EXHIBIT G

Form of Sales Participation Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Solano County
675 Texas St., Ste 6600
Fairfield CA 94533
Attention: County Counsel

Record for the Benefit of
Solano County
Pursuant to Government Code
Section 27383

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SALES PARTICIPATION AGREEMENT

for the

Middle Green Valley Specific Plan

By and Among

COUNTY OF SOLANO

and

PARTICIPATING LANDOWNERS

Dated as of _____

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SALES PARTICIPATION AGREEMENT

THIS SALES PARTICIPATION AGREEMENT (this "Agreement"), dated for reference purposes as of _____, is entered into by and among the County of Solano, a political subdivision of the State of California (the "County"), and each of the parties identified on Exhibit A attached hereto (the "Participating Owners"). (The County and the Participating Owners are sometimes referred to collectively as the "Parties.")

Recitals

A. Concurrently herewith, the County adopted a Master Development Agreement for Middle Green Valley by and among the County and certain landowners, including the Participating Owners pursuant to Ordinance 2014-____ dated _____ ("MDA") and Middle Green Valley Specific Plan by Ordinance 2014-____ dated _____ (the "Specific Plan") for the Middle Green Valley region of Solano County, California ("Middle Green Valley"), pursuant to which, among other things, the County implemented the voluntary transfer of development rights (the "TDR Program") from certain properties within Middle Green Valley to certain other properties, in order to provide for the development of the most appropriate areas of Middle Green Valley and the preservation of the rural character and agricultural viability of other areas of Middle Green Valley.

B. The Participating Owners own certain parcels of real property in Middle Green Valley, and pursuant to Section 3.23 of the MDA, have voluntarily elected to participate in the TDR Program. The portions of the Participating Owners' real property that are subject to this Agreement (referred to as the "Participating Properties") are described in Exhibit B attached hereto.

C. Under the County's General Plan, up to four hundred (400) new additional residential units ("Units") were authorized for the Middle Green Valley as part of a Specific Plan that met the policies of the General Plan and implemented a TDR Program to allow for clustering and the preservation of agricultural land, natural resources and viewsheds. For the purpose of the formulation of the Specific Plan, consistent with the General Plan policies for Middle Green Valley, for Unit allocation, each acre within the Specific Plan area was deemed of equal importance since all land types were considered necessary to achieve the policies of the General Plan. A pro rata share of the Units was allocated to the property owners within the Specific Plan strictly by its percentage ownership by acre of the total Specific Plan area. During the Specific Plan Citizens Advisory Committee process, the County analyzed the General Plan policies for Middle Green Valley, including but not limited to protection and enhancement of agricultural opportunities, viewshed protection, and natural resource protection. Certain properties within Middle Green Valley were identified as more appropriate for intense development than others. Therefore, for some properties, the number of Units that would have been allocated by ownership could not have been constructed on such property consistent with the policies of the General Plan. This Agreement is intended to provide a mechanism to provide compensation for the Units that cannot be built on certain Participating Owner's property to allow the Units to be built on other Participating Owners' property that is more appropriate for development.

D. As set forth on Table 4.1 (Section 4.2.3) of the Specific Plan, each Participating Property was assigned a number of Units based on the acreage of the Participating Property and then adjusted upward or downward to reflect the reallocation of Units under the TDR Program. The number of Units allocated to the Participating Owners in Table 4.1 of the Specific Plan is set forth on Exhibit A attached hereto.

E. Each Participating Owner (a "Sending Owner") owning a property identified on Exhibit B as a "Sending Property" agreed in Section 3.23 of the MDA to allow the reallocation of the Units identified on Exhibit C attached hereto to those Participating Owners (the "Receiving Owners") owning the properties identified on Exhibit B as the "Receiving Properties," in exchange for the receipt of payment from Receiving Owners on the terms and conditions described in this Agreement, including the requirement to record conservation easements on portions of the Sending Properties required under the Specific Plan. A total of forty (40) Units were reallocated in the TDR Program between separate landowners and are subject to the portions of this Agreement requiring payment of a Purchase Price, as defined in this Agreement. The result of the Specific Plan, as implemented through the TDR Program, is to (1) to increase the maximum allowable density for primary residential units on the Receiving Properties under the Specific Plan, and (2) to reduce the maximum allowable density for primary residential units on the Sending Properties. This Agreement is intended to provide a mechanism whereby the Sending Owners receive compensation for the approximate value of the reallocation of the Units to the Receiving Properties under the TDR Program in exchange for recording conservation easements on the portions of the Sending Properties designated as preserved open space in the Specific Plan.

F. The parties now wish to agree as to the mechanism, rights and obligations relating the TDR Program. This Agreement shall become effective as of the date a fully-executed and acknowledged version is recorded in the Official Records of Solano County, California (the "Effective Date").

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

ARTICLE 1: REALLOCATION OF UNITS

1. Reallocation of Units in Specific Plan. Each Sending Owner acknowledges that the number of Units specified in Exhibit C were reallocated to each Receiving Property in Section 4.2.3 of the Specific Plan as set forth on Exhibit C (each a "TDR Unit" or collectively, the "TDR Units"). It is acknowledged that the allocation of Units among the Receiving Owners as set forth in Exhibit C is solely for purposes of confirming that each Receiving Owner has received the correct number of Units in the Specific Plan. It is further acknowledged that the allocation of a particular Sending Owner's Units to a particular Receiving Owner has no affect on or relevance to the Parties' rights and obligations under this Agreement, including without limitation each Sending Owner's right to receive Purchase Price from each Sale, as those terms are defined below.

1.1 Effect of Reallocation . The parties agree that: (1) Table 4-1 of the Specific Plan reflects the reallocation set forth in Section 1.1 of this Agreement and the maximum number of Units that may be developed on each Participating Owners' property, and (2) Sections 4.2.3 and 3.5.3 of the Specific Plan designates the portions of each Sending Property that shall be subject to conservation easement.

1.2 Property Taxes. The Parties intend that this Agreement shall not cause or result in the reassessment of any Participating Owners' property for property tax purposes (except as would otherwise be required by a change in ownership, sale or other transfer pursuant to applicable law) ("Reassessment"), nor assessment of any separate ad valorem taxes on the TDR Units ("Ad Valorem Taxes"). In the event that the County Tax Assessor finds that this Agreement causes or results in Reassessment or Ad Valorem Taxes, the affected Participating Owners and the County shall meet and confer in good faith and determine what modifications to this Agreement are necessary to avoid Reassessment or Ad Valorem Taxes while meeting the basic intent of the Specific Plan, the TDR Program and this Agreement. If the County and the affected Participating Owners determine that there are no modifications that achieve this result, the Parties may terminate this Agreement. If the parties determine that there are no modifications that avoid the Ad Valorem Taxes, the amount of such taxes may be reduced from the Purchase Price, as defined below.

1.3 Nightingale Neighborhood Further Reallocation. Section 3.5.5(C) of the Specific Plan specifies the maximum number of new residential units within the Nightingale Neighborhood (as that term is defined in the Specific Plan). The Nightingale Neighborhood has two landowners: B&L Properties and Maher, both of whom are parties to this Agreement as Receiving Owners. The County, B&L Properties and Maher understand and agree that, subject to the maximum number of units for this neighborhood under the Specific Plan, B&L Properties and Maher may (but are not required to), by mutual consent, reallocate units from one ownership to the other within this neighborhood, provided the allocation is consistent with the Specific Plan. Any such reallocation of units within the Nightingale Neighborhood shall be documented in a written memorandum signed by B&L Properties and Maher, identifying the number of units reallocated, and providing for assignment of the obligation to make the payments required by this Agreement to the Sending Owners for those units reallocated within the Nightingale Neighborhood. Upon execution, a copy of any such memorandum shall be provided to (1) the County to allow the County to track such reallocations and (2) all Participating Owners.

ARTICLE 2: PURCHASE PRICE

2. Purchase Price.

2.1 Agreement to Pay Purchase Price. Except as provided in Sections 2.4 below, upon the sale of all, or any portion of, a Receiving Property to a bona fide third party purchaser ("Bona Fide Purchaser") for Market Value (a "Sale"), each Receiving Owner agrees to pay to the Sending Owners the Purchase Price (defined below) for the TDR Units on or before the date described in Section 2.3 below. For the purposes of this Agreement, a Sale shall occur only upon the final close of escrow when title to the property is recorded in the name of the Bona Fide Purchaser. Concurrently with the close of escrow for a Sale in which the applicable Purchase Price is paid into escrow, the Escrow Agent shall record in the Official Records a

Notice of Payment in the form attached hereto as Exhibit E, and shall also deliver a copy of such Notice of Payment to the County to allow the County to track such payments. The Notice of Payment shall be recorded as to the portion of the Receiving Owner's portion of the Receiving Properties for which the payment was made and the Sending Properties (if such notice is allowed to be recorded by the County Recorder).

