

**DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE COUNTY OF SACRAMENTO,  
ANGELO G. TSAKOPOULOS AND KATHERINE TSAKOPOULOS  
RELATIVE TO THE PROJECT  
KNOWN AS THE STONERIDGE QUARRY**

This Development Agreement (hereinafter "Agreement") is made and entered into this \_\_\_\_\_ th day of \_\_\_\_\_ 2011 by and between the County of Sacramento, a political subdivision of the State of California (hereinafter "County"), Angelo G. Tsakopoulos (hereinafter "AGT") and Katherine Tsakopoulos (hereinafter "KT"). AGT and KT are sometimes collectively referred to hereinafter as "Property Owners" and individually as a "Property Owner." This Agreement is made and entered into pursuant to the authority of Sections 65864 through 65869.5 of the Government Code and Title 1, Chapter 12 of the Sacramento County Zoning Code. County, AGT and KT shall include any successor in interest to such Parties. County, AGT and KT are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

**RECITALS**

A. To strengthen the public land use planning and development process, to encourage private participation in that process, to reduce the economic risk of development, and to provide maximum utilization of resources, the Legislature enacted Government Code Section 65864 *et seq.* which authorizes the County and any person having a legal or equitable interest in real property to enter into a development agreement establishing certain vested development rights.

B. Property Owners have a legal or equitable interest in that certain real property legally described in Exhibit "A" and depicted on the map set forth in Exhibit "B", located in the unincorporated area of the County of Sacramento (hereinafter "Property") sufficient to enter into this Agreement with County.

C. Property Owners desire to create and operate an aggregate mine and related processing facilities, known as the Stoneridge Quarry, on a portion of the Property as depicted on the map set forth in Exhibit "C" (hereinafter "Project Area"). This Development Agreement relates to that mining operation which is summarized as follows:

The project (hereinafter the "Project") is a hard rock quarry located on approximately 650± acres within the 1,360± acre Property. Associated with the hard rock quarry are an aggregate processing facility, administration complex, parking areas, on-site access road, and various other stockpiles and processing areas, which, in combination with the quarry itself, are anticipated to encompass only 613± acres of that 650± acre area. The Project also includes a public access road for ingress/egress to the Project with an initial 40 to 54 foot

pavement width within an existing 110-foot wide unimproved County right-of-way for Scott Road and would extend from the entrance/exit of the Project Area north approximately one mile to White Rock Road.

The maximum proposed annual aggregate production during the Project life will be 6 million tons per year that will be distributed directly from the quarry site on haul trucks using the proposed access road. Mining would continue for up to one hundred (100) years. At the conclusion of aggregate production, a two- to four-year final reclamation phase will extend the total Project lifespan to one hundred-two to one hundred-four years. Certain reclamation activities will be ongoing throughout the operational life of the Project. The Property will create a lake and the remainder of the site would be reclaimed to grazing land/related agricultural uses.

E. Project Background: In November 2010, the Property Owners submitted a new application for the Project (#PLNP2010-00264). Previously, in 2007 a project application had been submitted to develop the same Property with an aggregate mine by Granite Construction Company, as the lessee from the Property Owners, for a project called the Walltown Quarry under Project Control Number 05-GPB-RZB-UPB-REB-0953. Except for minor adjustments made to the Project during the period of processing the application, the Project is identical to the former Walltown Quarry project.

On \_\_\_\_\_, the Cosumnes CPAC held a public hearing on the Project. After receiving public comments regarding the Project and DEIR, the CPAC voted \_\_\_\_\_ in favor of recommending approval of the Applicant's requested General Plan amendment, and \_\_\_\_\_. *[Insert history of Cosumnes CPAC actions]*

On \_\_\_\_\_, the Planning Commission held a public hearing on the Project and DEIR. After receiving public comments regarding the Project and DEIR, the Planning Commission \_\_\_\_\_. *[Insert history of Planning Commission actions.]*

On \_\_\_\_\_, 2011, the Final EIR (FEIR) for the Project was published by the County.

On \_\_\_\_\_, the Board of Supervisors (Board) held a public hearing regarding the Project. After receiving public comments on the Project, the Board approved \_\_\_\_\_. *[Insert history of Board actions.]*

On \_\_\_\_\_, the Board held a public hearing regarding the Project. After receiving public comments on the Project, the Board adopted the Findings and Statement of Overriding Considerations and approved the Project's entitlements.

F. Project Entitlements:

County has granted Property Owners the following entitlement approvals

MD/DOC/Stoneridge Quarry DA (9-26-11).doc

(hereinafter "Entitlements") which are incorporated and made part of this Agreement:

1. **A General Plan Amendment** to remove that portion of the RCA (*Resource Conservation Area*) combining land use designation from the Land Use Diagram for 960 acres of the 1,360-acre Property in order to allow grading associated with the quarry (i.e., 613 acres of the 1,360-acre Property).
2. **A General Plan Amendment** to add the ARA (*Aggregate Resource Area*) combining land use designation to the Land Use Diagram for approximately 650± acres at the Property, of which only approximately 613± acres will be actively mined.
3. **A Rezone** from AG-80 (*Agricultural*) to AG-80 (SM) (*Surface Mining Overlay*) for that area of the Property subject to grading associated with the Project for approximately 650± acres of the 1,360± acre Property.
4. **A Conditional Use Permit** to allow quarry mining and operation of an aggregate processing plant, hot-mix asphalt plant, ready-mix concrete plant, construction materials recycling, and dimension stone workshop on 650± acres of the 1,360-acre Property for a period of 100 years.
5. **A Reclamation Plan** to reclaim and reuse the approximately 613± acre active mining area for a future lake (of approximately 275± acres) and grazing/agricultural related uses.
6. **A Development Agreement** between the Property Owners and the County.

G. **Benefits.** County and Property Owners contemplate that the mining and reclamation of the Project pursuant to this Agreement and the Entitlements will result in significant benefits to County and Property Owners. This Agreement accordingly provides assurances to Property Owners that they will have the ability to mine, process and reclaim a portion of the Property in accordance with this Agreement. This Agreement also provides assurances to County that it will receive certain public benefits. Specifically, Property Owners have voluntarily agreed to enter into this Agreement with the County which provides various Net Gains and Dedications to the County and its residents beyond those attainable through conditions of project approval and mitigation measures. Those Net Gains and Dedications are described in Section 2.4.

NOW, THEREFORE, the Parties hereto agree as follows:

## **AGREEMENT**

### **ARTICLE 1. GENERAL PROVISIONS**

Section 1.1. Incorporation of Recitals. Recitals A through G are hereby incorporated herein, including all documents referred to in said Recitals. In the event of inconsistency between the Recitals and the Sections of this Agreement, the provisions in the Sections shall prevail.

Section 1.2. Definitions. As used in this Agreement, the following terms, phrases, and words shall have the meanings and be interpreted as set forth in this Section.

Section 1.2.1. "Adopting Ordinance" means Sacramento County Ordinance No. \_\_\_\_\_ dated \_\_\_\_ and effective \_\_\_\_\_, which approves this Development Agreement as required by Government Code Section 65867.5.

Section 1.2.2. "Agreement" means this Development Agreement by and between the County of Sacramento, Angelo G. Tsakopoulos, and Katherine Tsakopoulos, including all terms of the Entitlements.

Section 1.2.3. "Approval Conditions" means the terms and conditions of approval attached to the Entitlements by action of the Board of Supervisors.

Section 1.2.4. "Board" means the Board of Supervisors of Sacramento County.

Section 1.2.5. "Commission" means the Planning Commission of Sacramento County.

Section 1.2.6. "County" means the County of Sacramento, a subdivision of the State of California.

Section 1.2.7. "County Code" means the County Code of Sacramento County.

Section 1.2.8. "Development Agreement Statute" means Sections 65864 *et seq.* of the Government Code of the State of California.

Section 1.2.9. "Development Agreement Ordinance" means Title 1, Chapter 12 of the Sacramento County Zoning Code.

Section 1.2.10. "Director" means the Director of the Planning and Community Development Department, County of Sacramento, or his or her designee.

Section 1.2.11. "Entitlements" means the permits and other entitlements approved as described in Paragraph F. of the Recitals.

Section 1.2.12. "Effective Date" means the date of approval of the Adopting Ordinance for the Agreement.

Section 1.2.13. "EIR" means the Final Environmental Impact Report certified for the Project by the Board of Supervisors.

Section 1.2.14. "General Plan" means the General Plan, including text and maps, of the County of Sacramento in effect as of the Effective Date.

Section 1.2.15. "MMRP" means the Mitigation Monitoring and Reporting Plan adopted for the Project by the Board of Supervisors.

Section 1.2.16. "Net Gains and Dedications" means the "non-nexus" or "beyond nexus requirements" benefits voluntarily provided to County by Property Owners that are, in whole or in part, in excess of that legally required for the Project as CEQA mitigation, but which are made legally binding by this Agreement. The Net Gains and Dedications are enumerated in Section 2.4.

Section 1.2.17. "Nexus Requirements" means conditions of approval and CEQA mitigation measures addressing impacts resulting from the Project.

Section 1.2.18. "Project" means development of the Property as described in the certified EIR for the Project, and thereafter approved by action of the Board of Supervisors pursuant to the Entitlements, including incorporated exhibits thereto.

Section 1.2.19. "Project Area" means the real property depicted in Exhibit "C."

Section 1.2.20. "Property" means the approximately 1,360 ± acre real property depicted in Exhibits "A" and "B", and commonly referred to as Sacramento County Assessor's Parcel Numbers 073-0020-008, 072-0110-045, and 072-0110-065.

Section 1.2.21. "Property Owner" means either Angelo G. Tsakopoulos or Katherine Tsakopoulos individually, and their respective assignee(s) or successor(s) in interest.

Section 1.2.22. "Property Owners" means collectively both Angelo G. Tsakopoulos and Katherine Tsakopoulos and their assignee(s) or successor(s) in interest.

Section 1.2.23. "Reclamation Plan" means the reclamation plan adopted

for the Project.

Section 1.2.24. "Trail Alignment Plan" means a plan adopted by the County after required public hearings that provides for a trail project across the Property such as, but not limited to, an East County Open Space Master Plan.

Section 1.2.25. "Zoning Code" means the County Zoning Code of Sacramento County in effect as of the Effective Date.

Section 1.3. Additional Defined Terms. If any of this Agreement's terms are not defined above, then such terms shall have the meaning otherwise ascribed to them in this Agreement.

Section 1.4. Exhibits. This Agreement refers to the following exhibits, which are attached hereto and hereby incorporated into this Agreement:

<u>Exhibit Designation</u>	<u>Description</u>	<u>Referred to in Recital/ Section:</u>
A	Legal Description the Property.	Recital C; Section 1.2.21
B	Map of the Property.	Recital C; Section 1.2.21
C	Map of the Stoneridge Quarry Project Area.	Recital D; Section 1.2.19
D	Diagram of Trail Corridor Area.	Section 2.4.2
E	Cents Per Ton Funding Chart.	Section 2.4.3
F	Cosumnes Community Area Map	Section 2.4.1
G	Area of Construction Material Equalizer.	Section 2.5

Section 1.5. Citation. This Agreement shall be known as and may be cited as the "Stoneridge Quarry Development Agreement."

Section 1.6. Parties to Agreement. The Parties to this Development Agreement are the County of Sacramento, Angelo G. Tsakopoulos and Katherine Tsakopoulos.

Section 1.7. Term of Agreement. This Agreement shall commence upon the Effective Date, and shall be in force for a period of 100 years, which is coterminous with the Entitlements unless extended or sooner terminated as provided herein.

