable building codes, the Plans and Specifications, and all applicable District policies and ordinances; and (2) that Developer has paid to District all applicable District fees including water and sewer connection fees, water and sewer standby fees, lot split fees, plan check fees and any other applicable fees pursuant to the District's current fee schedule; and (3) that Developer has reimbursed District all of District's administrative, legal, engineering, and environmental review costs and expenses incurred in reviewing, approving, and inspecting the design and construction of the Improvements, negotiating and drafting this Development Agreement. At such time as the District finds that Developer has fully complied with each of the foregoing three (3) criteria, District shall accept the offer of dedication of the Improvements in writing and assume responsibility for all maintenance, repair, and operation of the Improvements constructed by Developer.

3.5 Developer shall dedicate the Improvements to District by conveying title to the completed Improvements to District at Developer's sole cost and expense, free and clear of all liens and encumbrances. Developer shall be responsible for preparing the appropriate documents for conveying title to the Improvements to District in a form acceptable to District.

3.6 Developer shall provide District with one set of twenty-four-inch by thirty-six-inch original (24" x 36") and one set of reproducible "record" drawings of the completed Improvements on matte Mylar (5 mil minimum). Developer shall also provide all record drawings in an electronic format acceptable to the District. Developer shall also provide one final copy of specifications and project plans with all change orders documenting technical specifications, schedule, budget and cost history, including project closeout materials showing resolution of all punch list (discrepancies) and disclosure of any litigation and legal disputes between Developer and those involved with the Development.

3.7 District shall accept the conveyance of title of the completed Improvements by resolution, and at that time the Improvements will become part of the District's water and sewer systems.

3.8 After acceptance of the dedication of the Improvements by District, the Improvements may be operated to provide water supply, wastewater, parks, and fire service to the Project upon receipt and approval of an application for service submitted to and approved by the District. All services made available by District to the Project shall be subject to all rates, charges, fees and assessments established by District's Board of Directors from time to time. Construction of the water system Improvements by Developer and use of such Improvements by owners of real property within the Project shall be subject to the District's water ordinance, as amended from time to time. Construction of the sewer system Improvements by Developer and use of the sewer system Improvements by owners of real property within the Project shall be subject to the District's sewer ordinance, as amended from time to time.

4. Inspection of Construction.

4.1 The District General Manager or his agent shall inspect the construction of the Improvements to assure that the Improvements are installed in accordance with the approved Plans and Specifications. Said inspection shall be funded by an inspection fee paid by Developer as specified in District's current fee schedule. District is not, by inspection of the construction or installation of the

Improvements, providing a substitute for inspection and control of the work by Developer. Any failure of District to note variances in the work from the Plans and Specifications does not excuse or exempt Developer from complying with all of the provisions of the Plans and Specifications. The fact that District inspects the construction of the Improvements and fails to discover deviations or failures to construct them pursuant to the Plans and Specifications shall not be deemed to constitute a guarantee by District that the Improvements have been built in accordance with the Plans and Specifications. At no time shall the District be responsible for any trench settlements or road failures associated with such work, or failure to meet any environmental remediation obligations or County Conditions of Approval. Any such settlement shall be the sole responsibility of Developer. Construction of the Improvements shall not commence until the estimated inspection fee is deposited with the District. The District General Manager or his designated agent shall notify Developer of failure to construct the Improvements in accordance with the Plans and Specifications, or defective work pursuant to District standards as soon as such failure or defect is brought to his attention. Developer shall immediately correct any such failure or defect, including removal and replacement of any non-conforming work at Developer's expense. In no event shall any of the work of installing the Improvements be covered until District has inspected all of the work and has approved the covering of the work.

5. Maintenance of Facilities.

5.1 In consideration for the water system and sewer system Improvements constructed by Developer for the benefit of District, and dedicated to District, District will perform all necessary maintenance of the water and sewer Improvements constructed pursuant to this Agreement by Developer commencing immediately upon completion of construction, dedication by Developer and acceptance of dedication by District. After the date of acceptance of the Improvements, District shall be solely responsible for all costs of maintenance of the water and sewer system Improvements.

6. Easements.

6.1 Developer, at its sole cost and expense, shall perform all necessary survey work to prepare a legal description for and dedicate to District fifteen-foot (15-ft) wide perpetual easements for the purpose of construction, installation, operation, maintenance and replacement of the Improvements constructed by Developer pursuant to this Agreement. The Developer shall dedicate such easements to the District at no cost to the District and free and clear of all liens and encumbrances. All such easements shall include District rights of ingress and egress to the easements in order to perform operation, maintenance and repair of the Improvements.