2.2 Calculation of Purchase Price.

2.2.1 Each Sending Property's Purchase Price. Each Sending Owner shall be paid its pro rata percentage of the Purchase Price as calculated herein. The pro rata share of the Purchase Price paid to each Sending Owner shall be based on such Sending Owner's percentage of the total TDR Units being transferred pursuant to Article 1 above. (For example, if a Sending Owner is reallocating six (6) Units, the Sending Owner's pro rata share the Purchase Price shall be 6/40 or 15.00%.) The Purchase Price under this Section 2.2 shall only be calculated based on the number of TDR Units allocated to such portion pro rata by acreage, and this Agreement shall continue to run with the remainder of the Receiving Property. (For example, if one-half (1/2) of a Receiving Property is sold, then for the purposes of calculating the Purchase Price under this Agreement, one-half (1/2) of the reallocated Units assigned to the whole Receiving Property pursuant to Article 1 shall be assigned to that portion.) In the event the division results in less than a whole Unit, the Unit is equal to or greater than 0.5 shall be calculated as a whole Unit and the remainder assigned to the remaining portion of the Receiving Property. (In the example above, if the total number of TDR Units assigned to the Receiving Property is 25, and one-half (1/2) of the Receiving Property is being sold, then the number of TDR Units that would calculated for the purpose of the Purchase Price would be thirteen (13) (12.5 rounded up), and the other twelve (12) TDR Units would remain with unsold portion of the Receiving Property.) It is acknowledged that, due to rounding, a portion of the Purchase Price payable to the Sending Owners may be unaccounted for, and in such a situation, any unaccounted for portion of the Purchase Price payable to the Sending Owners shall be allocated to the Appraiser's fees payable pursuant to Section 2.2.5(c), and if any such portion remains unaccounted for after payment of the Appraiser's fees, such remaining portion shall be allocated to the Escrow Agent's fees payable upon a Sale.

Notwithstanding the foregoing, the number of TDR Units to be allocated in a Sale to an unsubdivided portion of the Receiving Property may be specified in a written agreement between buyer and seller if all of the following conditions are met:

(i) the written agreement for the purchase and sale of unsubdivided land specifies the number of residential TDR Units to be included in the sale;

(ii) the allocation of residential lots to the real property to be transferred is consistent with the Specific Plan;

(iii) at least 30 days prior to close of escrow, a request is submitted to the County Counsel for the assignment of the MDA to the purchaser as to the real property to be sold, and the application states the number of residential lots to be transferred in connection with the Sale, the number of TDR Units to be allocated in the Sale, the acreage of the real property that is the subject of the Sale, identifying the parties to the Sale, confirming that sufficient portions of the

Receiving Property remains to allocate the remaining TDR Units, and providing such additional information concerning the Sale as the County may request; and

(iv) prior to close of escrow the County approves in writing the parties' allocation of TDR Units and shall provide a copy of such approval to the Escrow Agent.

2.2.2 "Purchase Price" for the purposes of this Agreement shall mean:

(a) An amount determined by the Appraiser (as defined below) in an Appraisal (as defined below) to be the Market Value (as defined below) of a single TDR Unit as of the date of the relevant Sale ("Market Value of a TDR Unit"), adjusted by CPI (as defined below) if the Sale occurs after six (6) months from the date of the Appraisal;

(b) multiplied by the number of TDR Units assigned to the Receiving Property, or portion therefore, subject to the Sale;

(c) reduced by 11.59% of the total standard closing costs incurred by the seller in such Sale, which shall be limited to the seller's share of standard escrow and title fees, a broker's commission in an amount that is standard in Solano County, and other closing costs typically paid by sellers of real property in Solano County;

(d) reduced further by fifty percent (50%) of the Appraiser's fee for the Appraisal;

(e) For example only, if (a) the Market Value of a TDR Unit is $100,000.00 (b) the number of TDR Units assigned to the Receiving Property being sold is five (5), (c) the standard closing costs for the subject Sale are $250,000, and (d) the Appraiser's fee is $10,000, then the "Purchase Price" shall be $465,000, calculated as follows:

(a) Market Value of a TDR Unit = $100,000
(b) x 5 TDR Units = $500,000.
(c) – ($250,000 standard closing costs for the subject Sale x 11.59% = $28,975) = $471,025
(d) – ($10,000 Appraiser's fee x 50% = $5,000) = $466,025

For the purposes of this Agreement, "CPI" shall mean the total percent change, from the effective date of an applicable appraisal to the first working day prior to a close of escrow of the Sale for which that appraisal is applicable in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area, for all items, not seasonally adjusted, as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or its successor index. In the event that the U.S. Department of Labor, Bureau of Labor Statistics adopts a major revision or change to CPI measurements or calculations, County reserves the right to replace the use of CPI within this Agreement with another appropriate comparable index. For purposes of determining applicability and use of CPI, escrow for such a Sale will be deemed to have closed on the date that is the number of days in the Extension Period prior to the date that escrow for the Sale actually closes.

2.2.3 Market Value of a TDR Unit.

(a) The County and Participating Owners agree that they shall collectively retain Ronald Garland of Garland & Associates (the "Appraiser") to conduct the Appraisals described in this Agreement pursuant to the appraisal instructions set forth on Exhibit D ("Appraisal Instructions"). Except as stated in Section 2.2.4 below, the Participating Owners agree to accept the Appraiser's determination of Market Value of a TDR Unit for all purposes of this Agreement. For the purposes of this Agreement the term "Market Value" shall be defined as set forth on the Appraisal Instructions.

(b) The contract with the Appraiser shall provide that the Appraiser shall prepare an appraisal of the Market Value of a TDR Unit within ninety (90) days of a written request and according to the Appraisal Instructions ("Appraisal"). The Parties hereby agree that such Appraisal shall be valid for three hundred and sixty (360) days from the date of the Appraisal. As described in the Appraisal Instructions, such Appraisal shall appraise the value of a TDR Unit pursuant to this Agreement, based on the certified Environmental Impact Report, adopted Specific Plan, and the recordation of that certain Master Development Agreement for the Middle Green Valley Specific Plan Area in effect as of the date of the Appraisal (collectively, the "Existing Entitlements"); but such appraisal shall not reflect the underlying land value or any subsequent entitlements, development plans or improvements for the Receiving Properties, such as actual or proposed subdivision mapping, permitting, development plans, improvement plans, grading, horizontal or vertical improvements, etc. (collectively, "Subsequent Entitlements and Improvements").

2.2.4 Disagreements With Appraiser's Determination.

(a) Upon the preparation of each Appraisal, the contract with the Appraiser shall require that the Appraiser deliver a copy of its written Appraisal to all the Participating Owners and to the County. Upon receipt of an Appraisal, the County shall randomly select an Alternate Qualified Appraiser to prepare the Second Appraisal, if required under Section 2.2.4(b). Each Participating Owner shall have a period of fifteen (15) days after receipt thereof within which to object to the Appraiser's determination by delivering a written statement (the "Written Objection") to the Appraiser and the County describing in detail the reasons for the objection, stating such Participating Owner's opinion of the accurate determination of value, and providing the basis for such opinion. If a Participating Owner fails to deliver such Written Objection within such 15-day period, such Participating Owner shall be deemed for all purposes to have accepted and agreed to the Appraiser's determination.

(b) If a Participating Owner timely delivers the required Written Objection ("Objecting Owner") to the Appraiser and the County, the County and the Objecting Owner shall jointly retain a second qualified appraiser from the list of qualified appraisers described in Section 2.2.5 ("Second Appraiser") to prepare a full independent appraisal (the "Second Appraisal") to compare to the Appraisal prepared by the Appraiser. The Second Appraiser shall be provided a copy of the Appraisal with the request for the Second Appraisal. The Second Appraisal (1) shall be prepared according to the Appraisal Instructions, (2) shall determine the Market Value of a TDR Unit as of the date of the original Appraisal, (3)

shall not be based on any information that was not available to the Appraiser at the time the Appraisal was prepared (e.g., comparable sales that took place after the date of the Appraisal), (4) shall include an explanation of any difference from the Appraisal, (5) prepared within sixty (60) days from the date of request and (6) shall be delivered to all the Participating Owners and the County. If the value determined by such Second Appraisal is different from that determined by the First Appraisal by less than eleven percent (11%), the value determined by the first Appraisal shall be used for purposes of this Agreement, including but not limited the payment of the Purchase Price, and the Objecting Owner shall be solely responsible for the cost of the Second Appraisal. If the value determined by such Second Appraisal is different from the that determined by the First Appraisal by eleven percent (11%) or more, but less than twenty-one percent (21%), the Market Value of a TDR Unit for the purposes of this Agreement shall be the average of the value determined by the Appraisal and the Second Appraisal and the cost of the Second Appraisal shall be split between the Receiving Property that requested the original Appraisal and the Sending Owners, and the cost of the Second Appraisal shall be added to the cost of the Appraisal in the calculation of the Purchase Price in Section 2.2.2, above.