Section 1.7.1 Periodic Compliance Review. No sooner than twenty-five (25) years following the date of issuance of the Work Authorization Permit for the Project, and continuing no sooner than twenty-five (25) year intervals thereafter, the County shall have the right, but not the obligation, to review the operation of the Project to ensure compliance with local, state and Federal regulatory requirements then being enforced against all surface mining operations within the County (hereinafter a "Compliance Review"). The Parties acknowledge that the Project will likely be fully constructed within 25 years from approval. Thus, compliance with local regulatory requirements shall pertain solely to mining operations, such as hours of operations, blasting practices and lighting, not development standards associated with the location of the physical development of the quarry pit or related processing facilities. A Compliance Review may also include a determination by the County as to whether mining operations are being conducted in substantial compliance with the Project's Approval Conditions and the mitigation measures contained in the Project's Mitigation Monitoring and Reporting Program. Prior to commencing a Compliance Review, County shall provide Property Owners a written notice of intent ("Compliance Review Notice") to conduct a Compliance Review and requesting such information and access to the Project site as may be reasonably necessary to conduct the Compliance Review. Upon Property Owners' receipt of the Compliance Review Notice, the Property Owners shall have sixty (60) days to provide the County with any requested information. Within sixty (60) days after County receives any requested information and any access to the Project site, the County shall provide Property Owners with a Compliance Review determination. Any such Compliance Review determination shall specify whether the County has concluded that the mining operations are being conducted in substantial compliance with: (i) local, state and Federal regulatory requirements that are then generally applicable to all surface mining operations within the County; (ii) the Project's Approval Conditions; and (iii) the Mitigation Monitoring and Reporting Program. If the County should determine that the mining operations are not being conducted in substantial compliance with the foregoing requirements, then the County Board of Supervisors may require that the Project's mining operations be brought into compliance within one year, unless the Board of Supervisors grants additional time to comply. However, the waiver of rights by Property Owners in Section 2.2, below, shall not apply to the right to challenge the Compliance Review determination, notwithstanding anything to the contrary contained in Section 2.2. Notwithstanding the provisions of this Section 1.7.1, nothing in this section shall adversely impact the Property Owners' vested right to mine for the 100 year term of the Conditional Use Permit, including the right to mine a specified annual tonnage on specified acreage to a specified maximum depth, and the right to haul the maximum tonnage on an approved haul route consistent with any Board of Supervisors adopted East Sacramento Regional Aggregate Mining Truck Management Plan amendments. During the Compliance Review process, the mining operations at the Project shall have the right to continue uninterrupted, unless a prior determination of non-compliance with the permit conditions has required a temporary suspension of operations. Nothing in this section shall prohibit the County from enforcing the Project's Approval Conditions or the Mitigation Monitoring and Reporting Program at any time during the term of this permit. During the 100 year term of the Project, under no circumstances shall failure to comply with local

regulatory requirements constitute a nonconforming use pursuant to County Zoning Code Section 120.

Section 1.8. Consistency with General Plan and CEQA. In granting the Entitlements described herein, the Board of Supervisors expressly found that the Entitlements are consistent with the County General Plan, and further finds that this Agreement is also consistent with the County General Plan. In certifying the Final EIR for the Project, the Board of Supervisors considered the effects of the Project for the full one hundred year term of this Agreement and the Entitlements for purposes of CEQA.

Section 1.9. Amendment to Agreement. This Agreement may be amended from time to time by mutual consent of the Parties, provided it is amended in the manner set forth in Government Code Section 65868 and the Development Agreement Ordinance. Any amendment to this Agreement shall be in writing and executed by the Parties or their successors and assigns.

Section 1.10. Assignment. Property Owners and/or an individual Property Owner have the right to sell, assign, or transfer their interest in the Property subject to this Agreement. The conditions and covenants set forth herein shall run with the land and the benefits and burdens of this Agreement shall bind and inure to the successors of the Parties. Property Owners and/or an individual Property Owner shall provide County with written notice of any sale, assignment or transfer of any interest in the Property within thirty (30) days after such sale, assignment or transfer.

Section 1.11. Recordation of Agreement. The Clerk of the Board shall, within ten (10) days after the Effective Date of this Agreement, record a copy of the Agreement with the County Recorder, County of Sacramento.

Section 1.12. Private Project. The Parties agree that the mining and reclamation of the Property is a private project by Property Owners; County has no interest herein except as authorized in the exercise of its governmental functions.

Section 1.13. No Joint Venture or Partnership. County and Property Owners hereby renounce the existence of any form of joint venture or partnership between County and Property Owners and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making County and Property Owners joint venturers or partners.

Section 1.14. Consideration. The Parties acknowledge and agree that County's agreement to perform and abide by the obligations of County set forth herein, including the issuance of the Entitlements, is material consideration for Property Owners' agreement to perform and abide by the obligations of Property Owners set forth herein.



## ARTICLE 2. PROPERTY OWNERS' OBLIGATIONS

Section 2.1. Property Development. If the Property is mined, it shall be mined and reclaimed according to the Entitlements. Property Owners have no affirmative obligation to commence mining of the Property or to mine at a specified rate once the mining has commenced.

Section 2.2. Waiver. Property Owners knowingly and specifically waive their right or rights to challenge by any legal action or other proceeding, at any time during the term of this Agreement, the question of whether or the extent to which there is any nexus or rough proportionality between any obligation imposed upon Property Owners by the Entitlements or by this Agreement. Property Owners further agree and knowingly and specifically waive their rights to challenge by any legal action or other proceeding, at any time during the term of this Agreement, County's ability to impose any fee, assessment, charge, or land dedication as provided for within this Agreement.

Section 2.3. Annexation. Unless County agrees otherwise, Property Owners agree not to seek, support or pursue in any way annexation of the Property, as defined above in Section 1.2.20, into any incorporated city within Sacramento County during the term of this Agreement. This provision shall not apply to any other real property now or hereinafter owned or controlled by Property Owners, or any of them, that is situated outside the boundaries of the Property described in Exhibits "A" and "B" attached hereto.

Section 2.4. Net Gains and Dedications. Property Owners have offered, and County has accepted, the Net Gains and Dedications described in this Section. County and Property Owners agree the items described herein are contributions that are in whole or in part in excess of those which County could otherwise require of Property Owners as CEQA mitigation. The following Net Gains and Dedications offered by Property Owners are made binding by this Agreement:

Section 2.4.1. Special Voluntary Contribution. Property Owners agree to make a voluntary contribution to the County totaling Four Hundred Thousand Dollars (\$400,000) that will be made at the rate of One Hundred Thousand Dollars (\$100,000) per year for four (4) years. The initial contribution of One Hundred Thousand Dollars (\$100,000) will be made thirty (30) days after final approval of the Project's Entitlements by the Board of Supervisors if the Board of Supervisors' approval of the Project has not been legally challenged. If the Project is legally challenged, said initial contribution shall be made thirty (30) days following either (1) a final order being issued upholding the challenged approvals or (2) the dismissal of said challenge with prejudice by all plaintiffs. The remaining three (3) contributions of One Hundred Thousand Dollars (\$100,000) each shall be made annually on the successive anniversaries of the date when the initial contribution was made. The funds shall be expended by the County as follows: (i) fifty percent (50%) to assist County with the payment of the salaries for fire, life safety and law enforcement personnel and/or with the cost of equipment associated with fire, life

safety and law enforcement purposes in the Cosumnes Community Area as identified on Exhibit "F" attached hereto; and (ii) fifty percent (50%) to assist County with the costs of maintenance and operation of existing and future open space and recreation areas in the Cosumnes Community Area.

Section 2.4.2. Trail Corridor in West Carson Creek Area. In connection with satisfaction of their obligation under the Approval Conditions to provide approximately 613± acres of open space lands, the Property Owners will also voluntarily offer fee title to a trail corridor to County for a public trail within a portion of the approximately 130± acres of land in that area of the Property located west of Carson Creek, as depicted on the attached Exhibit "D" (the "West Carson Creek Area."). Property Owners and County acknowledge that County intends to prepare a Trail Alignment Plan for eastern Sacramento County, and that a trail corridor with an average width of one hundred fifty feet (150 ft.) is likely to be considered across the West Carson Creek Area of the Property. No final trail corridor location can be established by County absent required public hearings before the Board of Supervisors and the County's compliance with the California Environmental Quality Act in conjunction with said hearings and the future County adoption of a Trail Alignment Plan. A grant deed for the trail corridor will be executed by Property Owners and delivered to County once all of the following have occurred: (a) the County and Property Owners have mutually agreed upon the specific location of the trail corridor within a portion of the West Carson Creek Area; (b) the County Board of Supervisors has held public hearings and formally adopted a Trail Alignment Plan and complied with the California Environmental Quality Act with regard to the Trail Alignment Plan; (c) County has obtained fee title or easements for the public trail contemplated under the Trail Alignment Plan on the lands immediately to the north and to the south of the trail corridor within the West Carson Creek Area so that the public trail does not terminate in the West Carson Creek Area; and (d) a Work Authorization Permit for the Project has been issued by the County to Property Owners. County agrees that the acreage of the land within the West Carson Creek Area ultimately agreed upon by Property Owners and County for the trail corridor in order to implement the County's adopted Trail Alignment Plan shall not in any manner diminish or reduce the 130± acre credit that Property Owners are receiving for the West Carson Creek Area as part of the open space mitigation requirement imposed on the Property Owners under the Approval Conditions and as an open space mitigation measure under the MMRP. If transfer of fee title to the trail corridor across the West Carson Creek Area to County in any way diminishes the open space credit given to Property Owners in satisfaction of their open space mitigation requirement under the Approval Conditions or diminishes the credit that would otherwise be given to Property Owners in satisfaction of mitigation required under any state or federal permits for the Project, then County shall be solely responsible, at County's sole cost and expense, for satisfying any resulting mitigation credit deficiency. It is acknowledged by County that only the fee title to the trail corridor area is being offered by Property Owners pursuant to this Agreement, and that in the event any state and federal permits might be needed for County to construct and maintain a

public trail in the trail corridor across the West Carson Creek Area, then County will be responsible, at its sole cost and expense, for obtaining and complying with the terms and conditions of any necessary permits and building the trail and related facilities.

Section 2.4.2.1. Reservations of Rights in Trail Corridor/ Reversion of Title. Property Owners shall transfer fee title to the trail corridor across the West Carson Creek Area to the County or its designee free of all restrictions, encumbrances, and liens, except for the reservations provided below. Any grant deed for the trail corridor pursuant to this section shall be subject to deed reservations that ensure Property Owners' ability to mine, process and reclaim the Project and utilize the West Carson Creek Area for agricultural purposes. Such reservations may include, but are not limited to, ingress and egress (including, but not limited to, pedestrian, livestock and vehicular access), access to bridges, a reservation of water rights, and a reservation of all oil, gas and mineral rights, including, but not limited to, sand, gravel and aggregate deposits located below the surface of the trail corridor area across the West Carson Creek Area, provided, however, that there shall be no right of surface entry to extract any reserved oil, gas, mineral, sand, gravel and aggregate deposits in the trail corridor area within the West Carson Creek Area. County further acknowledges and agrees that the land being granted for the trail corridor will be subject to a conservation easement in order to preserve its open space, agricultural and wetland features in perpetuity, and that County will accept fee title subject to the conservation easement. The grant deed for the trail corridor land will also contain a provision providing for a reversion of fee title to the trail corridor land to Property Owners in the event this Agreement is terminated prior to its expiration for any reason other than with the consent of the Property Owners. Notwithstanding the foregoing sentence, the Property Owners and County further agree that the right of reversion will not be enforceable by Property Owners in the event this Agreement is terminated prior to its expiration because a court of competent jurisdiction has rendered a final judgment, without any right of further appeal, that a termination of this Agreement prior to its expiration is warranted due to an uncured violation of the terms and provisions of this Agreement by Property Owners.

Section 2.4.2.2. Process for Transfer of Fee Title to Trail Corridor.

(i) Escrow. The Board of Supervisors shall conduct a public hearing for the purposes of accepting the grant deed transferring fee title for the trail corridor land to the County. Within 10 days after the County and Property Owners have agreed upon the alignment for the trail corridor within the West Carson Creek Area and County has approved its Trail Alignment Plan, Property Owners shall open an escrow account, for the purpose of transferring the trail corridor land within the West Carson Creek Area to County once all of the conditions set forth above in Section 2.4.2. have been

satisfied. The title company handling the escrow shall be one that maintains an office in Sacramento County. Instructions for the escrow shall include but not be limited to transfer of the trail corridor land within the West Carson Creek Area to the County free and clear of all restrictions, encumbrances, and liens except for those items addressed in Sections 2.4.2 and 2.4.2.1.

(ii) County Commitments Regarding Trail Corridor Within West Carson Creek Area. The County agrees that it will not use the trail corridor within the West Carson Creek Area for any purpose other than as open space and as a public trail and ancillary uses such as restrooms, rest areas, benches and water fountains. County further explicitly agrees that it will not lease, sell, rent or otherwise use the trail corridor land within the West Carson Creek Area for any form of sand, gravel or aggregate mining. County agrees that the provisions of this subparagraph (ii) may be specifically enforced by Property Owners in the event of its violation without first having to demonstrate the inadequacy of monetary damages as a remedy.

(iii) Survey and Legal Description. Property Owners shall be responsible for all costs associated with surveying the location of the trail corridor within the West Carson Creek Area and preparing a legal description for the land area to be transferred to County.

(iv) Appraisal. If Property Owners choose to establish the value of the trail corridor within the West Carson Creek Area at the time of transfer to County, as may be necessary for tax or other purposes, Property Owners shall be responsible for the cost of such appraisal.