7. Performance and Payment Bonds.

7.1 Developer shall, at the time of entering into a contract for the construction of the Improvements, for each phase of such Improvements, to file two (2) separate bonds with the District, each made payable to the District. These bonds shall be issued by a surety company admitted to do business in the State of California as an insurer and shall be maintained during the entire life of this Agreement at the expense of Developer. One bond shall be in the amount of One Hundred Twenty-Five Percent (125%) of the construction cost estimate for each phase of the Improvements approved by District's engineer and shall guarantee the faithful performance of all aspects of the construction contract, or in case of project abandonment, to restore the site to a condition acceptable to the District.. The second bond shall be the payment bond required by Division Three, Part 4, Title 15, Chapter 7 of the Civil Code of the State of California, and shall be in the amount of One Hundred Percent (100%) of the construction cost estimate approved by District's engineer for each phase of construction of the Improvements, to guarantee the payment of wages and for materials, supplies or equipment used in the performance of the construction contract. Any alterations made in the specifications for the Improvements shall not operate to release any surety from liability on any bond required hereunder, and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of the Civil Code. Prior to commencing work under this Agreement, Developer shall provide a Certificate of Fact issued by the County of Tuolumne, County Clerk, or Certificate of Authority issued by the State of California, Department of Insurance for any and all

sureties issuing the bonds required under this Agreement. By execution of this Agreement, Developer further certifies and represents that any and all sureties issuing the bonds required under this Agreement are authorized to do business in the State of California and that the bonds fully comply with Civil Code Sections 3247 and 3248, and the Bond and Undertaking Law, Code of Civil Procedure Section 995.010, et seq.

8. Prevailing Wages

8.1 Pursuant to the provisions of Section 1774 et seq., of the Labor Code of the State of California, it shall be mandatory for Developer, and any general contractor and any subcontractor working under Developer, to pay all workers, laborers and mechanics employed in the construction of the Improvements not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the work or any part of the work contemplated by this Agreement. The appropriate determination of the Director of the California Department of Industrial Relations is filed with, and available for inspection at the office of the District.

8.2 Pursuant to Labor Code Section 1775, Developer shall forfeit, as penalty to the District, an amount of not more than Fifty Dollars (\$50.00) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rates for any work done pursuant to this Agreement by Developer or any general contractor or subcontractor working under Developer. The amount of the penalty shall be determined by the Labor Commissioner and shall be based on consideration of the Developer's mistake, inadvertence, or neglect in failing to pay the correct rate of prevailing wages, the previous record of the Developer in meeting his or her prevailing wage obligations, or Developer's willful failure to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rate of prevailing wages is not excusable if the Developer had knowledge of his or her obligations under the Labor Code. In addition to said penalty, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Developer.

8.3 Developer shall post, at each job site, a copy of such prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations.

8.4 Developer and each general contractor and subcontractor under Developer shall keep an accurate payroll record showing name, address, social security number, work classification, straight-time and overtime hours worked each day and week, and the actual per diem wages paid to each person certified in a trade or a craft, for each apprentice, worker, or other employee of Developer or subcontractor performing a part of the work contemplated by this Agreement. Developer shall provide or make available for inspection, a certified copy of such payroll records as specified in Section 1775 of the Labor Code of the State of California. Attention is directed to Section 1777.5 of the Labor Code of the State of California concerning the employment of apprentices, and Developer is required to comply with the provisions of that section.

9. Developer Dedication of Real Property for Water, Wastewater, Parks, and Fire Sewer Improvements.

9.1 Developer shall dedicate to District parcels of real property within the Project of sufficient size and location approved by District to serve as the location for all water, wastewater, parks and recreation, and fire infrastructure necessary to serve the Project. The District Board of Directors must approve in writing the location and size of each site for such infrastructure to serve the Project. Said real property comprising the sites for the water, wastewater, parks and recreation, and fire infrastructure shall be dedicated to District without cost to District by Developer within twenty-four (24) months of approval of this Agreement. The land to be dedicated for water, wastewater, parks and recreation, and fire infrastructure to serve the Project is set forth more specifically in Exhibit ____ attached hereto and incorporated herein by this reference and referred to as the "Water, Wastewater, Parks and Recreation, and Fire Infrastructure." Developer further agrees to provide District with a

preliminary title report indicating that Developer has unencumbered title to the Water, Wastewater, Parks and Recreation, and Fire Infrastructure and to convey unencumbered title to the Water, Wastewater, Parks and Recreation, and Fire Infrastructure to District.

10. Additional Conditions regarding Provision of Parks and Recreation and Fire Suppression Services.

10.1 Developer shall dedicate to District parcels of real property within the Project of sufficient size and location approved by District to serve as the location for parks and recreation and fire suppression service infrastructure to serve the Project. The District Board of Directors must approve in writing the location and size of the sites for parks and recreation, and fire system infrastructure to serve the Project. Said real property comprising the sites for fire system infrastructure shall be dedicated to District without cost to District by Developer within twenty-four (24) of approval of this Agreement. The land to be dedicated for parks and recreation and fire system infrastructure is set forth more specifically in Exhibit ____ attached hereto and incorporated herein by this reference as the "Dedicated Land." Developer further agrees to provide District with a Preliminary Title Report indicating that Developer has unencumbered title to the Dedicated Land, and to convey unencumbered title to the Dedicated Land to District.

10.2 Developer, at its sole cost and expense, shall perform all necessary survey work to prepare a legal description for and dedicate to District all necessary rights-of-way for emergency access as specified in the Conditions of Approval or as otherwise found necessary by District, in its sole discretion, to provide parks and recreation and efficient fire suppression services to the Project. Developer shall dedicate such rights-of-way to the District at no cost to the District and free and clear of all liens and encumbrances. Dedication of such rights-of-way to District shall be completed no later than twenty-four (24) months after approval of this Agreement.