(c) If the value determined by the Second Appraisal is different from that determined by the First Appraisal by twenty-one percent (21%) or more, then the County, Receiving Property that requested the original Appraisal and Objecting Owner shall jointly retain one of the other Alternate Qualified Appraisers ("Third Appraiser"). Upon such selection, the County shall deliver to the Third Appraiser copies of the Second and First Appraisals, and the Third Appraiser shall have sixty (60) days to determine which of the first or second appraisal is more accurate and the appraisal determined to be more accurate shall be the Market Value of a TDR Unit for the Sale., using the same criteria and the same information as applicable to the first two appraisals ("Third Appraisal"). The Third Appraiser's determination will be in writing and will explain in detail the basis of his or her decision. The Third Appraiser's final determination of the Market Value of a TDR Unit shall be delivered to all the Participating Owners and the County. The cost of the Third Appraisal shall be split between the Receiving Property that requested the original Appraisal and the Sending Owners, and the cost of the Third Appraisal shall be added to the cost of the Appraisal in the calculation of the Purchase Price in Section 2.2.2, above. The decision of the Third Appraiser under this Section 2.2.4(c) shall be binding and conclusive as to all Parties for the purposes of this Agreement.

(d) A Receiving Owner may elect, in its sole discretion, to close escrow on a Sale pending resolution of a dispute under this Section 2.2.4; provided, however, the Escrow Agent shall retain one hundred and fifty percent (150%) of the Purchase Price based on the Appraisal in escrow until the dispute is resolved. Upon resolution of the dispute under the terms of this Section 2.2.4, the Escrow Agent shall distribute the Purchase Price as appropriate. Any excess shall be paid to the Receiving Owner. If there is any deficit, the Escrow Agent shall notify the Receiving Owner in writing, and such Receiving Owner shall deposit the required amount with the Escrow Agent within thirty (30) days of receipt of notice from the Escrow Agent. In the event a Receiving Owner elects to delay a close of escrow for a Sale pending the final outcome of the Second or Third Appraisal, for the purposes of that Sale, the validity of the Appraisal, as finally determined in the appeal process under this Agreement will be extended for a period ("Extension Period") equal to the number of days elapsed between the date of the applicable Written Objection and the 45th day following the final determination of the Market Value of a TDR Unit pursuant to this Section 2.2.4.

2.2.5 Agreement Regarding the Appraiser

(a) Alternate Qualified Appraisers. Within six (6) months of the Effective Date, the County shall prepare a list of at least three (3), but not more than five (5) at any one time, qualified alternative appraisers determined by the County to have the appropriate qualifications, in accordance with the standards set forth in the Appraisal Instructions, to perform the duties of the Appraiser required by this Agreement (each shall be an "Alternate Qualified Appraiser"). An Alternate Qualified Appraiser may act as a successor Appraiser under subsection (b), may act as the Second Appraiser under Section 2.2.4(b), and/or may act as the Third Appraiser under Section 2.2.4(c). The County shall periodically, and as necessary, update the list of Alternate Qualified Appraisers.

(b) Appraiser. If the Appraiser named above, or any successor Appraiser, is unable to conduct any Appraisal required by this Agreement, the Participating Owners shall agree as to the selection of a successor Appraiser as follows: The County shall notify each Participating Owner in writing of the Appraiser's inability to conduct the Appraisal, and shall include in such written notice the County's list of Qualified Alternative Appraisers. Within ten (10) days after receipt of such notice, each Participating Owner shall have the right to submit to the County its written vote of which appraiser on such list shall serve as the successor Appraiser. If a Participating Owner fails to deliver such written vote within such 10-day period, such Participating Owner shall not thereafter have the right to vote for a successor Appraiser. The Alternate Qualifying Appraiser obtaining the highest number of votes within such 10-day period shall thereafter be the Appraiser for purposes of this Agreement. If no Participating Owner submits a vote within such 10-day period or the number of votes are evenly divided, the County shall select one of the Alternate Qualifying Appraiser to be the successor Appraiser and the Participating Owners hereby agree to accept such selection.

(c) Contract with Appraiser. The contract entered into with the Appraiser shall be for a term of one (1) year, and shall automatically renew for successive one-year terms unless the County elects to terminate the contract at the end of the then-current term. If the County determines that the Appraiser is not performing its duties as provided herein or in such contract, the County shall have the right to terminate such contract by providing written notice to the Appraiser in the manner to be stated in such contract. Upon any such termination or non-renewal of such contract, a successor appraiser shall be selected in the manner stated in Section 2.2.5(a) above.

(d) Appraiser's Fee. The contract shall provide that the Appraiser's fee for the Appraisal required for each Sale shall be paid at the earlier of (i) thirty (30) days from the date of the Appraisal or (ii) at the close of escrow for the Sale as provided in Section 2.2.2 above. If the Appraisal fee is paid prior to the close of escrow, the Receiving Property ordering the Appraisal shall pay the Appraiser directly and shall receive reimbursement of fifty percent (50%) of the cost from the Sending Owners at the close of Escrow.

(e) Timing of First Appraisal. The contract shall provide that the first Appraisal shall be prepared at the earliest of the following to occur: (i) the first Sale under this Agreement, (ii) the recordation of the first Final Map on a Receiving Property, or (iii) January 1, 2018; unless by October 31, 2017, the Receiving Owners, jointly, elect to submit a

written request to the County, with a copy to the Appraiser, to defer such date to the following January 1st. By October 31st of each year thereafter, if an Appraisal has not otherwise been prepared under this Agreement, the Receiving Owners may jointly elect to defer such date to the following January 1st.

2.3 Timing of Payment of Purchase Price. Each Receiving Owner agrees to use Placer Title Company at the following address: 1300 Oliver Road, Suite 120, Fairfield, CA, Attn: Michael Fortney (the "Escrow Agent") to handle each Sale (or, if the buyer requires another escrow company to serve as escrow agent, the Receiving Owner shall use the Escrow Agent as a cooperating escrow to handle the disbursement of the Purchase Price pursuant to this Agreement and the recordation of the Conservation Easement pursuant to this Agreement), and shall deliver to the Escrow Agent escrow closing instructions with respect to each such Sale which include provisions substantially in the form attached hereto as Exhibit F. Such escrow closing instructions shall supplement any other instructions to be provided by the parties at the time of such Sale, and the parties agree not to provide the Escrow Agent with any instructions that contradict the attached instructions. The Purchase Price relating to each Sale shall be payable from escrow at such Sale; provided, however, the Escrow Agent shall not release the portion of the Purchase Price payable to each Sending Owner until (i) any dispute regarding the Appraisal, if any, pursuant to Section 2.2.4 has been resolved conclusively and (ii) such Sending Owner has delivered to the Escrow Agent the executed and acknowledged "Conservation Easement" (defined below) as provided in Article 3 below.

2.4 Exceptions to Sales. This Agreement shall not prohibit a Receiving Owner from effecting any type of transfer or other conveyance of the Receiving Property, or any portion thereof. The following transactions shall not be deemed a "Sale" for the purposes of this Agreement and the Receiving Owner shall not pay the Purchase Price in connection with such transfers; provided, however, any transferee pursuant to any such transfer shall be subject to and bound by the terms and conditions of this Agreement, and the covenants and obligations of the Receiving Party shall run with the land in such circumstances:

(a) a transfer or conveyance of all or any portion of a Receiving Property pursuant to a judicial or nonjudicial foreclosure, deed in lieu of foreclosure, or other similar conveyance upon the exercise of a remedy under a loan secured by the Receiving Property shall not be considered a "Sale" for the purposes of this Agreement;

(b) an option agreement, including any option payments or deposits, unless and until a Bone Fide Purchaser exercises its option and effects a Sale;

(c) a sale or other conveyance to a party who is not a Bona Fide Purchaser; and

(d) a sale of a residential or other building that exists as of the date of this Agreement (including any replacement of such existing building).

The Receiving Owner who is transferring its Receiving Property to a party who is not a Bona Fide Purchaser shall be responsible for providing written notice to the County and the Sending Owners prior to the closing of such sale that no Purchase Price is payable in connection with such transfer. If any Sending Owner disagrees that the transferee under such transfer is to a

Bona Fide Purchaser, such Sending Owner shall notify the Receiving Owner of such disagreement. If such Sending Owner and the Receiving Owner cannot resolve such disagreement within ten (10) days thereafter, such Sending Owner shall have the right to submit such matter to the dispute resolution procedure described in Section 5.3 below, and if the Receiving Owner does not agree to submit to such dispute resolution procedure, such Sending Owner may bring an action in any court of competent jurisdiction to resolve such disagreement. No such disagreement shall delay or otherwise affect the Receiving Owner's transfer of the Receiving Property to the transferee; provided, however, if such disagreement has not been resolved prior to the closing date of such transfer, Escrow Agent shall withhold an amount equal to one hundred and fifty (150%) of the total Purchase Price that would have been paid with respect to such transfer if the transferee had been a Bona Fide Purchaser based on the amount calculated using the most recent Appraisal, and Escrow Agent shall hold such amount until such disagreement has been finally resolved. If no Appraisal has been prepared under this Agreement at the closing date of the Sale the Escrow Agent shall withhold an amount equal to fifty thousand dollars ($50,000.00) per TDR Unit. At final resolution, the Escrow Agent shall either distribute such amount to Receiving Owner (if it is determined that such transferee was not a Bona Fide Purchaser), or to the Sending Owners as provided herein (if it is determined that such transferee was a Bona Fide Purchaser). If there is any deficit, the Escrow Agent shall notify the Receiving Owner in writing, and such Receiving Owner shall deposit the required amount with the Escrow Agent within thirty (30) days of receipt of notice from the Escrow Agent.