Section 2.4.2.3 Easement for Trail Corridor Prior to Grant of Fee Title. County and Property Owners agree that prior to the time the conditions set forth in Section 2.4.2 have all been fulfilled for the transfer of fee title for the trail corridor across the West Carson Creek Area, Property Owners agree to grant County an easement for the trail corridor for use as a public trail. Property Owners shall grant the easement to County once conditions (a) and (b) in Section 2.4.2 have been fulfilled. The easement for the trail corridor shall have a term of one hundred years from the date the easement is executed by Property Owners. If fee title to the trail corridor has not been granted to County pursuant to the provisions of Section 2.4.2 by the end of said one hundred year period, then the easement for the trail corridor shall be automatically extinguished. The easement agreement shall include a provision providing for the full indemnification and defense of Property Owners by County for any and all claims, damages, judgments, awards, and expenses (including, but not limited to attorneys' fees) that Property Owners may incur or suffer as a result of the use of the trail corridor across the West Carson Creek Area by County, its employees, contractors and agents, and members of the public. If the easement for the trail corridor across the West Carson Creek Area in any way diminishes the open space credit given to Property Owners in satisfaction of their open space mitigation requirement under the Approval Conditions or diminishes

the credit that would otherwise be given to Property Owners in satisfaction of mitigation required under any state or federal permits for the Project, then County shall at its sole cost and expense satisfy any resulting mitigation credit deficiency. The easement agreement for the trail corridor granted pursuant to this section shall contain provisions and reserved rights that ensure Property Owners' ability to mine, process and reclaim the Project. Such reservations may include, but are not limited to, vehicular and pedestrian ingress and egress, access to bridges, a reservation of water rights, and a reservation of all oil, gas and mineral rights, including, but not limited to, sand, gravel and aggregate deposits located below the surface of the easement for the trail corridor across the West Carson Creek Area, provided that there shall be no right of surface entry to extract any reserved oil, gas, and mineral deposits in the easement for the trail corridor across the West Carson Creek Area.

Section 2.4.3. Cents Per Ton Funding. Property Owners agree to pay cents per ton funding pursuant to the provisions and table attached hereto as Exhibit "E." These funds shall be paid for each ton of Aggregate Material sold by Property Owners that is produced at the Project for the term of this Agreement. Aggregate Material as used in this Section 2.4.3 shall only mean rock materials mined and sold at the Project and shall include the quantities of such raw material sold or transferred at the Project to affiliates or subsidiaries of Property Owners for the production of concrete, asphalt or other products. The term Aggregate Material used in this paragraph shall not be defined to include recycled concrete, recycled asphalt, recycled pavement and other recycled construction materials that are reused and/or recycled and sold from the Project, nor shall it include asphalt oil, water, cement or other ingredients from outside sources incorporated into products and materials that are sold from the Project.

Section 2.4.3.1. Use of Cents Per Ton Funding. Property Owners shall forward twenty percent (20%) of the funds to County for County's use on projects and programs within the Cosumnes Community Area as that Area is depicted in Exhibit "F." Said funds shall be held in a separate account solely for these projects and programs. Within 12 months of the execution of this Agreement, County and Property Owners shall develop a process for how said 20% of funds shall be distributed to projects and programs. Such implementation process shall be reviewed and adopted by the Board of Supervisors after a public meeting.

The remaining eighty percent (80%) of the funds shall be forwarded by Property Owners to a non-profit foundation (hereinafter "Foundation") for the purpose of furthering open space and connectivity projects and programs throughout the County. Within 12 months of the execution of this Agreement, County and Property Owners shall determine an appropriate Foundation to administer the funds and develop a process for how such funds shall be distributed to projects and programs. Such Foundation and implementation process shall be reviewed and adopted by the Board of Supervisors after a public meeting.

The Foundation, once selected, shall provide to County and Property Owners a report each year which shall be provided to the Board of Supervisors as part of the annual report required in Section 6.1 of this Agreement. Such report shall provide an accounting of how funds have been expended during the previous year.

Section 2.4.3.2. Credit for Work in Lieu of Cents Per Ton Funding. Property Owners may, at the County's discretion, receive a credit against the cents per ton funding for contributions of labor, equipment or materials toward open space or recreational projects established by the Foundation as provided in Section 2.4.3.1 above, i.e. provision of construction materials for trail, roadway and recreational facility improvements and/or installation of trail, roadway and recreational facility improvements. Before any contribution of equipment, labor, or materials pursuant to this section, the Administrator of the Municipal Services Agency or his or her designee shall establish the amount of the credit, method used to calculate the credit, and the period in which the credit may be taken. Property Owners may appeal the decision of the Administrator to the Board of Supervisors within ten (10) days of the date of the Administrator's written decision.

Section 2.4.3.3. Calculation, Payment and Verification of Cents Per Ton Contributions. Payments required by Section 2.4.3 shall be made within 30 days of the following quarterly dates of each year: March 31, June 30, September 30, and December 31. The first quarterly contribution shall be due at the end of the first quarter during which Property Owners make their first sale. Together with each payment, Property Owners shall provide County with a statement indicating the tons of Aggregate Material sold and the calculation of the contribution being made as a result including the use of any credits or reductions due to the Construction Material Market Equalizer provision in Section 2.5 below. Quarterly payments shall be based upon the tonnage produced and sold from the Project site and the rates provided for in Sections 2.4.3, above. Payment to the Foundation pursuant to Section 2.4.3.1 shall be made directly to the County until a Foundation is designated by the County Board of Supervisors. Payments to County shall be made to the County of Sacramento and delivered to the County Executive Office, or such address as County may designate in writing. Payments made to County on behalf of the Foundation shall be held in a trust account and County shall forward such funds to the Foundation within 30 days of the establishment of the Foundation. Once the Foundation is designated, Property Owners shall make payments directly to the Foundation at such address as the Foundation may designate in writing. All transmittals of payments to the Foundation shall be copied to the County Executive Office and County Planning Department.

For the purpose of administering this section, County will establish procedures by which Property Owners will report and account for the sale and/or

transfer of all Aggregate Material for which contributions are due. Said procedures shall be consistent with the terms of this Agreement. The County may audit, as often as it determines is necessary, the tonnage of Aggregate Material being produced and sold at the Project site and the contributions paid to County or Foundation to verify that the amount of payment correctly reflects actual tonnage sold. County hereby agrees to keep any proprietary information it may obtain from Property Owners confidential to the maximum extent allowed by law. Property Owners shall clearly mark any proprietary information provided County as confidential.

Section 2.4.4. Truck Management Plan Participation. The City of Folsom, the City of Rancho Cordova, the County and other interested third parties are working towards the adoption of an East Sacramento Regional Aggregate Mining Truck Management Plan (hereinafter "TMP"), which will provide for traffic solutions and financing associated with routing quarry trucks so as to maintain the "quality of life" in Folsom and Rancho Cordova. The intent of this effort has been to secure improvements beyond those capacity and safety improvements identified as part of the California Environmental Quality Act-mandated environmental review process conducted for the Property Owners' Project. Property Owners have been an active participant in the effort to develop a TMP. So that this effort may proceed further, Property Owners agree to continue fair share funding participation for any ongoing study activities associated with the preparation and adoption of a TMP. Property Owners further agree that should a TMP implementation program be adopted by the County Board of Supervisors after a public hearing which complies with the requirements of the California Environmental Quality Act, then Property Owners will contribute their fair share toward funding of such TMP implementation program, including air quality and noise. Unless and until Property Owners make use of any east-west connector road from the Property to Grant Line Road, Property Owners will not be required to participate in funding the construction of any east-west connector road to Grant Line Road. In addition, Property Owners further will not be obligated to fund any southerly extension of Scott Road East beyond the segment that is being proposed to connect the Project to White Rock Road.

Property Owners further agree that they shall comply with any truck routing redistribution measures contained within any TMP implementation program adopted by the County Board of Supervisors. Fair share determinations shall be made by the Board of Supervisors.

Section 2.4.5. Scope of Contemplated Truck Management Plan. The contemplated TMP shall include, at a minimum, haul routes, phasing of improvements to proposed routes, phasing of use of haul routes as development proceeds and an associated financing program.

Section 2.4.6 Fair Share Participation in the Capital Southeast Connector. Property Owners agree to fair share funding participation for the

construction of any access to the contemplated Capital Southeast Connector (hereinafter "Connector") regardless of location, configuration, and number that is unique and/or exclusive to serve the Property Owners' Project. Property Owners, either in part or in combination with other properties and developments that receive benefit from such unique and/or exclusive access, will be required to pay the entire cost differential of the modification necessary to provide them such access. For purposes of this provision, access shall be defined as the ultimate access design adopted by the Connector's Board of Directors for a particular location. If multiple parties receive benefit from the unique and/or exclusive access, each party's fair share shall be determined following the approval of the Connector Project in a fashion that fully complies with CEQA.

Property Owners and County agree that following the approval of the Connector Project, any traffic improvements and/or fair share contributions to road segments, intersections, and/or safety improvements that are 1) within the Connector Project right-of-way or an integral component of the Connector, and 2) are required by the Property Owners' Approval Conditions, and 3) have not already been constructed or funded by Property Owners, shall be transferable to the Connector Project. Such transfer of improvements or funds shall be consistent with CEQA requirements. Such improvement(s) or funding shall not obligate Property Owners to pay any additional cost if the newly substituted improvement(s) is or are more expensive than that required pursuant to the Property Owners' Approval Conditions. The adoption of the Connector Project shall not accelerate the timing for implementation of any Property Owners' Approval Condition.

Section 2.5. Construction Material Market Equalizer. The requirements of Sections 2.4 and 2.6 shall be automatically modified by certain specified actions which may be taken by County on other surface mining projects within the southeastern area of the County as depicted in Exhibit "G". Said automatic modifications shall occur if the County approves a conditional use permit or other development entitlement (including the renewal of an existing use permit) for the operation of any surface mining operation (excluding clay and top soil) that is located in the area depicted in Exhibit G that imposes less rigorous requirements than those contained in this Agreement, but specifically excludes surface mining operations where the County has previously recognized a vested right to mine in the area. This includes, but is not limited to, a situation where a surface mining operator is not required to make cents per ton payments, as required of Property Owners pursuant to Sections 2.4 and 2.6 of this Agreement, in an amount equal to or greater than that required of Property Owners. Said automatic modification shall result in the terms of this Agreement being adjusted to a level commensurate with the least rigorous obligation agreed to by any other surface mining operator (excluding clay and top soil) subsequently permitted within the Exhibit G area. In no case shall an automatic modification trigger a refund of prior payments made by Property Owners.

Section 2.5.1 Automatic Consistency with Teichert Quarry Development Agreement. In addition, the Parties acknowledge and agree that it is their intent that the Construction Material Market Equalizer provisions in this Agreement be consistent with



those afforded to the operators of the Teichert Quarry Project in their November 30, 2010 Teichert Quarry Development Agreement with the County. Consequently, the Parties covenant and agree that in the event County amends the November 30, 2010 Teichert Quarry Development Agreement so that the Construction Material Market Equalizer provision in Section 2.5 thereof only applies to the cents-per-ton funding provision similar to the one set forth in Section 2.4.3 of this Development Agreement, then in such an event all references above to “Sections 2.4 and 2.6” in Section 2.5 of this Development Agreement for the Stoneridge Quarry Project shall be automatically revised and deemed to state “Section 2.4.3” without further action of County and Property Owners. Any such amendment by the County of the November 30, 2010 Development Agreement for the Teichert Quarry Project shall take place and be fully executed no later than the date of issuance of the Work Authorization Permit for the Stoneridge Quarry Project, or this Section 2.5.1 shall no longer apply. County covenants and agrees that it will not delay or withhold issuance of the Project’s Work Authorization Permit due to a failure or delay by County and the owners of the Teichert Quarry Project to enter into an amendment to the Teichert Quarry Development Agreement as provided herein.

Section 2.6. Application of Maintenance Cents-Per-Ton Fee to All Aggregate Products Shipped from Project. Property Owners agree that in addition to the cents per ton fee provided for in Section 2.4.3, they will also pay a maintenance cents-per-ton fee required by the Approval Conditions and the fair share requirements that may be established or adopted by County as a result of the TMP per Sections 2.4.4 and 2.4.5 that will be applicable to all Aggregate Products produced and shipped from the Project in order to assist County with funding increased road maintenance costs arising from operation of the Project. For purposes of this Section 2.6, the term Aggregate Products used in this paragraph shall be defined to include rock materials mined and sold from the Project, recycled concrete, recycled asphalt, recycled pavement and other recycled construction materials that are reused and/or recycled and sold from the Project, as well as include asphalt oil, water, cement or other ingredients from outside sources incorporated into products and materials that are sold from the Project.

Section 2.7. Cessation and Reclamation of Plant/Facilities Site. Property Owners agree that all plants and facilities shall cease operation and be removed and reclaimed at the earlier of the conclusion of aggregate mining and processing activities or within four (4) years following the expiration of the Use Permit, unless County grants a permit extension or new permit to mine additional aggregate deposits on the Property. Property Owners further agree that the plant/facilities site shall, in the event of any extended or new entitlements, be reclaimed in accordance with the approved Reclamation Plan or any subsequently approved Reclamation Plan.

Section 2.8. Location of Place of Sale within Unincorporated County. Property Owners agree, for the purposes of determining the “place of sale” within the meaning of California Revenue and Taxation Code section 6010.5, to maintain said “place of sale” within the unincorporated portion of the County of Sacramento for the term of this Agreement consistent with the provisions of the California Revenue and Taxation Code. If the sphere of influence of any city is later amended to include the Property, and the

“place of sale” is annexed or incorporated into a city, Property Owners shall not be responsible for an equivalent revenue stream to the County. Property Owners, however, shall not seek, support or pursue the annexation into a city of that portion of the Property (as defined in Section 1.2.20 above) where the “place of sale” is located for the duration of this Agreement unless the County agrees otherwise with Property Owners.