10.3 Developer shall prepare a fuel reduction/fuel management program in cooperation with the District and the County Fire Department in order to provide for control and removal of flammable vegetation with rights-of-way, vacant lots and within a mutually agreeable distance from residential or commercial structures. Developer shall prepare such fuel reduction/fuel management program at no cost to District. Said program shall include a fee component to reimburse District for the administrative costs incurred in providing the necessary inspections to ensure that the goals and objectives of the fuel reduction/fuel management program are being achieved. Said fuel reduction/fuel management program shall be submitted to District for approval and any fees payable to District for review of such program shall be paid within twelve (12) months after approval of this Agreement.

10.4 The Conditions of Approval require Developer to install at its own cost and expense fire hydrants of various capacities within certain zones of the Project. No such fire hydrant shall be installed by Developer unless the location of each such hydrant has been approved by District in writing.

10.5 [Reserved for discussion of mitigation efforts required by Developer regarding funding of fire suppression services to fund to serve the Project.]

10.6 [Reserved for discussion of mitigation efforts required by Developer regarding funding of parks and recreation services to fund to serve the Project.]

11. Project Phasing.

11.1 The parties acknowledge that uncertainties associated with market conditions, availability of financing, and other factors may alter Developer's ability to construct the Project within the term of this Agreement. Notwithstanding this possibility, in order to assure District that the Project will be developed within a reasonable time period, Developer shall use all reasonable efforts to substantially complete each phase of the Project in accordance with the Phasing Plan specified in Exhibit _____. District shall have the right to terminate this Agreement by written notice of Developer if District determines that if, for any reason, despite such Developer's reasonable efforts and other factors, including market and

economic conditions, that Developer has not substantially completed the improvements within the applicable period specified in Exhibit _____. District's sole and exclusive remedy in the event of Developer's breach of its obligations under this Section shall be to terminate this Agreement; however, any such termination shall not relieve Developer of any other obligation, including obligations under this Agreement that survive termination, such as Indemnity Obligations and obligations necessary to comply with District approval, resolutions and ordinances, and other governmental agency approvals.

12. Applicable District Rules, Regulations and Policies.

12.1 Rules Regarding Design and Construction. All construction of water and sewer system improvements shall comply with all District ordinances, resolutions and policies. Unless otherwise expressly provided in this Agreement, all of the ordinances resolutions, rules, regulations and official policies governing design, improvement of construction standards and specifications applicable to the water and sewer system improvements to be constructed to serve the Project shall be those in force and effect at the time or District approval is granted to proceed with construction of such improvements.

12.2 Changes in State or Federal Law. Any changes in District ordinances, policies, regulations, or rules, the terms of which are specifically mandated and/or required by changes in federal or state laws and/or regulations shall be applicable to construction of facilities to be dedicated to District pursuant to this Agreement.

12.3 Codes and Standards Applicable. Unless otherwise expressly provided in this Agreement, all water, sewer, parks and recreation, and fire system improvements constructed pursuant to the terms of this Agreement shall comply with the provisions of the state, County, and District codes and standards, including building, mechanical, plumbing, electrical and fire, in effect at the time of approval of the appropriate encroachment, grading, building or other construction permits necessary for the Project. If no permits are required for construction by Developer of such infrastructure improvements to be dedicated to District, such improvements shall be constructed in accordance with the provisions of the state, County, and District codes and standards, including building, mechanical, plumbing, electrical and fire, in effect at the start of the construction of such infrastructure.

12.4 County Conditions of Approval. Developer shall comply with all County Conditions of Approval prior to District accepting the project from Developer.

13. Subsequently Enacted Fees, Dedications, Assessments and Taxes.

13.1 Processing Fees and Charges. Developer shall pay those processing, inspection and plan checking fees and charges required by District under then current regulations for processing development applications and requests for permits, approvals and other actions, and monitoring compliance with any permits issued or approvals granted by District or the performance of any conditions or obligations required of Developer pursuant to this Agreement.

13.2 Development Exactions and Dedications. Except as otherwise provided herein, any and all dedications of land, connection or mitigation fees and exactions required by District to be paid by Developer to support the construction of any public facilities and improvements or the provision of any public services with respect to the Project (hereinafter the "Exactions") shall be the Exactions authorized as of the effective date hereof. However, Developer shall be obligated to pay any Exactions authorized by District after the effective date hereof provided that said Exactions otherwise comply with applicable law and are either (1) required on a District-wide basis; or (2) which apply uniformly to all properties within the District which are zoned consistent with the property comprising the Project; or (3) which apply uniformly to all properties which are similarly situated within the District, whether by geographic location, drainage patterns, or other distinguishing characteristics. Wherever this Agreement obligates Developer to design, construct or install any public improvements to be dedicated to the District, the cost thereof may be provided by Developer through a Community Facilities District, Assessment District or other such financing mechanism, in accordance with the provisions thereof.