2.5 Miscellaneous Provisions Regarding Payment of Purchase Price.

2.5.1 Timing of Payment. The Escrow Agent shall notify the Sending Owner of the availability of any Purchase Price payment to be paid to such Sending Owner. Sending Owner shall thereafter notify the Escrow Agent regarding the timing of such payment. Nothing in this Agreement shall prevent such Sending Owner from instructing the Escrow Agent regarding the timing of such payment. The Sending Owner shall be responsible for any and all consequences, including the tax consequences, of the timing of such payments.

2.5.2 Payment of Purchase Price by Promissory Note. The Receiving Owners agree that in the event any Sale involves the payment of a portion of the purchase price by a promissory note by the purchaser to the Receiving Owner, (a) the cash portion of the purchase price must not be less than the Purchase Price payable to the Sending Owners pursuant to Section 2.1 above, and (b) the amount payable to the Sending Owners pursuant to Section 2.1 above shall be payable wholly out of the cash portion of the purchase price, and not out of any portion of the purchase price payable by such promissory note.

2.5.3 Replacement of Escrow Agent. If the Escrow Agent is unable to continue to serve as Escrow Agent under this Agreement for any reason, the County shall select a replacement Escrow Agent, which shall be a national title company with offices in Solano County, and such replacement Escrow Agent shall agree in writing to comply with the provisions of this Agreement. The County shall notify all Participating Owners in writing of such selection of the replacement Escrow Agent, and the Participating Owners hereby agree to accept the County's selection of the replacement Escrow Agent for all purposes hereunder.

2.5.4 Mason/Lawton Trust TDR Units. The Mason/Lawton Trust Units are assigned only to the Receiving Property owned by the Masons. If the Masons and Mason/Lawton Trust reach a private agreement with respect to the Mason/Lawton Trust TDR Units prior to a Sale of all or a portion of the Receiving Property owned by the Masons, then Article 2 of this Agreement shall not apply to the Mason/Lawton Trust TDR Units; if not, then Article 2 of this Agreement shall only apply to the TDR Units related to the Mason/Lawton Trust as provided in this Section 2.5.4. At a Sale, the Escrow Agent shall be directed to disburse one half (1/2) of the market value of the TDR Units for the Mason/Lawton Trust assigned to any Sale to John N. Lawton, Jr., or his successor or assignee, and the other one half shall be dispersed to the Masons. (For example, if the one quarter (1/4) of the Receiving Property owned by the Masons is subject to a Sale, such that 1/4 (or 30 (29.25 rounded up)) of the 117 Mason/Lawton Trust Units are assigned to the portion subject to the Sale, and the Market Unit Value was determined by the Appraisal to be $50,000, then 1/2 of $1,500,000 (30 x $50,000)(or $750,000) would be dispersed to John N. Lawton, Jr., or his successor or assignee. The remainder of this Agreement shall apply to such Units, including without limitation the obligation to record a Conservation Easement pursuant to Article 3.

ARTICLE 3: CONSERVATION EASEMENTS

3. Conservation Easement on Sending Properties.

3.1 Agreement to Grant Easement. Upon the first to occur of each of the events described below in this Section 3.1, each Sending Owner agrees to grant to the "Conservation Easement Holder" as defined in Appendix A of the Specific Plan an easement on such Sending Owner's property (a "Conservation Easement") meeting the requirements of Section 4.2.3 of the Specific Plan and in form and content acceptable to the County Counsel, pursuant to which the Sending Owner shall agree to restrict the development of its Sending Property as described more fully therein:

3.1.1 The Escrow Agent being ready and authorized to release the Purchase Price pursuant to Section 2.3 above upon a Sale and receipt of evidence of the recording of such Conservation Easement;

3.1.2 The recordation of a parcel map or final map, or certificate of compliance for a lot line adjustment, as to the relevant Sending Property (unless the sole purpose of such subdivision is to separate a building existing as of the Effective Date of this Agreement from the remainder of the Sending Property and such subdivision does not authorize the construction any new Units on such Sending Property); or

3.1.3 The issuance of a building permit for any new structure to be constructed on all or part of the relevant Sending Property, except that a Sending Owner shall not be required to grant a Conservation Easement over its Sending Property upon the issuance of a building permit, if such building permit does not require any further subdivision rights, such as the recordation of a parcel map or final map, or certificate of compliance for a lot line adjustment.

3.2 No Right to Delay Sales. The Sending Owners shall not have the right or ability to delay or otherwise affect a Receiving Owner's sale of its Receiving Property, whether by failing to grant the Conservation Easement to the Conservation Easement Holder as required hereby or otherwise. If a Sending Owner has not complied with its obligations under this Agreement that must be satisfied before such Sending Owner is entitled to receipt of its share of the Purchase Price, the Escrow Agent will hold such Sending Owner's share of the Purchase Price until such obligations have been satisfied.

ARTICLE 4: TERMINATION

4. Termination.

4.1 As to Each Receiving Owner. Except with respect to any provisions of this Agreement which expressly survive termination, this Agreement shall terminate as to any Receiving Property as to which a Notice of Payment has been recorded pursuant to Section 2.1. Following the recording of Notices of Payment as to all of such Receiving Owner's Receiving Property, the Receiving Owner seeking the termination of this Agreement as to its property shall send a written request to the County together with evidence that all payments required hereunder with respect to such Receiving Owner's property have been made, and if the County confirms that such final payment has been made, the County shall record a Partial Termination of Sales Participation Agreement in the Official Records, in the form attached hereto as Exhibit G, releasing such Receiving Property from the terms and conditions of this Agreement.

4.2 As to Each Sending Owner. Except with respect to any provisions of this Agreement which expressly survive termination, this Agreement shall terminate as to any Sending Property upon (a) the relevant Sending Owner's receipt of all portions of the Purchase Price payable with respect to such Sending Property pursuant to Article 2 above, and (b) the recordation of the Conservation Easement as to such Sending Property. A Sending Owner may, at its election, seek the termination of this Agreement as to its property by sending a written request to the County together with evidence that the Conservation Easement has been recorded, and if the County confirms that such conditions have been satisfied, the County shall record a Partial Termination of Sales Participation Agreement in the Official Records, in the form attached hereto as Exhibit G, releasing such Sending Property from the terms and conditions of this Agreement.

ARTICLE 5: DEFAULTS AND REMEDIES

5. Defaults and Remedies.

5.1 Events of Default. The following shall be deemed "Events of Default" under this Agreement:

5.1.1 The failure of a Receiving Owner to use the Escrow Agent for a Sale as required by Section 2.3 above;

5.1.2 The failure of a Receiving Owner to pay to the Sending Owners all or a portion of the Purchase Price on the date required by Article 2 above;

5.1.3 The failure of a Sending Owner to record a Conservation Easement on the date required by Article 3 above;

5.1.4 The failure of any Participating Owner to pay its share of the costs and expenses of the Escrow Agent or the Appraiser, when due; and/or

5.1.5 Any attempt to avoid the obligations set forth in this Agreement through the use of sham transfers or deeds of trust (i.e., transfers to, or deeds of trust granted to, parties solely for the purpose of avoiding the obligations set forth in this Agreement).

5.2 Remedies. In addition to any rights and remedies which may be available at law, the parties shall have the following remedies, all of which shall expressly survive the termination of this Agreement:

5.2.1 By executing this Agreement, each Receiving Owner agrees to pay to the Escrow Agent for the benefit of the Sending Owners their respective shares of the Purchase Price as stated in Article 2 above, and accordingly, each Receiving Owner agrees that this Agreement shall constitute a lien upon its Receiving Property for such purposes. Upon the failure of a Receiving Owner to pay to any Sending Owner the portion of a Purchase Price required to be paid to such Sending Owner on the date required by Article 2 above, such Sending Owner shall have the right to record a claim of lien on the transferred Receiving Property. Such lien shall have priority from the Effective Date of this Agreement. The claim of lien shall include the following:

(a) The name of the lien claimant.

(b) A statement concerning the basis for the claim of lien and stating that the lien claimant is not in default of its obligations under this Agreement.

(c) An identification of the owner or reputed owner of the Receiving Property or interest therein against which the lien is claimed.

(d) A description of the Receiving Property or portion thereof against which the lien is claimed.

