

**REIMBURSEMENT AGREEMENT FOR THE ENGINEERING OF THE TRAFFIC
SIGNALS AND ACQUISITION OF RELATED APPURTENANCES AT THE
INTERSECTION OF MISSOURI FLAT ROAD AND GOLDEN CENTER DRIVE
BETWEEN THE COUNTY AND THE DEVELOPER**

THIS REIMBURSEMENT AGREEMENT, (hereinafter referred to as "Agreement"), made and entered into by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California, (hereinafter referred to as "County"), and **GRANITE GRADO VENTURES – PROJECT I, LLC** a Limited Liability Corporation duly qualified to conduct business in the State of California, whose principal place of business is 8950 Cal Center Drive, Suite 201, Sacramento, California 95826; (hereinafter referred to as "Developer"), concerning the Planned Development/Tentative Parcel Map PD03-0006/PD03-0013;

RECITALS

WHEREAS, the Conditions of Approval/Mitigation Measures for PD03-0006/P03-0013 required Developer to provide County Department of Transportation with bid-ready package, and provide mast arms, and signal poles and cabinets for the traffic signal which meets Department of Transportation specifications within the time set forth therein, for construction of a traffic signal at the intersection of Missouri Flat Road and Golden Center Drive ("Signalization Project"), and to construct a six-foot wide concrete sidewalk along Missouri Flat Road and Golden Center Drive ("Sidewalk Improvements");

WHEREAS, Developer prepared the bid-ready package inclusive of the improvement plans and specifications entitled "PROJECT PLANS FOR THE CONSTRUCTION OF MISSOURI FLAT ROAD/GOLDEN CENTER DRIVE TRAFFIC SIGNALIZATION" stamped by Kenneth D. Anderson, P.E. of KD Anderson and Associates, on April 13, 2006, and subsequently approved by the County Engineer, and furnished the mast arms, and signal poles and cabinets as required;

WHEREAS, the County subsequently constructed the Signalization Project at the intersection of Golden Center Drive and Missouri Flat Road which was accepted as complete by the Board of Supervisors on June 5, 2007;

WHEREAS, County has adopted "County of El Dorado Department of Transportation Guidelines for Road Impact Fee/Traffic Impact Mitigation Fee Reimbursement Projects" (hereinafter referred to as "Guidelines") that identify requirements for pre-construction procedures, bid/proposal procedures, project award, construction, reimbursement and cost reimbursement policies, a copy of which is on file and available at the El Dorado County Department of Transportation's main office located at 2850 Fairlane Court, Placerville, California 95667, and is incorporated herein and made a part hereof as though fully set forth;

WHEREAS, certain costs associated with the purchase of the mast arms, and signal poles and cabinets, as well as certain design engineering costs for the Signalization Project may be eligible for reimbursement under the Guidelines, but the Sidewalk Improvements are not eligible for reimbursement;

NOW, THEREFORE, it is the intent of the parties hereto that the performance of this Agreement shall be in conformity with all applicable state and local laws, rules and regulations and the parties hereto in consideration of the recitals, terms, and conditions herein, do hereby agree as follows:

ARTICLE I: REIMBURSEMENT

- A. County agrees to reimburse Developer pursuant to Guidelines for allowable costs incurred for the design engineering for the improvement plans and specifications for the Signalization Project, inclusive of plan check costs, and for the list price only of the mast arms, and signal poles and cabinets, excluding any premium paid to ensure timely delivery (hereinafter collectively referred to the "Eligible Reimbursement Cost").
- B. Eligible Reimbursement Cost shall be reimbursed only from the Local Road Component of Fee Zones Numbers 1 through 7 of the 2004 General Plan Traffic Impact Mitigation Fee Program fund (hereinafter "TIM Fund"). Cash payments shall be made on a four-year basis without interest, except as provided in section C of this Article. Annual payments shall be 25% of the Eligible Reimbursement Cost. The annual payment date shall be established by the date of completion and acceptance by the Board of Supervisors of County of the Signalization Project of June 5, 2007 and each subsequent payment scheduled to be made on the anniversary of that acceptance. The initial payment shall include three annual payments for June 5, 2007, June 5, 2008, and June 5, 2009, and shall be made within 30 days of the Effective Date of this Agreement conditioned upon Developer providing the following:
- 1) completion of the acquisition process as described in Guidelines;
 - 2) execution of the Assignment and Assumption of Plans and Specifications and consent of assignment from design engineer as required in Article II of this Agreement; and
 - 3) submittal of Record Drawings as required in Article XIII of this Agreement

The ability of County to fully reimburse Eligible Reimbursement Cost is dependent upon the amount of uncommitted funds in the TIM Fund.