13.3 CEQA Mitigation Measures. Notwithstanding any other provision of this Agreement to the contrary, as and when Developer elects to construct the Project, Developer shall be bound by, and shall perform, all mitigation measures contained in the Environmental Impact Report related to the Project which has been adopted by the County of Tuolumne and are identified in either the Mitigation Monitoring Plan or the Environmental Impact Report as being a responsibility of Developer. Developer shall also be responsible for any environmental mitigations found necessary during the course of work or within the scope of his construction, especially insuring clean ground water, surface water, and soils related to properties to be deeded to the District or public utility easements.

14. Amendment or Cancellation.

14.1 Modification Because of Conflict with State or Federal Laws. In the event that state or federal laws or regulations enacted after the effective date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the District, the parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such federal or state law or regulation. Any such amendment shall be approved by the Board of Directors of District.

14.2 Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto.

14.3 Cancellation by Mutual Consent. Except as otherwise permitted herein, this Agreement may be cancelled in whole or in part only by the mutual written consent of the parties or their successors-in-interest. Any fees paid pursuant to this Agreement prior to the date of cancellation shall be retained by District.

14.4 Returning Land to Original Condition if Cancelled. If this Agreement is cancelled prior to completion of material construction and the land has been disturbed, then Developer must return the project site to its original condition. Under these conditions, performance bonds secured by Developer (ref. Section 7.1) for Project will be used to return site to conditions acceptable to District.

15. Annual Review.

15.1 Compliance Review. The General Manager shall, on an annual basis on or before August 1 of each fiscal year, and at any other time that the General Manager determines to be appropriate, review the extent of good faith substantial compliance by Developer with the terms and conditions of this Development Agreement and/or any amendments thereto. The costs of notice and related costs incurred by the District for such annual review shall be borne by the Developer.

15.2 Initiation of Review. The General Manager shall provide thirty (30) days written notice of such periodic review to the Developer. Such notice shall require the Developer to demonstrate good faith compliance with the terms and conditions of the Development Agreement and/or any amendments thereto, and to provide such other information as may be reasonably requested by the General Manager and deemed by the General Manager to be required in order to ascertain compliance with the Development Agreement and/or any amendments thereto. Such notice shall also include the statement that any review may result in amendment or termination of the Agreement, and/or any amendments thereto.

15.3 Actions After Compliance Review. If, following the compliance review, the General Manager is not satisfied that Developer has demonstrated a good faith compliance with all the terms and conditions of the Development Agreement and/or any amendments thereto, the General Manager may refer the matter along with recommendations to the District's Board of Directors.

15.4 Hearing On Compliance. If District determines that a hearing of compliance is necessary, it shall conduct such a hearing at its first available opportunity. Developer shall be given written notice of

the hearing by mail at the address specified in the Development Agreement at least ten (10) days prior to the date of the hearing, in addition to any other notice required by law. When the written notice is sent to Developer, it shall include any staff report or other materials upon which the General Manager based the conclusion that there has not been demonstrated good faith compliance with the terms and conditions of the Development Agreement and/or any amendments thereto.

15.4.1 Developer shall be provided with opportunity to present written and/or oral testimony at a public hearing. The Board of Directors shall hear the matter de novo. At the conclusion of the hearing, the Board of Directors shall make written findings and determinations on the basis of substantial evidence as to whether or not the Developer or its successors-in-interest have complied in good faith with the terms and conditions of the Development Agreement and/or any amendments thereto. If the Board of Directors determines that the Developer or its successors-in-interest have not complied in good faith with the terms and conditions of the Development Agreement and/or any amendments thereto, the District may terminate the Development Agreement and/or any amendments thereto as to Developer. Alternatively, the District may modify the Development Agreement; in which case the Developer or its successor-in-interest shall decide whether to accept the modification. If the proposed modification is rejected, the Development Agreement and/or any amendments thereto shall be terminated. Termination of the Development Agreement pursuant hereto shall not affect any of Developer's obligations to comply with the County Development Agreement, County Conditions of Approval, any applicable specific or community plan, any applicable public facilities financing plan, any applicable zoning, special permit, subdivision map, building permit, or other land use entitlement approved with respect to the Project. Termination of the Development Agreement shall subject the Developer to the remedies for default set forth in Section 16 hereof.

15.4.2 The finding by the District of good faith compliance by Developer with the terms and conditions of the Development Agreement and/or any amendments thereto shall conclusively determine said issue up to and including the date of said review.

16. Default.

16.1 Subject to any applicable extension of time, failure by any party to perform any term or provision of this Agreement required to be performed by such party shall constitute an event of default ("Event of Default"). For purposes of this Agreement a party claiming another party is in default shall be referred to as the "Complaining Party" and the party alleged to be in default shall be referred to as the "Party in Default." Provided a Complaining Party shall not exercise any of its remedies as a result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Paragraph 15.1, and the Party in Default fails to cure such Event of Default within the applicable cure period.

16.2 Procedure Regarding Defaults.

16.2.1 Notice. The Complaining Party shall give written notice of default to the Party in Default, specifying the default complained of by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

16.2.2 Cure. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be deemed by the Complaining Party to be reasonably necessary to correct the matter).