(e) A description of the payment obligation under this Agreement which has given rise to the claim of lien and a statement itemizing the amount thereof.

(f) A statement that the lien is claimed pursuant to the provisions of this Agreement, reciting the date and document number of recordation hereof.

(g) The claim of lien shall be duly verified, acknowledged and contain a certificate that a copy thereof has been served upon the Receiving Owner against whom the lien is claimed, by personal service or by mailing pursuant to Section 9.1 below. The lien so claimed shall attach, with priority from the Effective Date of this Agreement, solely in the amount claimed thereby and may be enforced in any judicial proceedings allowed by law,

including without limitation, a suit in the nature of a suit to foreclose a mortgage/deed of trust or mechanic's lien under the applicable provisions of the law of the State of California.

5.2.2 Any time a Participating Owner shall not pay any sum payable hereunder to another Participating Owner within five (5) days of the due date, such delinquent Participating Owner shall pay default interest on such amount from the due date to and including the date such payment is received by the Participating Owner entitled thereto, at a rate of ten percent (10%) per annum, but in any event not to exceed the highest rate permitted by law.

5.2.3 If a Sending Owner fails to record a Conservation Easement as required by Article 3 above, such Sending Owner shall not be entitled to receive any portion of any Purchase Price, or to be issued any further building permits or development rights with respect to such Sending Owner's property (and the County may withdraw or condition any previously-granted building permits pursuant to which construction has not been completed), unless and until such Sending Owner records the Conservation Easement. In the event a Sending Owner has not complied with its obligation to record a Conservation Easement as required by Article 3, within three (3) years of the date it receives notice from the Escrow Agent that is entitled to disbursement of its share of the Purchase Price under this Agreement, the Sending Owner shall be deemed to have conclusively forfeited its right to such Purchase Price, unless the County, in its discretion, has granted a reasonable extension in writing for good cause. In the event a Sending Owner has been deemed to have forfeited its right to disbursement of a Purchase Price under this Section, such payment shall be promptly dispersed by the Escrow Agent to the Receiving Owner.

5.3 Disputes. As an alternative procedure, in an action by a Participating Owner against any other Participating Owner under this Agreement, the Participating Owners each in its own sole and absolute discretion may mutually agree that the action be heard by a referee pursuant to Code of Civil Procedure Section 638 *et seq*. If the Participating Owners do so agree in their sole discretion, they shall use their best efforts to agree upon a single referee who shall then try all issues, whether of fact or law, and report a funding and judgment thereon and issue all legal and equitable relief appropriate under the circumstances of the controversy before him. If the Participating Owners are unable to agree upon a referee within ten (10) days of a written request to do so by a Participating Owner, the Participating Owners, each in its sole discretion, may mutually elect to have a referee appointed pursuant to section 640 of the Code of Civil Procedure. The cost of such proceeding (exclusive of the attorney's fees and cost of the Participating Owners) shall be borne equally by the Participating Owners. Any referee selected pursuant to this Section 5.3 shall be considered a temporary judge appointed pursuant to Article 6, Section 21 of the California Constitution. Notwithstanding the foregoing, the alternative dispute resolution described in this Section 5.3 is an optional remedy under this Agreement and where a Participating Owner asserting an action wishes to do so, that Participating Owner may bring a legal action without first engaging in alternative dispute resolution. Likewise, a Participating Owner against whom the action is asserted shall be under no obligation to have such action heard by a referee or to seek resolution of the action through any other alternative dispute resolution described above.

ARTICLE 6: INDEMNIFICATION

6. Indemnification. Each Participating Owner hereby releases the County and its officers, employees, agents, successors and assigns (collectively, the "County Parties") from and against, and agrees not to make the County Parties party to any action at law or in equity or any arbitration proceeding relating to, any and all claims, actions, suits, causes of action, costs, penalties, expenses, damages and any other liability whatsoever (including but not limited to attorneys fees and costs)(collectively, "Claims"), arising or resulting directly or indirectly from the TDR Program, including without limitation approval or implementation of this Agreement or any provision hereunder, the valuation or determination of the Market Value of a TDR Unit, the selection of the Appraiser or the Escrow Agent, the recordation or implementation of any Conservation Easement, and/or from any acts, omissions, negligence or willful misconduct of any Participating Owner, the Appraiser or the Escrow Agent, whether such acts, omissions, negligence or willful misconduct are by a Participating Owner, the Appraiser or the Escrow Agent or any of such person's contractors, subcontractors, agents or employees. The foregoing release and agreement not to sue shall not apply to any Claims arising or resulting solely from the active negligence or willful misconduct of the County or the County Parties. This release and agreement not to sue applies to all claims known or unknown.

Each Participating Owner has read and understands the provisions of California Civil Code Section 1542, which provides as follows:

"*A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.*"

Each Participating Owner hereby waives the provisions of said Section 1542 of the Civil Code with regard to the release given in this Article 6.

Each Participating Owner ("Owner Indemnifying Party") shall indemnify, defend and hold harmless each other Participating Owner from and against any and all Claims, arising from the Owner Indemnifying Party's breach of this Article 6.

Each Participating Owner shall indemnify, defend (with counsel reasonably acceptable to the County) and hold harmless the County Parties from and against any and all Claims, arising or resulting directly or indirectly from the TDR Program, including without limitation approval or implementation of this Agreement or any provision hereunder, the valuation or determination of the Market Value of a TDR Unit, the selection of the Appraiser or the Escrow Agent, the recordation or implementation of any Conservation Easement, and/or from any acts, omissions, negligence or willful misconduct of any Participating Owner, the Appraiser or the Escrow Agent, whether such acts, omissions, negligence or willful misconduct are by a Participating Owner, the Appraiser or the Escrow Agent or any of such person's contractors, subcontractors, agents or employees. The foregoing indemnity shall not apply to any Claims arising or resulting solely from the active negligence or willful misconduct of the County or the County Parties.

ARTICLE 7: ASSIGNMENT

7. Covenants Run With the Land. The terms of this Agreement and all easements granted hereunder shall constitute covenants running with the land and shall bind all of the

Sending Properties and Receiving Properties, and inure to the benefit of and be binding upon each Sending Owner and Receiving Owner and their respective successors and assigns. As used herein, the terms "Sending Owners" and "Receiving Owners" shall be deemed to mean the owners of the Sending Properties and Receiving Properties as of the relevant points in time. A Sending Owner may assign such Sending Owner's right to its share of the Purchase Price under Section 2.2.2 of this Agreement to any person or entity so long as: (i) such Sending Owner has recorded the Conservation Easement required under Section 3.1 of this Agreement prior to such assignment, (ii) the County Counsel has approved the form of the assignment agreement and (iii) the notice of assignment is submitted to the Escrow Agent.

ARTICLE 8: LENDERS

8. Lender's Consent; No Subordination.

8.1 Representations and Warranties. Each Participating Owner represents and warrants that it has obtained all necessary consents to this Agreement from any lender whose loan is secured by a lien on such Participating Owner's parcel, or whose loan otherwise requires such lender's consent to this Agreement.

8.2 Future Loans. This Agreement shall be superior to, and shall not be subordinated to, any loans obtained by any of the Participating Owners after the Effective Date hereof, whether or not such loans are secured by liens on all or portions of any Participating Property and whether or not such loans are for the purpose of refinancing any existing loans or for providing funding for construction of all or portions of the Participating Properties.

8.3 Lender's Right to Foreclose. Notwithstanding any other provisions in this Agreement to the contrary, no breach of any of the covenants, conditions and obligations of this Agreement, nor the enforcement of any remedy set forth in this Agreement, shall defeat or render invalid the lien of any deed of trust or mortgage on any Participating Property made in good faith and for value, but all covenants, conditions and obligations of this Agreement shall be binding upon and effective against any person or entity which acquires title to all or any portion of any Participating Property through foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise as a result of an exercise of remedies under any such deed of trust or mortgage.

ARTICLE 9: MISCELLANEOUS

9. Miscellaneous.

9.1 Notices.

9.1.1 Any notice, demand or request which may be permitted, required or desired to be given in connection herewith shall be given in writing and directed to the County and the Participating Owners as follows:

If to the County: County of Solano
Director of Resource Management
675 Texas Street, Suite 5500
Fairfield, CA 94533

With a copies to:	County Counsel 675 Texas Street, Suite 6600 Fairfield, CA 94533
	Holland & Knight LLP 50 California Street, Suite 2800 San Francisco, CA 94109 Attention: Tamsen Plume Telephone: (415) 743-6900 Facsimile: (415) 743-6910
If to Participating Owners:	See Exhibit A
With copies to:	See Exhibit A

9.1.2 Notices shall be deemed effective if delivered by certified mail, return receipt requested, commercial courier or by facsimile, with delivery to be effective upon verification of receipt, except as to facsimile where if confirmation is after 5:00 p.m., then notices shall be deemed received the following business day. Any Party may change its respective address for notices by providing written notice of such change to the other Parties.