### **ARTICLE 3. COUNTY OBLIGATIONS**

Section 3.1. Vesting of Property Owners' Rights. County agrees that the right to develop the Project at the Property in a manner consistent with the Entitlements is vested in Property Owners by this Agreement without further action by Property Owners for the one hundred year period for which the Entitlements have been granted. The permitted mining, processing and reclamation and associated activities shall be those as set forth in the Entitlements. After the one hundred year period for which the Entitlements have been granted expires, Property Owners' vested right, as described herein, expires, whether or not the permitted uses have been fully exercised.

Section 3.2. County Processing and Review. County agrees it will accept for processing and expeditious review and action any complete applications for amendments of the Entitlements or other subsequent entitlements that may be necessary to implement the Entitlements.

Section 3.3. Cooperation Between County and Property Owners. County shall cooperate in good faith with Property Owners in securing all permits that may be required for the development and operation of the Project.

Section 3.4. Inspections. County shall have the right to inspect the Property (at Property Owners' expense) at any time without prior notice, in order to ensure compliance with applicable regulations and this Agreement. At a minimum the County shall inspect the Property annually and report all findings to the Board of Supervisors. Failure by the County to do so shall not constitute a breach of this Agreement.

Section 3.5. Inapplicability of Subsequent Legislation. Except for any referendum of the Adopting Ordinance, if an ordinance, resolution or other measure is enacted, whether by action of the Board, by voter initiative, or otherwise, that would prevent the mining, processing or reclamation on the Property consistent with the Entitlements and this Agreement, including moratoria, County herein agrees that such ordinance, resolution or other measures shall not apply to the Property or limit the mining, processing and reclamation set forth in this Agreement and the Entitlements.

Section 3.6. Reimbursements from Others Benefited. In any case where County requires or permits Property Owners to plan, design, construct, or fund the planning, design or construction of public improvements that will benefit third party landowners or, to make dedications, provide mitigation or incur costs in connection with public improvements that will benefit third party landowners, County shall utilize its best efforts to require that all other third party landowners benefited by the improvements shall

reimburse (through fee districts, agreements, conditions of approval, or otherwise) Property Owners for such other third party landowner's proportionate share of such costs as reasonably determined by County. For purposes of this Agreement, the term "that will benefit third party landowners" shall mean requirements which exceed Property Owners' fair proportionate share, as determined in accordance with any associated documents or studies. Such reimbursement shall be limited to that amount which exceeds Property Owners' appropriate share of the cost, determined in accordance with any associated documents or studies. County agrees to establish any necessary reimbursement mechanisms necessary to provide reimbursements to Property Owners, based upon County's standard reimbursement/credit policies for any public improvements, upgrades, repairs and replacements provided by Property Owners which benefit offsite development or have area wide benefits which extend beyond the boundaries of the Project Area.

Section 3.7. Right-of-Way Acquisition. With respect to the acquisition of any off-site interest in real property required by Property Owners in order to fulfill any condition required by the Entitlements, Property Owners shall make a good faith effort to acquire the necessary interest by private negotiations at the fair market value of such interest. If, after such reasonable efforts, Property Owners have been unable to acquire such interest and provided that Property Owners (i) provide evidence of a good faith effort to acquire the necessary property interest to the reasonable satisfaction of the Municipal Services Agency Administrator and (ii) agree to pay the reasonable cost of such acquisition, including reasonable attorneys' fees, County shall make an offer to acquire the necessary property interest at its fair market value. If such offer has not been accepted within 60 days, County agrees, to the extent permitted by law, to cooperate and assist Property Owners in efforts to obtain such necessary property interest. Any such acquisition by County shall be subject to County's discretion, which is expressly reserved by County, to make the necessary findings, including a finding thereby of public necessity, to acquire such interest. Subject to the reservation of such discretion, the County shall schedule the necessary hearings, and if approved by County, thereafter prosecute to completion the proceedings and action to acquire the necessary property interests by power of eminent domain. County agrees that it will consult Property Owners with regard to any settlement for the acquisition of such necessary property interests if Property Owners are being required to fund the costs of the acquisition of such necessary property interests (including reasonable attorneys' fees and court costs) in the event that such acquisition and/or condemnation is necessary. Property Owners reserve the right to obtain an independent appraisal of such property interests to demonstrate that the value identified in the proposed settlement is incorrect. Property owners reserve the right to provide such an appraisal to the Board of Supervisors to be considered by the Board in rendering a determination on any settlement. The final determination as to any settlement is within the discretion of the Board of Supervisors. Property Owners agree to provide funding to the County for the cost of acquiring such property. In the event County does not acquire such necessary property interests for any reason, then Property Owners shall be excused from any further obligation to comply with the associated condition in the Entitlements and may otherwise proceed with the development and operation of the Project. If Property Owners are excused from compliance with any condition of the Entitlements as a result of the foregoing provisions, it does not excuse the Property Owners from compliance with

the other conditions of the Entitlements nor shall it reduce the total financial obligation of Property Owners to provide mitigation required under the mitigation measures of the Mitigation Monitoring and Reporting Plan or Approval Conditions.

#### **ARTICLE 4. PROJECT DEVELOPMENT**

Section 4.1. Permitted Uses and Development Standards. The permitted uses, the intensity of use, the maximum area and depth of mining consistent with the Mining Plan, annual limits on tonnage, provisions for reservation and dedication of land for public purposes, the construction, installation and extension of improvements, and other conditions of development of the Property shall be those set forth in the Entitlements and applicable law.

Section 4.2. Applicable Rules and Regulations. Subject to the provisions contained in Section 1.7.1, during the term of this Agreement, and any extension thereof, the rules, regulations and official policies applicable to and governing the mining, processing and reclamation of the Property shall be the Entitlements as defined herein, the County General Plan in effect at the time this Agreement is executed, the County Code, the County Zoning Code in effect at the time this Agreement is executed, and all other relevant codes, ordinances, resolutions, programs, policies, rules, regulations, and building improvement standards in effect as of the Effective Date. Notwithstanding the foregoing, the County Building Code and the County public infrastructure improvement standards applicable to Project shall only be vested for a period of twenty-five (25) years following the date of this Agreement, after which time period any improvements thereafter constructed at the Project will have to comply with the then current County Building Code and County public infrastructure improvement standards. Notwithstanding the provisions of this Section 4.2, the County Building Code and County public infrastructure improvement standards are subject to changes necessary in order to comply with Federal and state laws, as well as to protect public health and safety.

Nothing herein shall limit the authority of County to exercise its legislative and/or administrative authority to adopt and enforce regulations, particularly as it may apply to County's exercise of its legislative, administrative, and enforcement powers, to protect public health and safety from any condition which is found to create immediate and/or unreasonable risk of injury, and/or which would constitute a public nuisance. Notwithstanding the County's definition of nuisance in County Code Section 16.18.401(b), County acknowledges that the development and operation of the Project will inherently involve the keeping, storage, stockpiling and accumulation of dirt, sand, gravel, concrete and other similar materials as a necessary and customary feature of the mining operations approved and authorized by the Entitlements.

The express purpose of this Section is to identify with finality the rules, regulations and official policies that will govern the mining, processing and reclamation of the Project. These rules, regulations and official policies shall govern regardless of future actions which may result in their amendment, including actions by County, whether by ordinance or resolution, or by voter initiative or by other means.

Section 4.3. Binding Effect. To the extent permitted by law, this Agreement shall be binding on any existing city or governmental agency or newly incorporated city or newly created governmental agency with jurisdiction over the Property during the term of this Agreement.

Section 4.4. Conflicts. In the event of a conflict between this Agreement and the Entitlements, this Agreement will control. Notwithstanding the foregoing, the conditions approved by the Board of Supervisors shall apply.

Section 4.5. Minor Deviations. The Municipal Services Agency Administrator and Property Owners may agree to minor deviations from the terms of this Agreement without formally amending this Agreement. The Director may approve minor deviations, as provided in the County Zoning Code, from the Entitlements as requested by Property Owners without amending this Agreement. As used herein, minor deviations are those modifications that as a whole do not increase the environmental impacts of the Project as determined in the EIR or increase the intensity of use of the Property, and may, for instance, relate to phasing. A description of the deviation(s) shall be reduced by County to writing and a copy placed in County's official file of this Agreement. County shall provide a copy to Property Owners.

Section 4.6. Application, Processing and Inspection Fees. The County may revise application fees, processing fees, and inspection fees during the term or any extension of this Agreement, and the revised fee shall apply to the mining, processing and reclamation of the Project if: (a) such revised fee is applicable to all similar private projects or works, and; (b) the application of such fee is prospective only.

Section 4.7 Encroachment Permit and Grading Permits. County and Property Owners agree and acknowledge that no further environmental review of the encroachment permit for the connection of the future Scott Road East extension with White Rock Road and of the grading permits to construct the Project is necessary because the physical impacts on the environment from constructing the Project features were fully examined and analyzed for purposes of the California Environmental Quality Act in the Final EIR certified by the County for the Project, and that the future issuance of said permits will be a ministerial act.

Section 4.8 Assurance of Access to West Carson Creek Area. County and Property Owners acknowledge that the grant of fee title to County by Property Owners for the trail corridor contemplated in Section 2.4.2 and the grant of a temporary easement for the trail corridor contemplated in Section 2.4.2.3 of this Agreement will impair Property Owner's ability to physically access the West Carson Creek area. County agrees that when the trail corridor is transferred to County, County will accept ownership of the easement or the deed conveying fee title, as may be then applicable, subject to a reservation of rights by Property Owners of a right of ingress and egress for pedestrians, livestock and vehicles on the trail corridor from all portions of the West

Carson Creek Area to Scott Road West and along the County's public trail that connects the public trail system to Scott Road West.

## **ARTICLE 5. BREACH OF AGREEMENT, ENFORCEMENT, TERMINATION, INDEMNIFICATION, CHALLENGES, TOLLING, RELEASE**

Section 5.1. Breach. Failure or delay by a Party to perform any provision of this Agreement shall constitute a breach of the Agreement, provided, however, any breach by a successor-in-interest shall not be considered a breach by Property Owners or any other non-breaching successor-in-interest of Property Owners. In the event of breach, the Party alleging such breach shall give the other Party not less than thirty (30) days (first 30 days) notice in writing specifying the nature of the alleged breach and the manner in which the alleged breach may be cured. If the breach is not cured prior to the expiration of the notice, or, in the case of a breach which cannot be cured within 30 days, if the breaching Party does not diligently commence to cure the breach within 30 days and cause the breach to be cured in the least time reasonably feasible, the Board of Supervisors shall, within the next thirty (30) days (second 30 days), convene a hearing to consider and take action on the matter of the alleged breach. Prior to said hearing, County shall provide Property Owners with a copy of the County staff report concerning such alleged breach of this Agreement. Property Owners shall have the right to offer written and oral evidence prior to or at the time of said public hearing.

If no resolution of the matter is reached, the Party alleging the breach may institute legal proceedings as provided in Section 8.13 to cure or remedy the breach or may give written notice of termination. The Party alleging the breach shall give written notice of legal proceedings within thirty (30) days after the decision by the Board of Supervisors or may give written notice of termination to be effective thirty (30) days (third 30 days) after the decision by the Board of Supervisors.

Section 5.2. Enforcement of Entitlements Provisions. Nothing in this Agreement shall limit County's ability to enforce the provisions of the Entitlements or this Agreement, as provided in Government Code Section 65865.4.

Section 5.3. Enforced Delay, Extension of Times of Performance. No Party shall deem performance of the terms of this Agreement by another Party to be in breach where delays or defaults are due to war, insurrection, strikes, walkouts, riots, acts of terrorism, floods, earthquakes, fires, casualties, acts of God, energy shortages, or enactment of conflicting state or federal laws or regulations, or new or supplementary environmental regulation enacted by the state or federal government. For such cause, County shall not unreasonably withhold a grant of an extension of time for the period of the enforced delay or longer, as may be mutually agreed.

Section 5.4. Termination Prior to Completion of Development. In the event this Agreement and the Conditional Use Permit for the Project for any reason terminates prior to the Entitlements' termination date, Property Owners shall have forty-eight (48) months to pay all fees in full and perform all reclamation activities, to the satisfaction of

the Director, relating to mining that occurred prior to the effective date of the termination.