16.2.3 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, asset or enforce any such rights or remedies,

16.2.4 Notice of Default. If an Event of Default occurs prior to exercising any remedies, the Complaining Party shall give the Party in Default written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot practicably be cured within such 30 day period, the cure shall be deemed to have occurred within such 30 day period if: (a) the cure shall be commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the curing party's receipt of the notice), the curing party provides written notice to the other party that the cure cannot practicably be completed within such 30 day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded from exercising remedies if a default is not cured within one hundred twenty (120) days after the first notice of default is given.

16.2.5 Legal Proceeding. Subject to the foregoing, if the Party in Default fails to cure a default in accordance with the foregoing, the Complaining Party, at its option, may institute legal proceedings pursuant to this Agreement or, in the event of a material default, terminate this Agreement. Upon the occurrence of an event of default, the parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or in the District's regulations governing development agreements, expressly including the remedy of specific performance of this Agreement.

16.2.6 Effect of Termination. If this Agreement is terminated following any event of default of Developer or for any other reason, such termination shall not affect the validity of any improvement required to be constructed by Developer with respect to the Project which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the County. Furthermore, no termination of this Agreement shall prevent Developer from completing any improvement to be constructed pursuant to this Agreement pursuant to a valid building permit previously issued by the County that is under construction at the time of termination, provided that any such improvement is completed in accordance with said building permit in effect at the time of such termination.

16.2.7 Remedies. Upon the occurrence of an Event of Default, each party hereto shall the right, in addition to all other rights and remedies available under this Agreement to: (1) bring any proceeding in the nature of specific performance, injunctive relief or mandamus and/or (2) bring any action at law or in equity as may be permitted by California law or this Agreement. Notwithstanding the foregoing, however, neither party shall ever be liable to the other party for any consequential damages on account of the occurrence in an Event of Default (including claims for lost profits, loss of opportunity, lost revenues, or similar consequential damage claims). The parties hereto waive and relinquish any claims for consequential damages on account of an Event of Default, which waiver and relinquishment the parties acknowledge has been made after full and complete disclosure and advice regarding the consequences of such waiver and relinquishment by counsel to each party. If this Agreement is cancelled prior to completion of material construction and the land has been disturbed, then Developer must return the project site to its original condition. Under these conditions, performance bonds secured by Developer (ref. Section 7.1) for Project will be used to return site to conditions acceptable to District.

17. Estoppel Certificate.

17.1 Either party may, at any time, and from time to time, request written notice from the other party requesting such party to certify in writing that, (a) this Agreement is in full force and effect and a binding obligation of the parties, (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (c) to the knowledge of the certifying party the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the parties. General Manager of District shall be authorized to execute any certificate requested by Developer. Should the party receiving the request

not execute and return such certificate within the applicable period, this shall not be deemed to be a default.

18. Mortgage Protection; Certain Rights of Cure.

18.1 Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof after the date of recording this Agreement, including the lien for any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee ("Mortgagee") who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

18.2 Mortgagee Not Obligated. Notwithstanding the provisions of Section 17.1 above, no Mortgagee, unless such Mortgagee becomes a transferee or assignee of this Agreement, shall have any obligation or duty under this Agreement, before or after foreclosure or a deed in lieu of foreclosure, to construct or complete the construction of improvements, or to guarantee such construction of improvements, or to guarantee such construction or completion, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition. However, the Mortgagee shall not be entitled to undertake any new construction or improvement projects, or to otherwise have the benefit of any rights of Developer under this Agreement, or to devote the Property comprising the Project to any uses or to construct any improvements other than those uses or improvements authorized by the County Condition of Approvals, or Developer's Development Agreement with County, the provisions of the Environmental Impact Report with respect to the Project, and the provisions of this Agreement.

18.3 Notice of Default to Mortgagee and Extension of Right to Cure. If District receives notice from a Mortgagee requesting a copy of any notice of default given Developer hereunder and specifying the address for service thereof, then District shall deliver to such Mortgagee, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by District that Developer has committed an Event of Default. Each Mortgagee shall have the right during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the Event of Default claimed set forth in the District's notice. District, through its General Manager, may extend the cure period provided in Section 18.1 for not more than an additional sixty (60) days upon request of Developer or a Mortgagee.

19. Transfers and Assignments.

19.1 From and after recordation of this Agreement against the property comprising the Project, Developer shall have the full right to assign this Agreement as to the property comprising the Project, or any portion thereof, in connection with any sale, transfer or conveyance thereof, with the written consent of District which shall not be unreasonably withheld. Upon the express written assignment by Developer and assumption by the assignee of such assignment in the form attached hereto as Exhibit ___ and the conveyance of Developer's interest in the property comprising the Project related thereto, Developer shall be released from any further liability or obligation hereunder related to the portion of the property comprising the Project so conveyed and the assignee shall be deemed to be the "Developer," with all rights and obligations related thereto, with respect to such conveyed property comprising the Property.

19.2 Any transfer of ownership, new owner/developer must fill out Developer Information Form. District will perform due diligence based on the information provided in this form by the new owner/developer. District reserves right to amend project performance requirements or terminate the Agreement if the information provided is found by the District to be inadequate.