9.2 Construction and Interpretation.

9.2.1 This Agreement and the Exhibits hereto contain all the representations and the entire agreement between the Parties with respect to the subject matter hereof. Any prior negotiations, correspondence, memoranda or agreements are superseded in total by this Agreement and the Exhibits attached hereto. This Agreement has been fully negotiated at arms length between the signatories hereto, and after advice by counsel and other representatives chosen by such Parties, and such Parties are fully informed with respect thereto; no such Party shall be deemed the scrivener of this Agreement; and, based on the foregoing, the provisions of this Agreement and the Exhibits hereto shall be construed as a whole according to their common meaning and not strictly for or against any Party.

9.2.2 Whenever required by the context of this Agreement, (i) the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa, and (ii) use of the words "including", "such as", or words of similar import, when following any general term, statement or matter shall not be construed to limit such statement, term or matter to specific items, whether or not language of non-limitation, such as "without limitation", or "but not limited to", are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, term or matter.

9.2.3 The captions preceding the text of each article and section of this Agreement are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for

convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.

9.2.4 Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any Party by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other Party and the same shall remain in full force and effect.

9.2.5 This Agreement may be amended by, and only by, a written agreement signed by all of the Parties and shall be effective only when recorded in the Official Records.

9.2.6 This Agreement may be executed in several counterparts, each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (1) complete document.

9.3 Not a Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of the Units or of any Participating Property or portion thereof to the general public, or for any public use or purpose whatsoever. Except as herein specifically provided, no right, privileges or immunities of any Party hereto shall inure to the benefit of any third party, nor shall any third party be deemed to be a beneficiary of any of the provisions contained herein.

9.4 Mitigation of Damages. In all situations arising out of this Agreement, each Party shall attempt to avoid and mitigate the damages resulting from the conduct of any other Party. Each Party shall take all reasonable measures to effectuate the provisions of this Agreement.

9.5 Agreement Shall Continue Notwithstanding Breach. It is expressly agreed that no breach of this Agreement shall (i) entitle any Party to cancel, rescind, or otherwise terminate this Agreement, or (ii) defeat or render invalid the lien of any mortgage or trust deed made in good faith and for value as to any part of the Project. However, such limitation shall not affect in any manner any other rights or remedies which a Party may have hereunder by reason of any such breach.

9.6 Time. Time is of the essence of this Agreement.

9.7 No Waiver. The failure of any Party to insist upon strict performance of any of the terms, covenants or conditions hereof shall not be deemed a waiver of any rights or remedies which that Party may have hereunder, at law or in equity, and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants or conditions. No waiver by any Party of any default under this Agreement shall be effective or binding on such Party unless made in writing by such Party and no such waiver shall be implied from any omission by a Party to take action in respect to such default. No express written waiver of any default shall affect any other default or cover any other period of time other than any default and/or period of time specified in such express waiver. One (1) or more written waivers of any default under any provision of this Agreement shall not be deemed to be a waiver of any

subsequent default in the performance of the same provision or any other term or provision contained in this Agreement.

9.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

[Signatures Appear on Following Pages]

IN WITNESS WHEREOF, the Parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, effective as of the Effective Date stated above.

"COUNTY"

County of Solano, a political subdivision of the State of California

By:_____
Linda J. Seifert, Chair
Solano County Board of Supervisors

ATTEST:

Birgitta E. Corsello, Clerk
Solano County Board of Supervisors

By:_____
Jeanette Bellinder, Chief Deputy Clerk

APPROVED AS TO FORM:

By:_____
County Counsel

EXHIBIT A

THE PARTICIPATING OWNERS

1. Sending Owners

Name	Total Units Allocated under the Specific Plan	No. of TDR Units Being Transferred to Receiving Properties
Engell	13	9
Hager	10	5
Seibe (James)	5	5
Seibe (Jean)	6	5
Volkhardt	10	6
Wirth	10	8
TOTAL	**54**	**38**
Mason/Lawton Trust	118	118

2. Receiving Owners

Name	Total Units Allocated under the Specific Plan	No. of TDR Units Being Transferred From Sending Properties	**TOTAL**
B&L Properties	63	9	**72**
Mason/Lindemann	191*	23	**214**
Maher	36	6	**42**
TOTAL	***290***	***38***	***328***

* includes 118 Mason/Lawton Trust TDR Units

3. List of Notice Contact Information

[Starts on Following Page]

EXHIBIT B

LEGAL DESCRIPTIONS OF PARTICIPATING PROPERTIES

Sending Properties

[Starts on Following Page]

EXHIBIT C

UNITS TRANSFERRED

Sending Owner	Receiving Owner for Purposes of Reallocation of Units Only	No. of Units
Engell	Mason	9
Hager	B&L Properties	5
Siebe (James)	Mason	1
Seibe (James)	B&L Properties	4
Siebe (Jean)	Mason	5
Volkhardt	Maher	6
Wirth	Mason	8
TOTAL		38
Mason/Lawton Trust	Mason	118

EXHIBIT D

APPRAISAL INSTRUCTIONS

These appraisal instructions apply to all appraisals relating to the Sales Participation Agreement by and among; the County of Solano and the Participating Owners ("SPA"), including Appraisals, and Second Appraisals if they occur as referenced in sections 2.2.3 and 2.24(b) of the SPA.

Each appraisal is to be performed in accordance with the then applicable Uniform Standards of Professional Appraisal Practice (USPAP), developed by the Appraisal Foundation as adopted by the California Office of Real Estate Appraisers.

The Uniform Standards of Appraisal Practice require stating certain assignment parameters in each appraisal assignment. All appraisals performed in accordance with these appraisal instructions will have the following parameters:

Identified Client:	All signatory parties to the SPA.
Intended Users:	All signatory parties to SPA.
Intended Use:	Implementation of the SPA. Individual appraisals are to reference the use further as relating to sections 2.2.3 and 2.2.4 of the SPA.
Value Type:	Market Value[1]
Date of Value:	[*TBD; appraisal to be ordered no earlier than 120 days from the intended date of a closing of a Sale (as that term is defined in the SPA) and shall be valid for a period of 360 days from the date of the Appraisal*]
Property Rights Appraised:	A TDR Unit as that term is defined in the SPA.

The TDR Units to be appraised are further clarified as being:

1. The property right created through the Existing Entitlements (as that term is defined in the SPA) and the SPA.

2. The TDR Units do not include any increment of value created through Subsequent Entitlements and Improvements (as that term is defined in the SPA). Example of such Subsequent Entitlements and Improvements include; actual or proposed subdivision mapping, design review, federal and state permitting, improvement plans, grading,

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1 *Dictionary of Real Estate Appraisal*, 5th Edition, The Appraisal Institute

horizontal or vertical improvements, etc.

3. The intent of the parties is that the Existing Entitlements and SPA creates the defined TDR Unit which remains a constant fixed asset through the term of the SPA. Appraisals subsequent to the first appraisal are to reflect changing market conditions and not any perceived change in the character over time of the property right being appraised.

4. The signatory parties to the SPA acknowledge that there are many potential manners of viewing the Market Value of the TDR Unit. The signatories to the SPA stipulate that the TDR Unit is to be appraised as it contributes to the value of the three Receiving Properties (as that term is defined in the SPA).

5. The signatory parties stipulate that the value of the TDR Unit is not its contributory value to any Sending Property (as that term is defined in the SPA).

6. The parties stipulate that the value of the TDR Unit is not its contributory value to the any other property other than the defined Receiving Properties.

7. The signatory parties to the SPA stipulate that the value of the TDR Unit is no different than the value of any other unit of development right residing within the Receiving Properties. The fact that the Unit is part of the TDR Program makes it neither more nor less valuable than any other Unit entitled by the Existing Entitlements within the Receiving Properties.

8. The signatory parties to the SPA stipulate to the appraisal of the TDR Unit as it contributes to the value of the Receiving Properties. Further, analyses of any of the three Receiving Properties are to be generic without ascribing value differentials to the individual development plan, the subtleties of specific location within Middle Green Valley, differences in density of development, or any potential differences in the costs of utility development or offsite improvement costs.

9. The TDR Unit, the property right created by the SPA, does not include the contributory value of the underlying residual land of the Receiving Property.

Minimum appraiser qualifications

The minimum qualifications of an appraiser under the SPA shall be: holding the MAI designation, having a minimum of ten years of residential development land appraisal experience in Solano County, and specific training in the appraisal of the contributory value of parts of full fee interests. Examples include training in appraisal of transferable development rights, conservation easements, restricted development rights, or similar training in the valuation of the division of property rights.