Section 5.5. Indemnification. Property Owners shall indemnify, defend, and hold harmless County and each of County's officers, employees, representatives, agents, successors and assigns, from and against any and all loss, cost, expense (including, but not limited to, attorneys' fees and court costs), damage, injury, liability, cause of action, or claim of any kind or character to any person or property (collectively, "Losses") related to, arising out of, or resulting from, directly or indirectly, any act, negligence, willful misconduct, or breach of any agreement of Property Owners or their officers, directors, affiliates, employees, agents, licensees, invitees, contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting on behalf of or as agent for Property Owners or any of Property Owners' contractors or subcontractors ("Property Owners' Related Parties") relating to, directly or indirectly, development of the Property pursuant to this Agreement, including, but not limited to, any Losses arising from or caused by: (i) the approval of this Agreement; (ii) any use of the Property; (iii) any construction on the Property by Property Owners or Property Owners' Related Parties; (iv) any defect in the design or construction of, or materials used in, the development of the Property pursuant to this Agreement; (v) any defect in soils or in preparation of soils or in the design and accomplishment of grading; (vi) any contamination of the soils, surface water, or groundwater on or below the Property, by any Hazardous Substance, or any other impact or contamination that results in, or is alleged to result in, a nuisance; (vii) any violation or alleged violation by Property Owners or Property Owners' Related Parties of any law existing as of the Effective Date of this Agreement or hereinafter enacted; or (viii) the breach of any covenant or the inaccuracy or incorrectness of any representation and warranty of Property Owners to County under this Agreement.

Section 5.6. Challenge to Agreement or Entitlements. In the event of any legal action instituted by a third party challenging the validity of any portion of this Agreement or the Entitlements, including the proceedings taken for approval (including the requirements of the California Environmental Quality Act), or any other act undertaken by the Parties hereto in furtherance of this Agreement or its terms, the Parties agree to cooperate in the defense of the action. In the event of any such legal action being instituted, the Parties hereby agree to cooperate with each other in good faith to defend said action and the validity of each provision of this Agreement. However, the Parties hereby agree that each Party will independently evaluate the merits of any action against this Agreement. In all such litigation, County shall either defend such litigation or tender its defense to Property Owners. In the event that County determines to defend the action itself, Property Owners shall be entitled, subject to court approval, to join in or intervene in the action on their own behalf, or to advocate in favor of the validity of this Agreement or the Entitlements. In such an event, each Party shall bear its own attorney's fees and costs. In the event County determines to tender the defense of the action to Property Owners, Property Owners shall defend the action on their behalf and on behalf of the County, and shall bear all attorney's fees and costs associated with such defense from and after the date of the tender, including County Counsel fees and

costs, as well as Department of Community Planning and Development fees and costs. County, however, may at any time elect to assume representation of itself, and in that event, from and after the date the County gives notice of its election to do so, County shall be responsible for its own attorney's fees and costs incurred thereafter. The filing of such third Party legal action shall not delay or stop the mining of the Property pursuant to this Agreement, unless the third Party obtains a court order preventing the activity or unless Property Owners elect not to mine pursuant to Sections 5.7 and 5.8 below. The County shall not stipulate to the issuance of such order without first obtaining the written consent from Property Owners, which may be withheld in Property Owners' absolute discretion. If any such injunction or temporary restraining order issues, the term of this Agreement and the Entitlements shall automatically be extended for a period equal to the duration of such injunction and temporary restraining order.

Section 5.7. Tolling of Time Periods to Exercise Approvals. In the event litigation is initiated by any party other than Property Owners that challenges any of the approvals for the Project's Entitlements or the environmental document for those approvals and an injunction or temporary restraining order is not issued, the time period in which to exercise these approvals (i.e., obtaining the Work Authorization Permit, commencement of operations under the Conditional Use Permit), etc.) shall be tolled during the pendency of said litigation, upon request of Property Owners. The tolling shall commence upon receipt by the County of written notice from Property Owners invoking this right to tolling. The tolling shall terminate upon the earliest date on which either a final order is issued upholding the challenged Entitlement approvals or said litigation is dismissed with prejudice by all plaintiffs, but in no event shall the tolling period exceed four (4) years unless the County's Planning Director grants Property Owners' request for an extension, with the Property Owners having a right of appeal to the Board of Supervisors to extend the tolling period.

Section 5.8. Tolling of Term of Use Permit. In the event litigation is initiated by any party other than Property Owners that challenges any of the approvals for the Project's Entitlements or the environmental document for those approvals following the commencement of the physical construction of the Project and an injunction or temporary restraining order is not issued, the expiration date of the Conditional Use Permit shall be tolled during the pendency of said litigation, upon request of Property Owners. The tolling shall commence upon receipt by the County of written notice from Property Owners invoking this right to tolling. The tolling shall terminate upon the earliest date on which either a final order is issued upholding the challenged Entitlement approvals or said litigation is dismissed with prejudice by all plaintiffs, but in no event shall the tolling period exceed four (4) years unless the County's Planning Director grants Property Owners' request for an extension, with the Property Owners having a right of appeal to the Board of Supervisors to extend the tolling period.

Section 5.9. Release. Property Owners, on behalf of themselves and their successors and assigns, waive their right to recover from, and forever release and discharge, County and County's agents from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens,



judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with: (i) the physical condition of Property (including, without limitation, the grading and slope conditions thereof and any drainage problems, whether caused by flood, surface or underground water, or any other condition, affecting or relating to the Property); and (ii) the presence in, on, or about the Property or any surrounding property of any Hazardous Substance caused by Property Owners' permitted activities. As used herein, Hazardous Substance means any substance, material, or waste that is designated, classified, or regulated as being "toxic" or "hazardous" or a "pollutant," or which is similarly designated, classified, or regulated, under any law regulating Hazardous Substances.

## **ARTICLE 6. REVIEW**

Section 6.1. Annual Report and Review. Once a Work Authorization Permit has been issued and mining has begun, Property Owners shall, on an annual basis submit evidence of compliance with all terms of this Agreement pursuant to Government Code Section 65865.1. This annual report shall be combined with the annual report required for compliance with SMARA, the Approval Conditions, and compliance with the adopted CEQA mitigation measures. This annual report shall include the results from the previous water quality tests conducted pursuant to Waste Discharge Requirements imposed by the Regional Water Quality Control Board. The report shall also include an accounting of cents per ton funding and how such funds have been expended pursuant to Section 2.4.3.1. Furthermore, the report shall include a summary of any violations of truck route restrictions and the action taken by Property Owners to correct such violation. This report shall also include an assessment of the pavement conditions along the haul routes on an annual basis. At the fourth year of reporting, and every fourth year thereafter, the County and Property Owners shall assess the effectiveness of the road maintenance program for the haul routes and the maintenance cents-per-ton fee provided for in Section 2.6 of this Agreement to determine whether adjustments are necessary in conformity with the County's fair share and mitigation fee adjustment policies and procedures. County and Property Owners acknowledge and agree that the foregoing provisions shall not be interpreted, and are not intended, to require any modification or adjustment of the cents-per-ton fee set forth in Section 2.4.3 of this Agreement on Aggregate Materials mined and sold at the Project.

Furthermore, every other year this report shall include an assessment of noise at the property lines emanating from nighttime activities, and analysis of environmental outcomes of concern if any, e.g., hydrology, geology, arsenic, asbestos, seismic events. Such report shall be in a form specified by the County or otherwise agreed to by the Parties. Based on this report and the inspections required in Section 3.5, the County shall, every twelve (12) months during the term of this Agreement, make findings specifically as to the extent of good faith compliance by Property Owners. A finding of failure to comply shall be cured by Property Owners within a reasonable timeframe agreed to by the County and Property Owners. If such failure amounts to a Breach then the provisions of Section 5.1 shall be applied.

Notice of annual reporting required by this Section, and a copy of the report, shall be provided by the County to the Cities of Rancho Cordova and Folsom.

## **ARTICLE 7. NOTICES & TERMINATION UPON COMPLETION OF DEVELOPMENT**

Section 7.1. Notices. Notices, demands, correspondence, and other communication between County and Property Owners shall be sufficiently given if dispatched by prepaid first-class mail as follows:

To County: County of Sacramento  
Planning and Community Development Department  
827 7<sup>th</sup> Street Room 230  
Sacramento, CA 95814  
Attn: Planning Director

To Property Owners: Angelo G. Tsakopoulos  
Katherine Tsakopoulos  
7423 Fair Oaks Blvd, Suite 10  
Carmichael, CA 95608

With copies to: Law Offices of Gregory D. Thatch  
1730 "I" Street, Suite 220  
Sacramento, CA 95811  
Attn: Gregory D. Thatch

Jeffers, Mangels, Butler & Mitchell, LLP  
Two Embarcadero Center, 5<sup>th</sup> floor  
San Francisco, CA 94111-3824  
Attn: Kerry Shapiro

A Party may, from time to time, advise the other Parties of a new address for notices, demands, or correspondence. Notwithstanding anything to the contrary contained in this Section 7.1, all notices of a Breach of this Agreement being given pursuant to the provisions of Section 5.1 shall only be given to the other Party or Parties by first class prepaid certified United States mail, with return receipt requested.

Section 7.2. Termination Upon Completion of Development. This Agreement shall terminate conterminously with the Entitlements, in accordance with Section 1.7 of this Agreement, and the Property Owner's vested right to continue mining shall thereupon cease.

## **ARTICLE 8. MISCELLANEOUS PROVISIONS**

Section 8.1. Representation by Counsel. Each Party specifically affirms that they have received and read a complete copy of this Agreement and that each Party was represented by counsel, and that they fully understand the provisions of this

Agreement. In addition, the drafting of this Agreement has been the joint effort and the result of negotiation between the Parties and their legal counsel. Any rule or principle that a document should be strictly construed against the drafting Party will therefore be inapplicable. Accordingly, this Agreement shall not be construed against any Party hereto.

Section 8.2. Construction of Agreement. The language in all parts of this Agreement shall, in all cases, be construed as a whole and in accordance with its fair meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. This Agreement shall be governed by the laws of the State of California.

Section 8.3. Entire Agreement. This Agreement, together with the documents incorporated by reference and the exhibits, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement.

Section 8.4. Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the others to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either Party at any time, the other Party or Parties shall promptly execute, file or record any required instruments and writings necessary to evidence or consummate the transactions contemplated by this Agreement, and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement.

Section 8.5. Covenant of Good Faith and Fair Dealing. No Party shall do anything which shall have the effect of harming or injuring the right of the other Party or Parties to receive the benefits of this Agreement. Each Party shall refrain from doing anything which would render another Party's performance under this Agreement impossible, and each Party shall do everything which this Agreement contemplates that such Party shall do to accomplish the objectives and purposes of this Agreement. Where the consent or approval of a Party is required or necessary under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

Section 8.6. No Waiver. No delay or omission by a Party in exercising any right or power accruing upon non-compliance or failure to perform by the other Party or Parties under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by any Party of any of the covenants or conditions to be performed by another Party shall not be construed as a waiver of any succeeding breach or non-performance of the same or other covenants and conditions hereof.

Section 8.7. Applicable Law and Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Notwithstanding the provisions of Code of Civil Procedure Section 394, Property Owners and County agree that the jurisdiction for any legal proceeding involving this Agreement

shall be the Superior Court of the State of California in and for the County of Sacramento.

Section 8.8. Recording. The County shall cause a copy of this Agreement to be recorded with the County of Sacramento Recorder no later than ten (10) days following execution of this Agreement by County, which execution will take place no sooner than the effective date of the Adopting Ordinance.

Section 8.9. Invalidity of Agreement. If this Agreement, in its entirety, is finally adjudicated by a court to be entirely invalid or unenforceable, then this Agreement shall be deemed terminated as of the date of the final adjudication.

Section 8.10. Invalidity of Provisions of Agreement. If any provision of this Agreement shall be finally adjudicated by a court to be invalid and unenforceable, the Parties shall promptly meet to attempt to revise this Agreement and, as appropriate, other documents executed pursuant to this Agreement, in order to give effect to the Parties' intentions in entering into this Agreement; the remainder of the Agreement shall stay in effect.

Section 8.11. Future State and Federal Laws. If future state and federal laws or regulations render any provision of this Agreement invalid or unenforceable, such provisions shall, in the discretion of the Board of Supervisors, be modified or suspended as may be necessary to comply with such state or federal laws and regulations, and the remainder of the Agreement shall continue in full force and effect.

Section 8.12. No Third Party Beneficiary. No person or entity other than the Parties to this Agreement shall have any right of action based upon any provision in this Agreement.

Section 8.13. Additional Rights of the Parties. In addition to any other rights or remedies specified herein, either Party may institute legal proceedings to cure, correct or remedy any breach, or to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement, in accordance with Government Code Section 65865.4.

Section 8.14. Authority to Execute. The person or persons executing this Agreement on behalf of Property Owners warrant and represent that they have the authority to execute this Agreement on behalf of such Parties and represent that they have the authority to bind the Property Owners to the performance of their obligations hereunder.

Section 8.15 Time is of the Essence. Time is of the essence of each and every provision of this Agreement.