20. Agreement Runs with the Land.

20.1 All of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the property comprising the Project, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the property comprising the Project hereunder, or with respect to any owned property, (a) is for the benefit of such properties and is a burden upon such properties, (b) runs with the properties, and (c) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each party and its property hereunder and each other person succeeding to an interest in such properties.

21. Other Governmental Approvals.

21.1 Developer shall promptly and timely apply for and diligently pursue all required governmental agency approvals from governmental agencies other than District, such as the County of Tuolumne, California Department of Public Health, and California Regional Water Quality Control Board, as and when each such governmental approval is required during the course of design, development, and construction of the water and sewer improvements specified in this Agreement and the delivery of such water and sewer services to the Project. Developer shall diligently take all reasonable steps necessary to obtain all such Governmental Approvals and shall bear all costs and expenses for obtaining such Governmental Approvals. Developer shall comply with, and shall cause the Project to comply with all governmental agency regulations and laws related to the development, use and operation of, and provision of services to the Project. District shall reasonably cooperate with Developer in such endeavors upon Developer's written request for such cooperation. Developer shall be solely responsible for undertaking any investigation and acquiring necessary knowledge of governmental agency regulations and laws applicable to or affecting the Project, including existing or imposed restrictions, environmental and land use laws and regulations to which the Project may be subject. Developer shall reimburse District for all costs and expenses, including those of District staff and Legal Counsel incurred in connection with obtaining governmental agency approvals.

22. Insurance.

22.1 Developer shall carry and maintain during the life of this Agreement, such public liability, property damage and contractual liability insurance and workers' compensation insurance as specified below.

A. Public Liability, Property Damage and Contractual Liability Insurance. Developer shall furnish public liability and property damage insurance which includes, but is not limited to, personal injury, property damage, losses relating to independent contractors, products and equipment, explosion, collapse and underground hazards in a minimum amount of not less than a combined single limit of Two Million Dollars (\$2,000,000.00) for one or more persons injured and property damaged in each occurrence.

The public liability and property damage insurance furnished by Developer shall also name the District as an additional insured and shall directly protect, as well as provide the defense for the District, its officers, agents and employees, as well as Developer, all subcontractors and suppliers, if any, from all suits, actions, damages, losses or claims of every type and description to which they may be subjected by reason of, or resulting from Developer's construction of the Improvements pursuant to this Agreement, and all insurance policies shall so state. Said insurance shall also specifically cover the contractual liability of Developer. Said insurance shall also specify that it acts as primary insurance.

B. Workers' Compensation Insurance. Developer shall be permissibly self-insured or shall carry full workers' compensation insurance coverage for all persons employed, either directly or through subcontractors, in carrying out the work contemplated by this Agreement, in accordance with the Workers' Compensation Act contained in the Labor Code of the State of California.

By execution of this Agreement, Developer certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, I will comply with such provisions before commencing the performance of the work of this contract."

As part of the execution of this Agreement, Developer agrees to furnish to the District a certified copy of the insurance policies it has taken out for public liability, property damage and workers' compensation insurance set forth above for the period covered by this Agreement. Such insurance shall be placed with an insurance carrier acceptable to the District under terms satisfactory to the District. Said certified policies of insurance shall be furnished to the District prior to commencing the work contemplated by this Agreement. Each such certified policy shall bear an endorsement precluding the cancellation or reduction in coverage of any such policy before the expiration of thirty (30) days after the District shall have received written notification of such cancellation or reduction.

Should Developer fail to obtain and keep in force the insurance coverage hereinabove required, the District shall have the right to cancel and terminate this Agreement forthwith and without regard to any other provisions of this Agreement.

23. Indemnification.

23.1 Developer shall assume the defense of, and indemnify and save harmless, the District, its officers, employees and agents, and each and every one of them from and against all actions, liability, damages, claims, losses or expenses of every type and description to which they may be subjected or put to by reason of or resulting from: (1) the performance of, or failure to perform, the work or any other obligations of this Agreement by Developer, any subcontractor or Developer's agents or employees; (2) any alleged negligent act or omission of Developer, any subcontractor, Developer's agents or employees, in connection with any acts performed or required to be performed pursuant to this Agreement; (3) any dangerous or defective condition arising or resulting from any of the actions or omissions of Developer, Developer's agents or employees in carrying out the provisions of this Agreement. This indemnification is effective and shall apply whether or not any such action is alleged to have been caused in part by the District as a party indemnified hereunder. This indemnification shall not include any claim arising from the sole negligence or willful misconduct of the District or its employees.

23.2 Developer agrees to indemnify, defend, and hold harmless the District, its officials, officers, employees, agents and consultants from any and all administrative, legal or equitable actions or other proceedings instituted by any person not a party to this Agreement challenging the validity of the Agreement, or otherwise arising out of or stemming from this Agreement, its approval, and/or the process relating thereto, including, but not limited to any legal proceeding alleging that the District has failed to comply with the California Environmental Quality Act (CEQA) with respect to this Annexation Agreement or the Project. Developer may select its own legal counsel to represent Developer's interests at Developer's sole cost and expense. The Parties shall cooperate in defending such action or proceeding. Developer shall pay for District's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorneys' fees expended by District in defense of any such action or other proceeding, plus staff and District's attorney time spent in regard to defense of the action or proceeding. The Parties shall use best efforts to select mutually agreeable defense counsel but, if the Parties cannot reach agreement, District may select its own legal counsel and Developer agrees to pay directly or timely reimburse on a monthly basis District for all court costs, attorney fees, and time referenced herein.