- C. The initial payment as described above shall not include interest. If there are insufficient funds in the TIM Fund to make subsequent payments, any unpaid residual shall bear interest at the Treasurer's pooled rate of funds, computed

annually from the due date of the regularly scheduled payment to a maximum of ten (10) years from the due date for each annual payment. In the event that there are insufficient funds to provide the scheduled reimbursement in any year after 2009, Developer may elect to utilize the amount of the insufficiency as credits against TIM Fund fees. Developer shall make election to utilize insufficiency for credits within 60 days of being notified by County that the annual payment will be reduced to an amount less than the amount scheduled. The credits shall be applied by County at time of Developer's application for building permit(s) against the mitigation fees in existence at the time of building permit application. Any insufficiency not applied to use as credits shall continue to earn interest until paid as provided for in this Agreement. Nothing contained in this Agreement shall preclude the County, in County's sole discretion, from including this same credit provision related to insufficient payment amounts in subsequent agreements entered into with third parties for reimbursement for developer advanced projects within the TIM Fund area on an equal pro-rata basis.

- D. Developer acknowledges and agrees that the sole source of funds that Developer shall look to for the repayment of the Eligible Reimbursement Costs shall be the unobligated TIM Fund, and that the County shall not be required to fund the Eligible Reimbursement Cost from any other funds or revenues, including but not limited to, the County General Fund. In the event that the cash reimbursements generated by the TIM Fund are insufficient to fully fund the Eligible Reimbursement Cost, such insufficiency alone shall not be deemed an event of default by the County hereunder and shall not entitle Developer to accelerate any payment or payments under this Agreement. Notwithstanding any other provision to the contrary, in no event shall Developer be entitled to accelerate any payment or payments under this Agreement, whether for insufficient funds or otherwise.
- E. Nothing contained herein shall affect the County's ability to modify the Traffic Impact Mitigation Fee program as required by law, or as required in conjunction with other land use decisions such as modification of the General Plan. The foregoing shall not be construed as obligating the County to, or precluding the County in its sole discretion from, increasing, decreasing, or adjusting the amounts of its fee programs.

ARTICLE II: ASSIGNMENT AND ASSUMPTION OF PLANS AND SPECIFICATIONS

Contemporaneously with this Agreement, Developer will execute an Assignment and Assumption assigning to County all of Developer's right, title, and interest in the improvement plans and specifications signed and stamped on April 13, 2006 by Kenneth D. Anderson, a licensed registered professional engineer employed by KD Anderson and Associates, Inc, entitled "*PROJECT PLANS FOR THE CONSTRUCTION OF MISSOURI FLAT ROAD/GOLDEN CENTER DRIVE TRAFFIC SIGNALIZATION*", and Developer will obtain KD Anderson and Associates, Inc's consent of this assignment. Nothing by way of this Agreement or the assignment will obligate County to provide payment or compensation to KD Anderson and Associates, Inc.

ARTICLE III: INDEMNIFICATION

For the design and construction of sidewalk frontage improvements on Missouri Flat Road and Golden Center Drive, and for the design only of the Signalization Project, to the fullest extent allowed by law, Developer shall defend, indemnify and hold County harmless against and from any and all claims, suits, losses, damages, and liability for damages of every name, kind, and description, including attorneys' fees and costs incurred, brought for, or on account of, injuries to or death of any person including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with Developer or Developer's contractors, subcontractors, consultants, agents, or representative's , work, or performance of this Agreement, regardless of the existence or degree of fault or negligence on the part of the County, Developer, any Contractor(s), Subcontractor(s), and employee(s) of any of these, except for the sole or active negligence of County, its officers and employees, or as expressly provided by statute. This duty of Developer to indemnify and hold County harmless includes the duties to defend set forth in California Civil Code Section 2778.