Definition of terms:

Market Value: "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting

prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[1]

Contribution: The concept that the value of a particular component is measured in terms of its contribution to the value of the whole property, or as the amount that its absence would detract from the value of the whole.[2]

Intended use: The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting opinions and conclusions, as identified by the appraiser based on communications with the client at the time of the assignment.[3]

Intended user: The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting opinions and conclusions, as identified by the appraiser based on communications with the client at the time of the assignment.[4]

Client: The party or parties who engage an appraiser (by employment or contract) in a specific assignment.[5]

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1 *Dictionary of Real Estate Appraisal*, 5th Edition, The Appraisal Institute

2 *Dictionary of Real Estate Appraisal*, 5th Edition, The Appraisal Institute

3 *Uniform Standards of Professional Appraisal Practice*, 2010-2011 Edition, The Appraisal Foundation

4 *Uniform Standards of Professional Appraisal Practice*, 2010-2011 Edition, The Appraisal Foundation

5 *Uniform Standards of Professional Appraisal Practice*, 2010-2011 Edition, The Appraisal Foundation

EXHIBIT E

RECORDING REQUESTED BY:

AND WHEN RECORDED, MAIL TO:

Space Above for Recorder's Use

NOTICE OF PAYMENT

NOTICE IS HEREBY GIVEN THAT:

In connection with that certain Sales Participation Agreement dated _____, 20__, (the "SPA") between and among the undersigned, the County of Solano, California, and certain other "Participating Owners," which was recorded on _____, 20__, in the Official Records of Solano County, California, as Instrument No. _____, the undersigned, being one of the "Receiving Owners" as defined in the SPA, hereby affirms that (1) all required payments have been made under Section 2.1 of the SPA to the "Sending Owners (as defined in the SPA) in connection with the sale by the undersigned of that certain real property described in Attachment 1 attached hereto ("Property") and (2) the lien right in Section 5.2.1 is hereby extinguished as to the Property.

The undersigned certifies that the foregoing is true and accurate to the best of the undersigned's knowledge.

Date: _____, 20__

_____,
a _____

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 20__, before me, _____,
a Notary Public, 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.

_____
Notary Public

Commission Expiration Date _____ [SEAL]

Attachment 1 to
Notice of Payment

Legal Description of the Property

Exhibit E

EXHIBIT F

FORM OF ESCROW INSTRUCTIONS

_____ Title Company
_____
_____
_____
Attn: _____, Escrow Officer

Re: Seller's Closing Instructions
Escrow No. _____

Dear _____:

The undersigned, _____, a _____ (the "Seller"), is selling certain real property located at _____ (the "Property"), to _____ (the "Buyer"), pursuant to that certain Purchase and Sale Agreement dated as of _____, 20__, by and between the Seller and the Buyer (the "Purchase Agreement"). These instructions are not intended to supersede the terms and provisions of the Purchase Agreement. This letter constitutes your closing instructions from the Seller, as follows:

1. Delivery of Documents and Funds.

1.1 From the Seller. You have received or will receive the following documents from the Seller, executed on behalf of the Seller:

1.1.1 Notice of Payment, relating to the payments to the "Sending Owners" required to be made pursuant to that certain Sales Participation Agreement dated _____, 20__, and recorded in the County Recorder's Office on _____, 20__, as Instrument No. _____ (the "SPA");

1.1.2 A fully-completed worksheet (the "Worksheet") in the form attached to these instruction, showing the amounts to be paid to each "Sending Owner" pursuant to the SPA;

1.1.3 [LIST ALL OTHER SELLER CLOSING DOCUMENTS BEING DELIVERED INTO ESCROW].

1.2 From the Buyer. You have received or will receive the following documents from the Buyer, executed on behalf of the Buyer:

1.2.1 Preliminary Change of Ownership Report (the "PCOR");

1.2.2 [LIST ALL OTHER BUYER CLOSING DOCUMENTS BEING DELIVERED INTO ESCROW].

1.3 Funds. You have earlier received $_____ from the Buyer as a deposit, which is to be applied toward the purchase price. You shall receive by wire transfer of federal funds the additional amount of $_____ from _____ (the "Lender") on behalf of the Buyer. You shall receive the balance of the purchase price from the Buyer, plus an amount necessary to pay all of the Buyer's share of closing costs and prorations. (The foregoing amounts are referred to as the "Funds.")

2. Recording and Disbursement of Funds.

2.1 Precondition to Recording and Disbursement of Funds. You are not authorized to record any documents or disburse any funds unless and until all of the following conditions have been satisfied:

2.1.1 You have received all of the documents (fully executed and acknowledged, as appropriate) and the Funds referred to above;

2.1.2 The Seller has approved and signed your estimated closing statement showing all closing costs and prorations to be paid by or on behalf of the Seller, and showing the funds to be paid to the Seller at Closing (the "Seller's Estimated Closing Statement"); and

2.1.3 The Seller has verbally stated to you that you may proceed as instructed herein.

2.2 Recording and Delivery of Documents. Upon satisfaction of all of the conditions in Section 2.1, you are authorized to take the following actions in the following order:

2.2.1 date any undated closing documents as of the closing date;

2.2.2 cause the Notice of Payment to be recorded in the County Recorder's Office, and thereafter mailed to the County;

2.2.3 deliver the PCOR to the County Recorder's Office;

2.2.4 deliver to the undersigned: (a) the Notice of Payment showing that they have been recorded, (b) a photocopy of the PCOR, showing that it has been delivered to the County Recorder's Office, and (c) original counterparts of all other closing documents; and

2.2.5 deliver to the Buyer: (a) the Notice of Payment showing that they have been recorded, (b) a photocopy of the PCOR, showing that it has been delivered to the County Recorder's Office, and (c) original counterparts of all other closing documents.

2.3 Disbursement of Funds. Upon confirmation of closing, you are to make disbursements from the Funds as follows:

2.3.1 Pay your fees and all disbursements that have been approved by the Seller as shown on the Seller's Estimated Closing Statement;

2.3.2 In accordance with the SPA, pay a portion of the Funds to each of the "Sending Owners" identified in the SPA in the amounts shown on the Worksheet attached hereto; provided, however, you shall not release any Funds to a Sending Owner unless and until such Sending Owner has either (a) previously recorded a Conservation Easement on its property as provided in the SPA; or (b) delivers to you a duly executed and acknowledged Conservation Easement for recording in the County Recorder's Office, in which case you are instructed to record such Conservation Easement in the County Recorder's Office prior to releasing any Funds to such Sending Owner pursuant to this paragraph; and

2.3.3 Disburse the balance of the Funds to or as directed by the Seller, pursuant to instructions to be provided by the undersigned or the Seller.

We anticipate that the closing will occur by _____, 20__. If you are unable to comply with these instructions and close this escrow on or before 5:00 p.m. on _____, 20__, or there are to be any changes therein, you are not to proceed without further written authorization from the undersigned. Please immediately call me if there are any questions concerning the above.

PLEASE ACKNOWLEDGE RECEIPT AND ACCEPTANCE OF THESE INSTRUCTIONS BY IMMEDIATELY RETURNING AN EXECUTED COPY OF THESE INSTRUCTIONS TO THE UNDERSIGNED. IN ANY EVENT, YOUR DISBURSEMENT OF ANY FUNDS DEPOSITED WITH YOU BY THE BUYER, OR YOUR RECORDATION OF THE DEED, SHALL BE DEEMED TO BE EVIDENCE OF YOUR AGREEMENT TO PERFORM ALL OF THE INSTRUCTIONS AND REQUIREMENTS CONTAINED HEREIN.

Very truly yours,

_____

[NAME OF SELLER]

Exhibit F

THE UNDERSIGNED ACKNOWLEDGE RECEIPT OF THESE INSTRUCTIONS AND AGREE TO PROCEED IN STRICT ACCORDANCE THEREWITH.

Acknowledged and agreed to as of
_____, 20__.

_____ TITLE INSURANCE COMPANY

By: _____
Name: _____
Title: _____

Exhibit F

Attachment to Escrow Instructions:
Worksheet for Calculating Payments to Sending Owners

1. As provided in the Sales Participation Agreement dated _____, 20__ (the "SPA"), the "Market Value of a TDR Unit" of the property being sold pursuant to the foregoing Escrow Instructions, as determined by the Appraiser named in the SPA, was _____ Dollars ($_____) per TDR Unit. A copy of the Appraisal is attached to this Worksheet as Attachment 1.

2. The seller's portion of the "standard closing costs" (as defined in the SPA) incurred in connection with the sale of the property were as follows:

(a)	Escrow Fees	$_____	
(b)	Title Fees	$_____	
(c)	Broker Commission (___%)	$_____	
(d)	Transfer Tax	$_____	
(e)	Recording Fees	$_____	
(f)	Other	$_____	(attach description)
	TOTAL	$_____	

A copy of the escrow company's estimated Settlement Statement showing the above closing costs is attached to this Worksheet as Attachment 2.