24. Warranty.

24.1 Developer agrees that construction of the Improvements shall be in accordance with the Plans and Specifications and industry standards. Developer unconditionally guarantees all materials and workmanship furnished under this Agreement, and agrees to replace at its sole cost and expense, and to the satisfaction of District, any and all materials which may be defective through faulty, improper or inferior workmanship or materials. Developer shall repair or replace to the satisfaction of District any or all such work that may prove defective in workmanship or materials, ordinary wear and tear excepted, together with any other work which may be damaged or displaced in so doing. This guarantee shall remain in effect for two (2) years from the date of District's acceptance of the work. This guarantee does not excuse Developer for any other liability related to defective work discovered after the guarantee period. Developer shall transfer to District all manufacturer and supplier warranties relating to the Improvements, if any, upon completion of the work. As surety for Developer's warranty obligation, Developer shall provide a warranty bond in the amount of twenty-five per cent (25%) of the final cost of the installed Improvements, which bond shall be released at the expiration of the two- (2-) year warranty period.

24.2 In the event of failure of Developer to comply with the above stated conditions within a reasonable time, District may have the defective work repaired and made good at the expense of Developer who will pay the costs and charges therefor immediately upon demand, including any reasonable management and administrative costs, and engineering, legal and other consultant fees incurred by District in enforcing this guarantee.

25. Assessment Districts

25.1 Developer agrees to consent in writing, on behalf of all real property in the Project, to inclusion of the Project in an assessment district to be formed by the District, or to annexation of such real property to an existing assessment district. Said consent shall be attached to this Agreement as Exhibit ___ and incorporated herein by this reference. The real property in the Project may be included in, or annexed to, a fire suppression or parks assessment district formed. The authority for the park facilities assessment is the Landscaping and Lighting Act of 1972 located at Streets and Highways Code Section 22500 et seq. The code section authorizing the fire suppression assessments is Government Code Section 50078 et seq., any amendments thereto, or any other applicable provision of the law. The assessment district shall be used to provide funding for the maintenance and operation costs to provide parks and recreation or fire suppression services within the Project. Developer shall record a notice of this consent and any liens created as a result of the formation of said assessment district, or annexation to an existing assessment district, to ensure that prospective purchasers of individual lots within the Project are given the appropriate notice. Developer shall also provide to each purchaser, and the District, a copy of a preliminary title report giving notice of the assessment lien if a real estate public report is not yet available, or a copy of the real estate public report giving notice of the assessment lien upon its availability. Developer further agrees not to cause to be filed, or encourage the filing of, and waives its rights to file, any written protests to the inclusion of the Project in an assessment district, and/or the annexation of the real property encompassing the Project to an existing assessment district.

26. Mello-Roos Community Facilities District.

26.1 As an alternative provision to Section 13, Developer agrees to consent in writing, on behalf of all real property in the Project, to inclusion of the Project in a community facilities district to be formed by the District, or to annexation of such real property to an existing community facilities district. Said consent shall be attached to this Agreement as Exhibit ___ and incorporated herein by this reference. The real property in the Project may be included in, or annexed to, a community facilities district formed under the provisions of the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311, et seq.), any amendments thereto, or any other applicable provision of the law. The community facilities district shall be used to provide funding for parks and recreation or fire suppression facilities, equipment, maintenance and operation expenditures in addition to one or more of the purposes set

forth in Government Code Sections 53313 and 53313.5. Developer shall record a notice of this consent and any liens created as a result of the formation of said community facilities district, or annexation to an existing community facilities district, to ensure that prospective purchasers of individual lots within the Project are given the appropriate notice. Developer shall also provide to each purchaser, and the District, a copy of a preliminary title report giving notice of the inclusion of the real property in the community facilities district, and notice regarding any ad valorem taxes imposed as a result thereof, if a real estate public report is not yet available, or a copy of the real estate public report giving notice of the inclusion of the real property in a community facilities district and any resultant ad valorem taxes upon its availability. Developer further agrees not to cause to be filed, or encourage the filing of, and waives its rights to file, any written protests to the inclusion of the Project in a community facilities district, and/or the annexation of the real property encompassing the Project to an existing community facilities district. Developer further agrees to cast its votes in any land owner election for inclusion of the real property in the Project in a newly created or existing community facilities district in favor of including said real property in said community facilities district.

27. Disputes.

27.1 If any dispute arises regarding the meaning of the drawings or Contract Documents, the quality or quantity of materials or workmanship, or Change Orders, the dispute shall be decided by District's engineer whose decision shall be final and binding on both parties.

28. Term of Agreement.

28.1 The effective date of this Agreement is _____, 200__, which is the effective date of District Ordinance No. _____ adopting this Agreement.