Section 8.16 Estoppel Certificate. Any Party to this Agreement and any Lender may, at any time, and from time to time, deliver written notice to another Party requesting such Party to certify in writing that, to the knowledge of the certifying Party, (i) the

Agreement is in full force and effect and a binding obligation on the Parties, (ii) the Agreement has not been amended or modified, either orally or in writing, and if so amended or modified, identifying the amendments or modifications, and (iii) as of the date of the estoppel certificate, the requesting Party (or any Party specified by a Lender) is not in breach in the performance of its obligations under the Agreement, or if in breach to describe therein the nature of any such breach and the steps or actions to be taken by the other Party reasonably necessary to cure any such alleged breach. A Party receiving a request hereunder shall execute and return such certificate or give a written detailed response explaining why it will not do so within thirty (30) days following the receipt of such request. Each Party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. An estoppel certificate provided by County establishing the status of this Agreement shall be in recordable form and may be recorded at the expense of the recording party.

Section 8.17 Definition of County's Successors. For the purposes of this Agreement, the County's successors and assigns shall include any existing or new city in which all or a portion of the Property subsequently becomes a part. The respective rights and obligations of the Property Owners and any successor city shall be consistent with the provisions of Government Code Section 65865.3.

Section 8.18 Meaning of Terms. Where the context so requires, the use of the masculine gender shall include the feminine and the neuter gender, and the singular shall include the plural and vice versa.

Section 8.19 Liberal Construction. This Agreement shall be liberally construed to accomplish the purposes of this Agreement.

Section 8.20 Reasonable Discretion. Whenever a Party to this Agreement is to exercise any right granted hereunder in its discretion, such exercise of discretion shall be in a reasonable manner, unless the agreement specifically describes that a different standard of exercising that discretion shall apply.

## **ARTICLE 9. PROVISIONS RELATING TO LENDERS**

### **Section 9.1 Lender Rights and Obligations.**

Section 9.1.1 Prior to Lender Possession. No Lender shall have any obligation or duty under this Agreement prior to the time the Lender obtains possession of all or any portion of the Property to construct or complete the construction of improvements, to operate the Project, or to guarantee such construction, operation or completion, and shall not be obligated to pay any fees or charges which are liabilities of Property Owners or Property Owners' successors-in-interest, but such Lender shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which Lender holds an interest. Nothing in this Section shall be construed to grant to a Lender rights beyond those of the Property Owners hereunder or to limit any remedy County has hereunder in the event of a breach by Property Owners, including termination or refusal to grant subsequent additional land

use entitlements with respect to the Property.

Section 9.1.2 Lender in Possession. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of Property Owners and which remain unpaid as of the date such Lender takes possession of the Property or any portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive entitlements with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of Property Owners hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the Property Owners hereunder or entitled to enforce the provisions of this Agreement against County unless and until such Lender or successor in interest qualifies as a recognized assignee of this Agreement and makes payment of all delinquent and current County fees and charges pertaining to the Property.

Section 9.1.3 Notice of Property Owners' Breach Hereunder. If County receives notice from a Lender requesting a copy of any notice of breach given to Property Owners hereunder and specifying the address for notice thereof, then County shall deliver to such Lender, concurrently with delivery to Property Owners, any notice given to Property Owners with respect to any claim by County that Property Owners have committed a breach, and if County makes a determination of non-compliance, County shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on Property Owners.

Section 9.1.4 Lender's Right to Cure. Each Lender shall have the right, but not the obligation, for the same period of time given to Property Owners to cure or remedy, on behalf of Property Owners, the breach claimed or the areas of non-compliance set forth in County's notice. Such action shall not entitle a Lender to develop or operate the Project at the Property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of Property Owners hereunder.

Section 9.1.5 Other Notices by County. A copy of all other notices given by County to Property Owners pursuant to the terms of this Agreement shall also be sent to any Lender who has requested such notices at the address provided to County pursuant to Section 9.1.3 above.

Section 9.2 Right to Encumber. County agrees and acknowledges that this Agreement shall not prevent or limit the owner of any interest in the Property, or any portion thereof, at any time or from time to time in any manner, at such owner's sole discretion, from encumbering the Property, the improvements thereon, or any portion thereof with any mortgage, deed of trust, sale and leaseback arrangement or other security device. County acknowledges that any Lender may require certain

interpretations of this Agreement and County agrees, upon request, to meet with the owner(s) of the property and representatives of any Lender to negotiate in good faith any such request for interpretation. County further agrees that it will not unreasonably withhold its consent to any interpretation to the extent such interpretation is consistent with the intent and purpose of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as set forth below.

\_\_\_\_\_  
**ANGELO G. TSAKOPOULOS**

\_\_\_\_\_  
**KATHERINE TSAKOPOULOS**

**-AND-**

**COUNTY OF SACRAMENTO, a political  
subdivision of the State of California**

(SEAL)

ATTEST: \_\_\_\_\_  
\_\_\_\_\_, Clerk  
Board of Supervisors

By: \_\_\_\_\_  
\_\_\_\_\_, Chair  
Board of Supervisors

Approved as to form:

By: \_\_\_\_\_  
\_\_\_\_\_  
Supervising Deputy

-----ACKNOWLEDGEMENT-----

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, (here insert name and title of the officer), personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

**WITNESS** my hand and official seal.

Signature \_\_\_\_\_ (Seal)



-----ACKNOWLEDGEMENT-----

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, (here insert name and title of the officer), personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

**WITNESS** my hand and official seal.

Signature \_\_\_\_\_ (Seal)

-----ACKNOWLEDGEMENT-----

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, (here insert name and title of the officer), personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

**WITNESS** my hand and official seal.

Signature \_\_\_\_\_ (Seal)

-----ACKNOWLEDGEMENT-----

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, (here insert name and title of the officer), personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

**WITNESS** my hand and official seal.

Signature \_\_\_\_\_ (Seal)

# EXHIBIT "A"

## LEGAL DESCRIPTION OF PROPERTY

Sheet 1 of 1

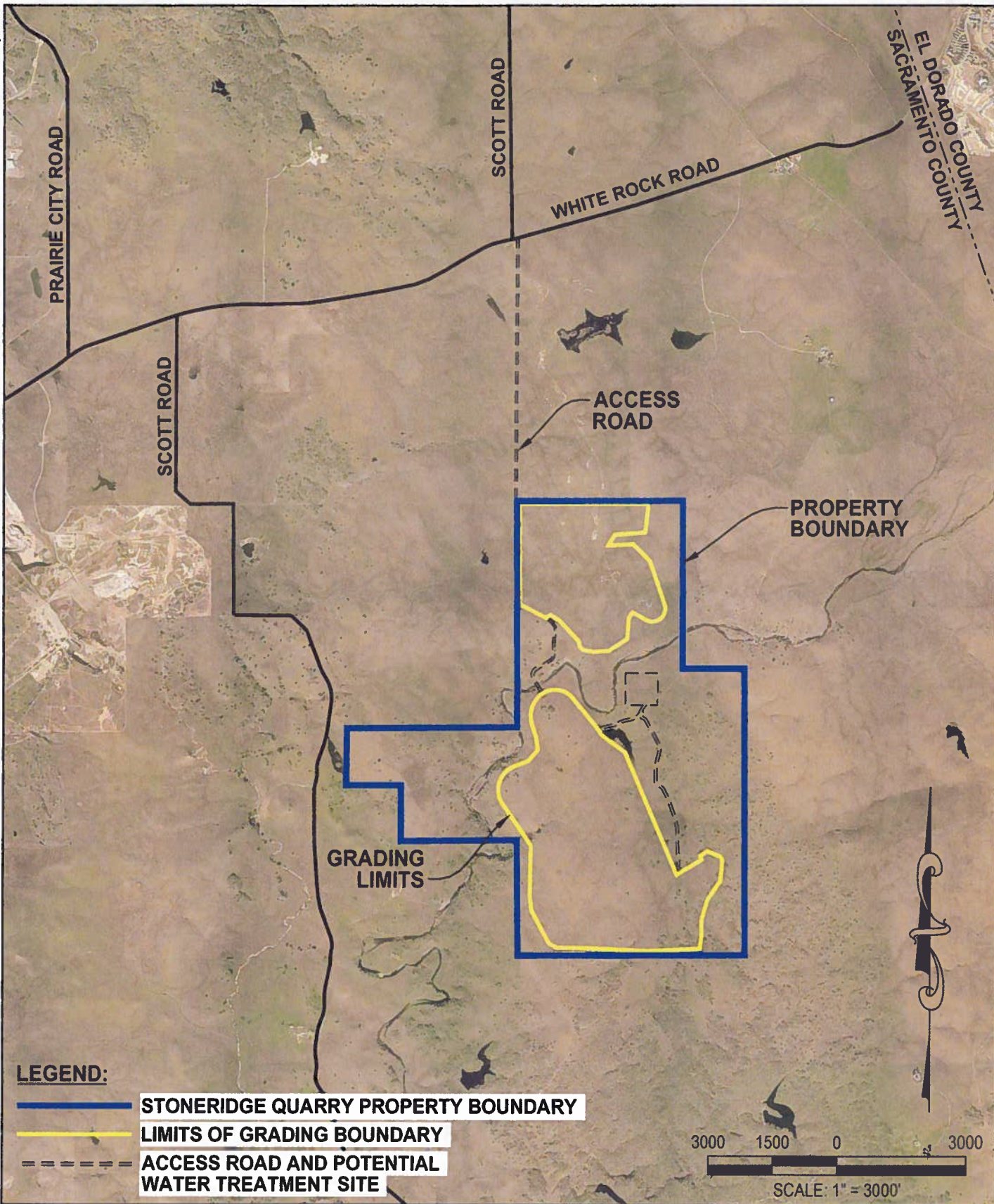
### STONERIDGE QUARRY PROPERTY BOUNDARY

All that real property situated in the County of Sacramento, State of California, being more particularly described as follows:

The southwest quarter and the west half of the southeast quarter of Section 28, together with the southeast quarter of Section 32, together with the northeast quarter of the southwest quarter of Section 32, together with all of Section 33, excepting therefrom the northeast quarter of the northeast quarter, Township 9 North, Range 8 East, M.D.B. & M., together with the north half of Section 4, Township 8 North, Range 8 East, M.D.B. & M.

Said property contains 1,360 Acres, more or less.





**LEGEND:**

-  **STONERIDGE QUARRY PROPERTY BOUNDARY**
-  **LIMITS OF GRADING BOUNDARY**
-  **ACCESS ROAD AND POTENTIAL WATER TREATMENT SITE**



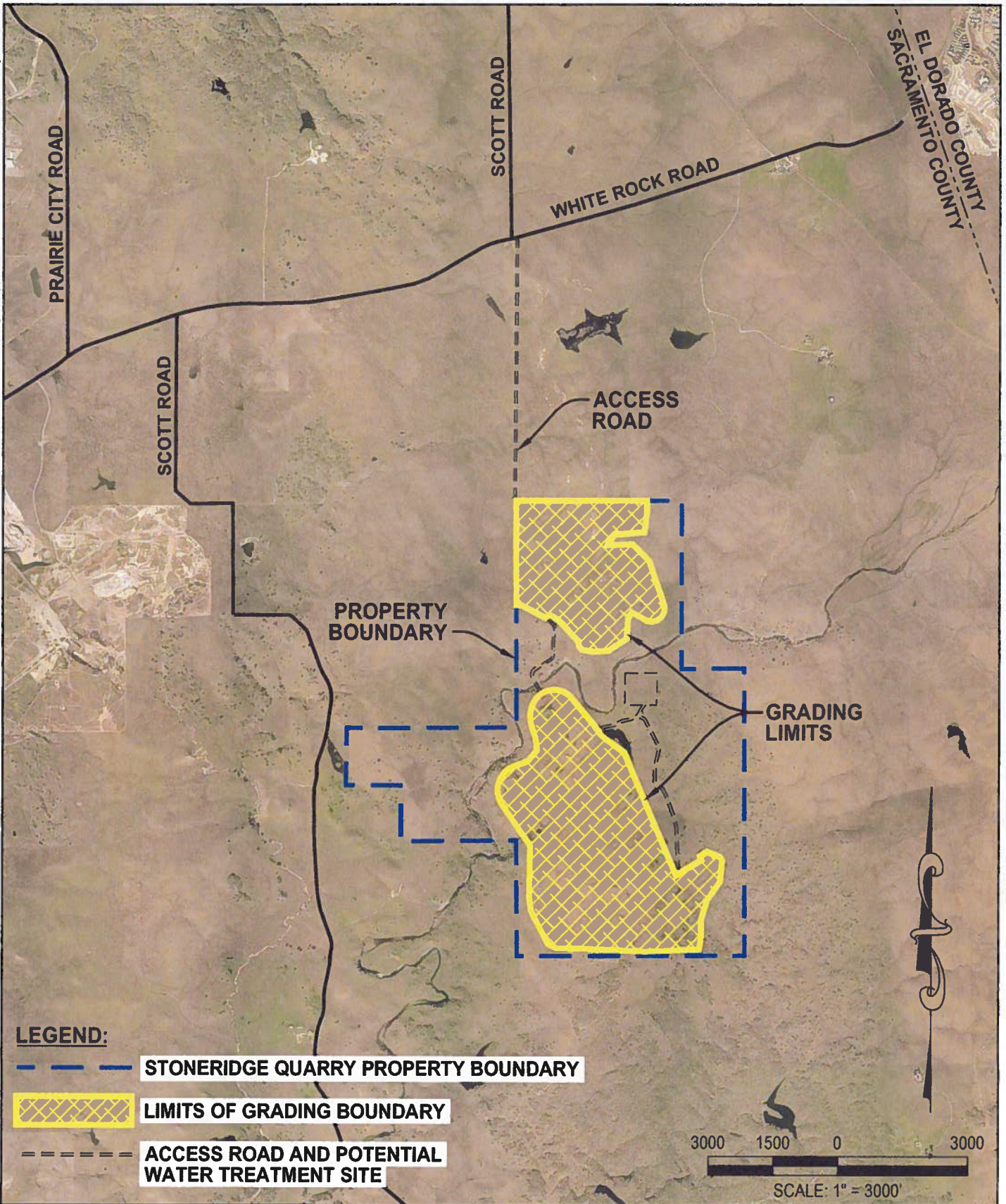
CECWEST.COM  
Project Planning • Civil Engineering • Landscape Architecture  
Sacramento Office  
2120 20th Street, Suite Three  
Sacramento, CA 95811  
(916) 455-2025  
Coronado Office  
2940 Spafford Street, Suite 200  
Davis, CA 95618  
(530) 758-2029