ARTICLE IV: VENUE

This Agreement has been executed in California, and shall be governed by and construed in accordance with the laws of the State of California.

ARTICLE V: WAIVER

Waiver by one party of the performance of any covenant, condition, or promise shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of such matters in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be expressed and in writing and shall be delivered to the other party.

ARTICLE VI: CONSTRUCTION

This Agreement shall be construed as a whole, the captions being for the convenience of the parties only and not intended to describe or define the provisions in the portions of the Agreement to which they pertain. Each party hereto acknowledges and agrees that each has had independent counsel and review and participated in the drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation to the effect that any ambiguities are to be resolved against the drafting party.

ARTICLE VII: CHANGES TO AGREEMENT

This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

ARTICLE VIII: NOTICE TO PARTIES

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be in duplicate and addressed as follows:

To County:

With a Copy to:

County Of El Dorado
Department Of Transportation
2850 Fairlane Court
Placerville, CA 95667

County Of El Dorado
Department Of Transportation
2850 Fairlane Court
Placerville, CA 95667

Attn.: Ruth Young
Chief Fiscal Officer

Attn.: Tim Prudhel,
Contract Services Officer

or to such other location as County directs.

Notices to Granite Grado Ventures – Project I, LLC shall be addressed as follows:

Granite Grado Ventures – Project I, LLC
8950 Cal Center Drive, Suite 201
Sacramento, CA 95826
Attn: Scott D. Wolcott

or to such other location as directed.

ARTICLE IX: CONTRACT ADMINISTRATOR

The County officer or employee with responsibility for administering this Agreement is Ruth Young, Chief Fiscal Officer - Department of Transportation, or successor.

ARTICLE X: ASSIGNMENT

Neither this Agreement, nor any part thereof, or any monies due or to become due hereunder, may be assigned by Developers without the approval of County.

ARTICLE XI: AUTHORIZED SIGNATURES

The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

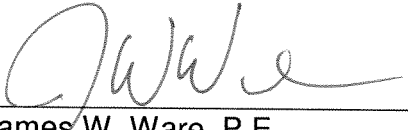
ARTICLE XII: SEVERABILITY

If any term of this Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

ARTICLE XIII: RECORD DRAWINGS

Developer shall have an engineer prepare Record Drawings describing the finished work. The Record Drawings shall be submitted to County Department of Transportation at the completion of the work but in no event later than execution of this Agreement.

Requesting Department Concurrence:

By: 
James W. Ware, P.E.
Director of Transportation

Dated: 3/25/10

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

COUNTY OF EL DORADO

By: _____ Dated: _____

Board of Supervisors

Attest:


Suzanne Allen de Sanchez
Clerk of the Board of Supervisors

By: _____ Dated: _____

Deputy Clerk

GRANITE GRADO VENTURES – PROJECT I, LLC
A California Limited Liability Company

By: Granite Land Company,
its Managing Member

By:  Dated: 3.23.10
Scott D. Wolcott
President

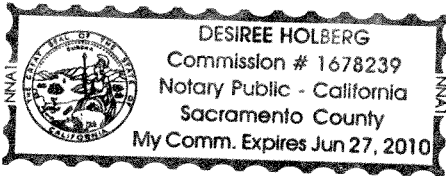
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

On 03/23/10 before me, Desiree Holberg, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Scott D. Walcott
Name(s) of Signer(s)



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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

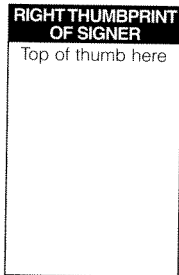
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

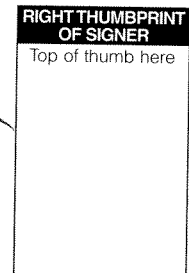
Signer Is Representing: _____



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



DEVELOPER

ACKNOWLEDGMENT

State of California

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)