28.2 Upon execution, the term of this Agreement shall commence on the Effective Date and extend for a period of ten (10) years, unless said term is terminated, modified or extended by circumstances set forth in this Agreement. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect; provided, however, that if a building permit has not been issued by the County for any of the contemplated 372 residential lots comprising the Project by that time, that the terms and conditions of this Agreement shall continue in full force and effect until all such lots comprising the Project have received both a building permit and a Certificate of Occupancy from County.

29. Payment of District Costs.

29.1 Developer shall, prior to commencement of construction of the Improvements, deposit as security with District the sum of _____ Dollars (\$_____) from which amount the District shall deduct all of its costs, fees, and expenses incurred as a result of the Project including, but not limited to administrative and staff costs, overhead, engineering costs, legal expenses and inspection fees incurred by District in connection with design, construction and inspection of the Improvements to be constructed by Developer. If the amount on deposit with District at any time prior to final acceptance of all the Improvements to be constructed by Developer pursuant to this Agreement is reduced below a balance of _____ Dollars (\$_____), factoring in any and all encumbrances and impacts within a 90-day period, Developer shall, upon notice from District, deposit with District funds sufficient to restore the amount on deposit to the sum of _____ Dollars (\$_____). Failure of Developer to make any such additional deposits within ten (10) days after notice from the District will cause the District to suspend performance of the terms and conditions of this Agreement by Developer.

29.2 Upon completion of construction of the Improvements by Developer, acceptance of dedication of the Improvements by District and the expiration of the warranty period or the satisfactory resolution of any and all warranty claims, the District will determine the final actual amount of its administrative, engineering, legal and environmental review costs and expenses

incurred with respect to the design, construction, inspection and acceptance of the Project. If the actual amount of such costs and expenses exceeds the deposits made by the Developer pursuant to this Agreement, the Developer shall pay to District the amount of any such expenses promptly upon demand. If the actual amount of costs and expenses incurred by District is less than the deposits previously made by Developer, the District shall refund any excess funds deposited by Developer to Developer, without interest. The District's determination of its costs and expenses incurred with respect to the Project shall be final and binding, provided that such determination shall be made upon the basis of generally accepted accounting principles consistently applied.

30. General Provisions.

30.1 The Recitals with all defined terms set forth herein are hereby incorporated into this Agreement.

30.2 Developer has a legal or equitable interest in all real property comprising the Project which is the subject of this Development Agreement, the description of which is attached hereto marked Exhibit A and incorporated herein by this reference (the "Property"). Developer represents that all persons holding legal or equitable interest in the Property shall be bound by this Agreement.

30.3 Relationship of District and Developer. It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by Developer and District and that Developer is not an agent of District. The District and Developer hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the District and Developer joint ventures or partners.

30.4 This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, successors, assigns and subsequent purchasers. Developer shall not assign its interest in this Agreement without District's prior written approval, which approval shall not be unreasonably withheld after appropriate review and verification of assignee's capacity, qualification and capability to fulfill all obligations wherein.

30.5 Notice shall be sent to the parties at the addresses set forth below. Either party may change the address by giving written notice to the other:

DEVELOPER:

Name
Address
Phone Number
Email Address

DISTRICT:

Groveland Community Services District
Attn: General Manager
18966 Ferretti Road
Groveland, CA 95321-0350
Telephone: (209) 962-7161

30.6 Should the Developer or subsequent purchaser of the project fail or refuse to complete the construction of the Improvements, the District as one of its remedies may request the County of Tuolumne, or any other licensing agency, to halt the issuance of any building or occupancy permits for the Project until the Improvements are funded and completed as contemplated by the terms of this Agreement.

30.7 Time is of the essence in the performance of this Agreement.

30.8 This Agreement constitutes the sole and only agreement between the parties concerning the matters set forth herein. This Agreement supersedes any and all other agreements, either oral and in writing, between the parties hereto with respect to the rendering of services by Developer to the District, and contains all the covenants and agreements between the parties with respect to such services. Each party to this Agreement acknowledges that no representations or promises have been made by any party hereto which are not embodied herein, and that no other agreement or promise not contained in this Agreement shall be valid or binding.

30.9 Waiver. The failure or omission by District to terminate this Agreement for any violation of its terms or conditions shall in no way bar, stop or prevent the District from terminating this Agreement thereafter, either for such or for any subsequent violation of any such term, condition or covenant. The filing of a Notice of Completion or acceptance of the Project shall not be, and shall not be construed to be a waiver of any breach of any term, covenant or condition of this Agreement.

30.10 Severability. If a court of competent jurisdiction finds or rules that any provisions of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

30.11 The terms of this Agreement may be modified only in writing by mutual agreement on signature of the District and Developer. Said amendment shall be attached to this Agreement.

30.12 Attorneys' Fees. In the event any action is initiated by either party seeking to enforce any of the terms or provisions of this Agreement, the prevailing party in such action shall be awarded its reasonable attorneys' fees and costs.

Executed in Groveland, California, as of the date set forth above.

DISTRICT:

GROVELAND COMMUNITY
SERVICES DISTRICT, a political
subdivision of the State of California

By:

President, Board of Directors

By:

DEVELOPER:

By: _____