**STONERIDGE QUARRY PROJECT**  
**SACRAMENTO COUNTY, CALIFORNIA**  
**EXHIBIT B**  
**PROPERTY BOUNDARY**



DRAWN: LE | CHECKED: SG | DATE: 07/26/11





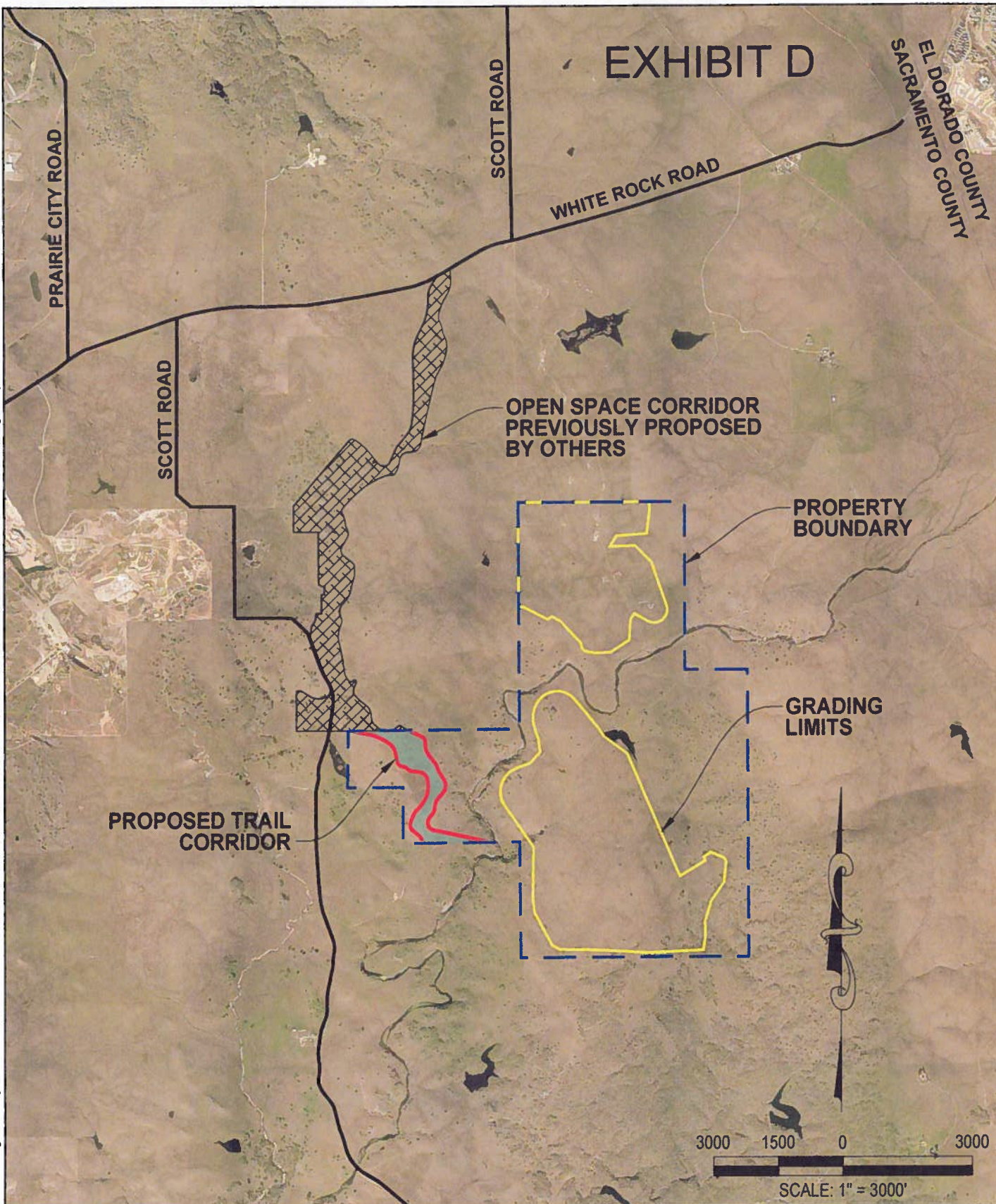
CECWEST.COM  
Project Planning • Civil Engineering • Landscape Architecture  
Sacramento Office 2120 20th Street, Suite Three Sacramento, CA 95813 (916) 455-2028  
Corporate Office 2940 Spittard Street, Suite 200 Davis, CA 95618 (530) 758-2026

**STONERIDGE QUARRY PROJECT**  
**SACRAMENTO COUNTY, CALIFORNIA**  
**EXHIBIT C**  
**MINING/PROCESSING**  
**PROJECT BOUNDARY**



DRAWN: LE CHECKED: SG DATE: 07/26/11





Project Planning ■ Civil Engineering ■ Landscape Architecture

**Sacramento Office**  
2120 30th Street, Suite 300  
Sacramento, CA 95818  
(916) 455-2026

**Carson City Office**  
2840 Seaford Street, Suite 200  
Davis, CA 95618  
(530) 758-2026

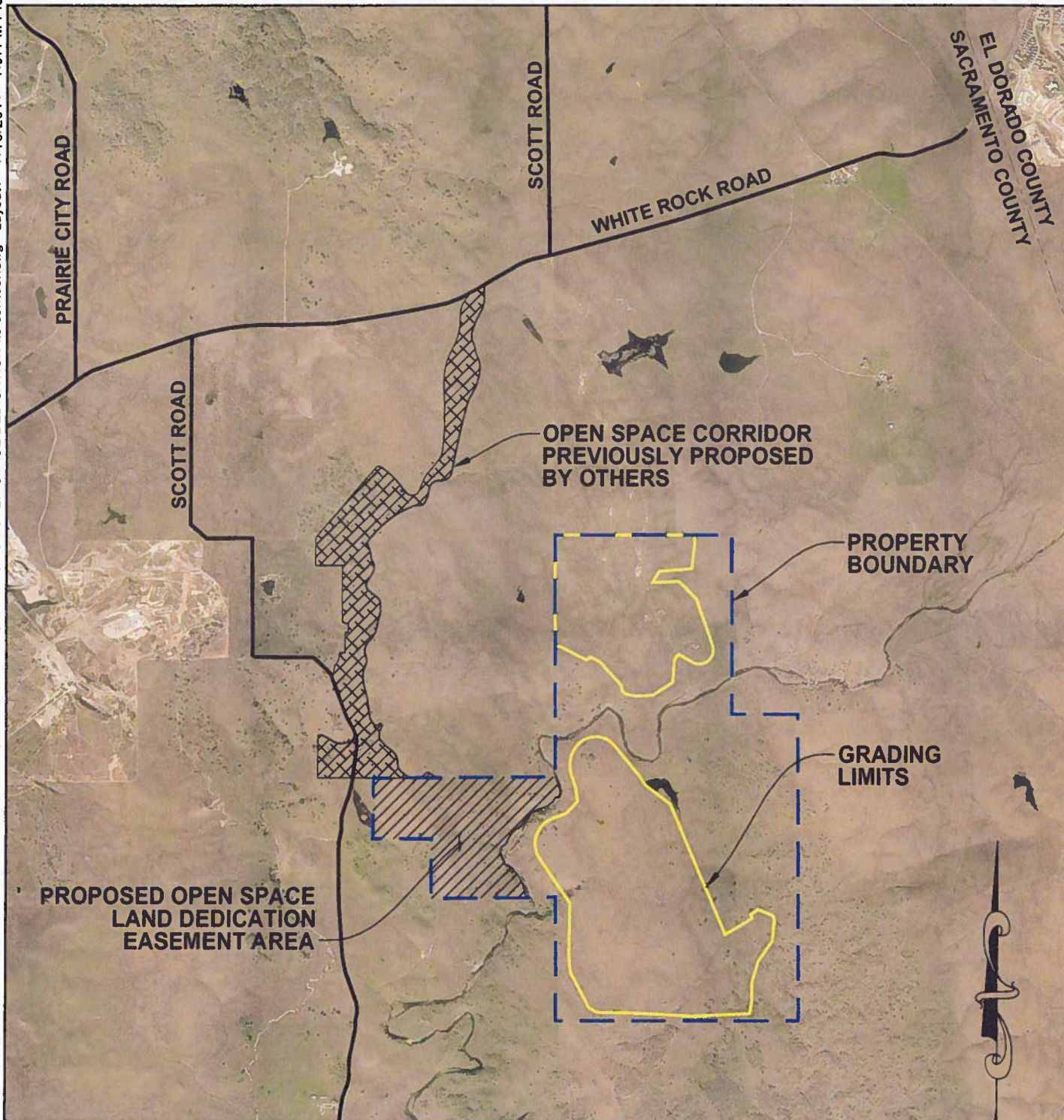
CECWEST.COM

**STONERIDGE QUARRY PROJECT  
COUNTY OF SACRAMENTO, CA  
AREA WHERE TRAIL  
CORRIDOR MAY BE LOCATED**

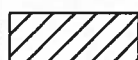
DESIGN: SG DRAWN: LE CHECK: SG DATE: 09/12/11



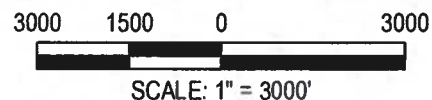




**LEGEND:**

 **STONERIDGE QUARRY OPEN SPACE LAND DEDICATION/EASEMENT AREA ( $\pm$  123 ACRES).**  
**LOCATION OF REMAINING ACREAGE ( $\pm$  500 ACRES) TO BE DETERMINED IN ACCORDANCE WITH PERMIT CONDITIONS.**

**EXHIBIT D-1**



CECWEST.COM

Project Planning • Civil Engineering • Landscape Architecture  
■ Sacramento Office 2120 22nd Street, Suite Three Sacramento, CA 95818 (916) 455-2025  
■ Corporate Office 2940 Spittard Street, Suite 200 Davis, CA 95618 (530) 758-2025

**STONERIDGE QUARRY PROJECT  
COUNTY OF SACRAMENTO, CA  
OPEN SPACE LAND DEDICATION/  
EASEMENT AREA**

DESIGN: SG DRAWN: LE CHECK: SG DATE: 07/18/11





# EXHIBIT E-1

## STONERIDGE QUARRY Cents Per Ton Open Space Funding

Annual Sales (in tons)	Progressive \$/Ton Rate (0 - 25 Years)				
	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25
Up to 2 million	0.035	0.040	0.055	0.080	0.115
2 to 3 million	0.045	0.050	0.070	0.105	0.150
3 to 4 million	0.065	0.080	0.100	0.170	0.250
4 to 5 million	0.100	0.120	0.150	0.260	0.350
5 to 6 million	0.160	0.200	0.230	0.355	0.420

Annual Sales (in tons)	Progressive Percent of Sales Price /Ton Rate (26 - 50 Years) \$0.25/Ton Minimum*				
	Years 26-30	Years 31-35	Years 36-40	Years 41-45	Years 46-50
Up to 2 million	0.75%	0.75%	0.75%	0.75%	0.75%
2 to 3 million	1.00%	1.00%	1.00%	1.00%	1.00%
3 to 4 million	1.00%	1.00%	1.00%	1.00%	1.00%
4 to 5 million	1.00%	1.00%	1.00%	1.00%	1.00%
5 to 6 million	1.00%	1.00%	1.00%	1.00%	1.00%

Annual Sales (in tons)	Progressive Percent of Sales Price /Ton Rate (51 - 75 Years) \$0.30/Ton Minimum*				
	Years 51-55	Years 56-60	Years 61-65	Years 66-70	Years 71-75
Up to 2 million	0.75%	0.75%	0.75%	0.75%	0.75%
2 to 3 million	1.00%	1.00%	1.00%	1.00%	1.00%
3 to 4 million	1.00%	1.00%	1.00%	1.00%	1.00%
4 to 5 million	1.00%	1.00%	1.00%	1.00%	1.00%
5 to 6 million	1.00%	1.00%	1.00%	1.00%	1.00%

Annual Sales (in tons)	Progressive Percent of Sales Price /Ton Rate (76 - 100 Years) \$0.35/Ton Minimum*				
	Years 76-80	Years 81-85	Years 86-90	Years 91-95	Years 96-100
Up to 2 million	0.75%	0.75%	0.75%	0.75%	0.75%
2 to 3 million	1.00%	1.00%	1.00%	1.00%	1.00%
3 to 4 million	1.00%	1.00%	1.00%	1.00%	1.00%
4 to 5 million	1.00%	1.00%	1.00%	1.00%	1.00%
5 to 6 million	1.00%	1.00%	1.00%	1.00%	1.00%

\*minimums apply to tonnage over 3 million and if minimum is > % of sales price

## EXHIBIT E-2

### STONERIDGE QUARRY Cents Per Ton Open Space Funding

#### EXAMPLE CALCULATIONS (assume 2% annual price growth)

##### Example #1

4,500,000 tons sold in Year 22

2,000,000 tons at \$0.115/ton =	\$230,000
1,000,000 tons at \$0.150/ton =	\$150,000
1,000,000 tons at \$0.250/ton =	\$250,000
500,000 tons at \$0.350/ton =	<u>\$175,000</u>
Annual Fee =	\$805,000

##### Example #2

4,500,000 tons sold in Year 47

2,000,000 tons at (0.75% x \$24.76)/ton =	\$371,400
1,000,000 tons at (1% x \$24.76)/ton =	\$247,600
1,000,000 tons at \$0.250/ton* =	\$250,000
500,000 tons at \$0.250/ton* =	<u>\$125,000</u>
Annual Fee =	\$994,000

*\*Sales price projected to be \$24.76. Minimum applies since \$0.25 > 1% of \$24.76 and > 3MMT*

##### Example #3

4,500,000 tons sold in Year 72

2,000,000 tons at (0.75% x \$39.87)/ton =	\$598,050
1,000,000 tons at (1% x \$39.87)/ton =	\$398,700
1,000,000 tons at (1% x \$39.87)/ton =	\$398,700
500,000 tons at (1% x \$39.87)/ton =	<u>\$199,350</u>
Annual Fee =	\$1,594,800

*\*Sales price projected to be \$39.87. Percent of sales price applies since 1% of \$39.87 > \$0.30 minimum*

##### Example #4

4,500,000 tons sold in Year 97

2,000,000 tons at (0.75% x \$64.22)/ton =	\$963,300
1,000,000 tons at (1% x \$64.22)/ton =	\$642,200
1,000,000 tons at (1% x \$64.22)/ton =	\$642,200
500,000 tons at (1% x \$64.22)/ton =	<u>\$321,100</u>
Annual Fee =	\$2,568,800

*\*Sales price projected to be \$64.22. Percent of sales price applies since 1% of \$64.22 > \$0.35 minimum*

25 year average CPI = 2.8%

50 year average CPI = 4.1%

### EXHIBIT E-3

#### STONERIDGE QUARRY Cents Per Ton Open Space Funding

#### EXAMPLE CALCULATIONS (assume 3% annual price growth)

##### Example #1

4,500,000 tons sold in Year 22

2,000,000 tons at \$0.115/ton =	\$230,000
1,000,000 tons at \$0.150/ton =	\$150,000
1,000,000 tons at \$0.250/ton =	\$250,000
500,000 tons at \$0.350/ton =	<u>\$175,000</u>
Annual Fee =	\$805,000

##### Example #2

4,500,000 tons sold in Year 47

2,000,000 tons at (0.75% x \$37.82)/ton =	\$567,300
1,000,000 tons at (1% x \$37.82)/ton =	\$378,200
1,000,000 tons at (1% x \$37.82)/ton =	\$378,200
500,000 tons at (1% x \$37.82)/ton =	<u>\$189,100</u>
Annual Fee =	\$1,512,800

*\*Sales price projected to be \$37.82. Percent of sales price applies since 1% of \$37.82 > \$0.25 minimum*

##### Example #3

4,500,000 tons sold in Year 72

2,000,000 tons at (0.75% x \$76.02)/ton =	\$1,140,300
1,000,000 tons at (1% x \$76.02)/ton =	\$760,200
1,000,000 tons at (1% x \$76.02)/ton =	\$760,200
500,000 tons at (1% x \$76.02)/ton =	<u>\$380,100</u>
Annual Fee =	\$3,040,800

*\*Sales price projected to be \$76.02. Percent of sales price applies since 1% of \$76.02 > \$0.30 minimum*

##### Example #4

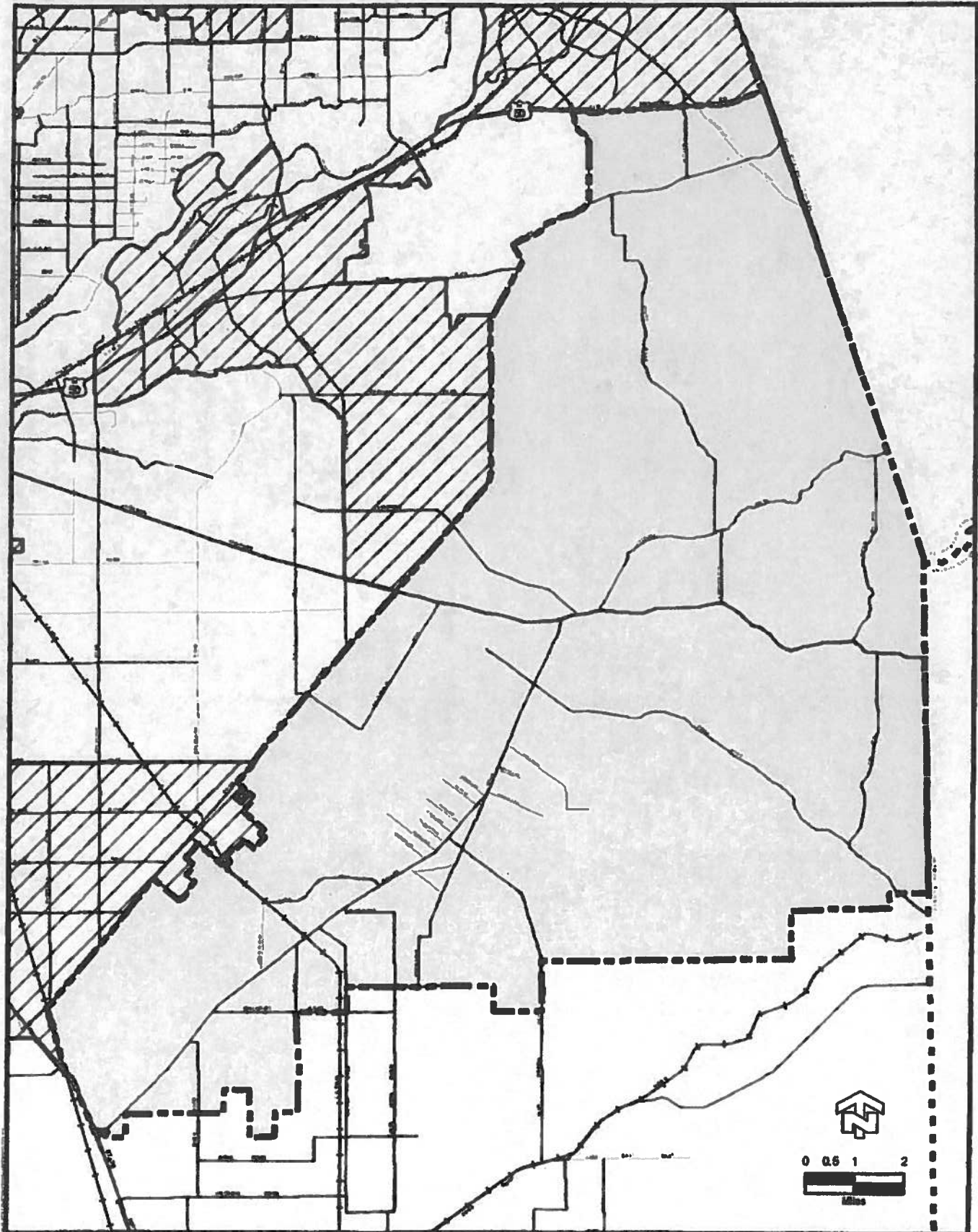
4,500,000 tons sold in Year 97

2,000,000 tons at (0.75% x \$152.99)/ton =	\$2,294,850
1,000,000 tons at (1% x \$152.99)/ton =	\$1,529,900
1,000,000 tons at (1% x \$152.99)/ton =	\$1,529,900
500,000 tons at (1% x \$152.99)/ton =	<u>\$764,950</u>
Annual Fee =	\$6,119,600

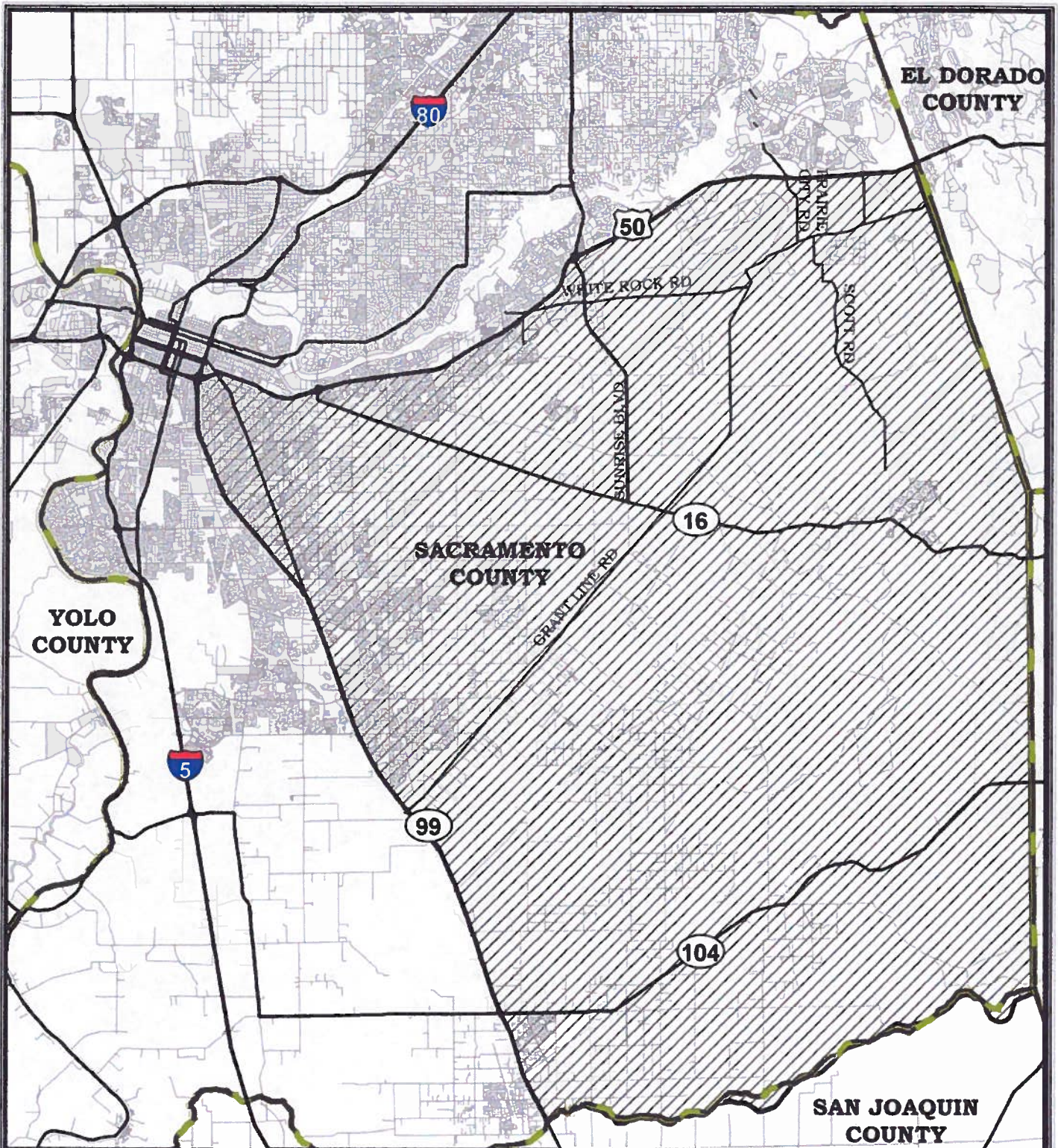
*\*Sales price projected to be \$152.99. Percent of sales price applies since 1% of \$152.99 > \$0.35 minimum*

25 year average CPI = 2.8%

50 year average CPI = 4.1%







0 4 8 Miles

**Exhibit G**  
**STONERIDGE QUARRY**  
**Area of Construction**  
**Material Market Equalizer**