3. For purposes of calculating the "Purchase Price" for the TDR Units as provided in the SPA, the following calculations are effective as of the Closing Date:

(a) Market Value of a TDR Unit (per Unit): $_____;

(b) ____ are the number of TDR Units assigned to the property subject to the Sale pursuant to the SPA;

(b) 11.59% of the closing costs = $_____;

(c) 50% of the cost of the Appraisal = $_____ fee (as shown on the Appraiser's invoice attached to this Worksheet as Attachment 3): $_____;

4. Using the calculations in Step 3 above, the "Purchase Price" equaled:

(a) Market Value of a TDR Unit ($_____);
(b) multiplied ____ (the number of TDR Units)
(c) reduced by 11.59% of the seller's closing costs ($_____);
(d) reduced by 50% of the cost of the Appraisal ($_____);
(e) equals a Purchase Price of $_____

Exhibit F

5. At the Closing, as provided in the SPA, the Escrow Agent shall disburse a portion of the Purchase Price to each "Sending Owner," as follows:

Engell	23.68421%	=	$_____
Hager	13.15789%	=	$_____
Seibe (James)	13.15789%	=	$_____
Siebe (Jean)	13.15789%	=	$_____
Volkhardt	15.78947%	=	$_____
Wirth	21.05263%	=	$_____
TOTAL:	100%	=	$_____

[*Insert row/calculation for Mason/Lawton Trust if applicable under Section 2.4.5 of the SPA*]

The Escrow Agent shall disburse the foregoing Purchase Price to each Sending Owner at an address and by a method stated in written instructions to be provided by each Sending Owner to Escrow Agent.

[The following should be attached to each Worksheet:]

Attachment 1: Appraisal establishing Market Value of a TDR Unit

Attachment 2: Escrow company's estimated Settlement Statement showing all of seller's closing costs

Attachment 3: Appraiser's invoice for the Appraisal

Exhibit F

EXHIBIT G

RECORDING REQUESTED BY:

AND WHEN RECORDED, MAIL TO:

Space Above for Recorder's Use

PARTIAL TERMINATION OF SALES PARTICIPATION AGREEMENT

WHEREAS, on or about _____, 20__, the County of Solano, a political subdivision of the State of California (the "County"), and certain "Participating Landowners" entered into that certain Sales Participation Agreement (the "SPA") which was recorded in the Official Records of Solano County, California, on _____, 20__, as Instrument No. _____; and

WHEREAS, pursuant to the SPA, upon the satisfaction of certain conditions stated therein, the parties agreed that the SPA would terminate as to certain of the parcels of real property bound thereby; and

WHEREAS, the County has determined that the conditions necessary to release the property described in Attachment 1 attached hereto (the "Released Property") from the SPA have been satisfied;

NOW, THEREFORE, in accordance with the provisions of the SPA authorizing the County to release parcels of real property from the SPA upon the satisfaction of such conditions,

(1) The Released Property is hereby released from the restrictions and obligations stated in the SPA (except for any obligations which, by their express terms, survive the termination of the SPA), and

(2) The SPA is hereby terminated with respect to the Released Property (except for any obligations which, by their express terms, survive the termination of the SPA), and

(3) The Released Property and its owners shall have no further rights under the SPA.

NOTWITHSTANDING THE FOREGOING, nothing herein shall release any other real property that is subject to the SPA from the restrictions and obligations thereof, and the SPA shall not terminate but remain in full force and effect with respect to all such other parcels of real property that are subject to the SPA.

IN WITNESS WHEREOF, the undersigned, being a duly authorized representative of the County, hereby executes this Partial Termination of Sales Participation Agreement effective as of the _____ day of _____, 20___.

COUNTY OF SOLANO,
a political subdivision of the State of California

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 20__, before me, _____,
a Notary Public, 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.

_____
Notary Public

Commission Expiration Date _____ [SEAL]

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EXHIBIT H

Interest Rate and Related Terms Related to Initial County Costs

Section 1. Reimbursement Amount

The Reimbursement Amount applicable to each new primary residential unit shall mean the amount calculated by dividing the amount of the Initial County Costs by the total number of new primary residential units for participating landowners listed in Table 4-1 of the Specific Plan.

The following example is for illustration purposes only.

Example:

The Initial County Costs are $1,000,000.00 and the total number of new primary residential units listed in Table 4-1 of the Specific Plan is 390, the Reimbursement Amount is $2,564.10.

Section 2. Interest Rate:

The amount of the "Interest Rate" which shall be applied pursuant to Section 3.12 of the Master Development Agreement by and among the Middle Green Valley Landowners and County of Solano for the Middle Green Valley Specific Plan (Master Development Agreement), shall be equal to the sum of the "Interest Rate Index" plus the "Multiplier," but in no event less than the "Minimum Interest Rate" nor greater than the "Maximum Interest Rate," each as set forth below.

Interest Rate Index:	The Five-Year U.S. Treasury swap rate as published in the Federal Reserve Statistical Release
Multiplier:	One Percent (1%)
Minimum Interest Rate:	Three Percent (3%)
Maximum Interest Rate:	Six Percent (6%)

The following example is for illustration purposes only.

Example:

If the Interest Rate Index were 2% and the Multiplier is 1%, the total Interest Rate to be applied pursuant to Section 3.12 would be 3%.

Section 3. Date for Setting of Benchmark Interest Rate:

The date upon which the Benchmark Interest Rate shall be set is the Effective Date of the Master Development Agreement. The Benchmark Interest Rate shall be calculated using the Interest Rate Index that is published on or most recently prior to the Effective Date.

Section 4. Dates Upon Which the Interest Rate Shall be Reset:

The Interest Rate calculated to be in effect starting on the Effective Date of the Master Development Agreement shall apply for the first five years of the Term of the Master Development Agreement. On the fifth (5th) anniversary following the Effective Date of the Master Development Agreement, the Interest Rate shall be reset using the Interest Rate Index that is published on or most recently prior to the fifth anniversary of the Effective Date. Following the fifth anniversary of the Effective Date, the Interest Rate shall be reset in the same manner on the tenth, fifteenth, and twentieth anniversaries of the Effective Date.

The Interest Rates that are calculated in this manner are to be set on the Effective Date and on each subsequent five-year anniversary within the Term of the Master Development Agreement, and are to be applied pursuant to Section 3.12 without regard to changes in the published level of the Interest Rate Index that may occur within each such five-year period.

Section 5. Effect of Minimum and Maximum Interest Rates:

At no time during the Term of the Master Development Agreement shall the Interest Rate (i.e., the sum of the Interest Rate Index and the Multiplier) be less than Three Percent (3%) nor more than Six Percent (6%). The date upon which the Benchmark Interest Rate shall be set is the Effective Date of the Master Development Agreement. The Interest Rate shall be calculated using the Interest Rate Index that is published on or most recently prior to the Effective Date.

On the fifth, tenth, fifteenth or twentieth anniversaries following the Effective Date of the Master Development Agreement, if the Interest Rate set based on the then-published Interest Rate Index would be below 3%, the Interest Rate during the subsequent five-year period shall be 3%. On the fifth, tenth, fifteenth or twentieth anniversaries following the Effective Date of the Master Development Agreement, if the Interest Rate set based on the then-published Interest Rate Index would be above 6%, the Interest Rate during the subsequent five-year period shall be 6%.

Section 6. Compounding:

Interest calculated pursuant to section 3.12 shall be calculated with compounding annually.

Section 7. Accrual:

Interest pursuant to Section 3.12 shall begin accruing on the earlier of: (1) the third (3rd) anniversary following the Effective Date of the Master Development Agreement; or (2) the date upon which the first tentative map is approved.

Section 8. Calculation of Payment Amounts:

The amount payable pursuant to Section 3.12 shall be calculated as of the date of issuance of each corresponding building permit for a new primary residential unit. The dollar amount of the interest payable as of that date shall be calculated using the Interest Rate(s) in effect during the corresponding five-year period(s), and shall be calculated by applying the Interest Rate(s) applicable during each period to the amount of Initial County Costs that have been outstanding and unpaid during each day since the Effective Date. The total amount payable shall be calculated by adding to the Reimbursement Amount an amount equal to the Reimbursement Amount multiplied by the Interest Rate, in the manner demonstrated by the examples below. For purposes of performing this calculation, the Interest Rate shall be translated into a daily

interest rate, as demonstrated in the examples below.

The following examples are for illustration purposes only.

Example 1:

On the Effective Date, the Interest Rate Index is 2.65%, and the Multiplier is 1%, for an Interest Rate of 3.65%. The Initial County Costs are $1,000,000.00. The total number of units is 390. The Reimbursement Amount is determined to be $2,564.10. No tentative map has been approved. On the second anniversary after the Effective Date, a building permit is issued for one new primary residential unit. The amount due under Section 3.12 of the Master Development Agreement would be $2,564.10.

Initial County Costs = $1,000,000.00
Total Units = 390
Reimbursement Amount = $2,564.10
Interest Rate, annualized = 3.65%
Days in Year = 365
Daily Interest Rate during relevant period = 0.01%
Number of Days Interest Accrued = 0
Payment Amount = $2,564.10

= (1,000,000 ÷ 390) + (0.00)
= 2,564.10 + (0.00)
= $2,564.10

Example 2:

The same example as above, except the building permit is issued after interest has begun accruing. On the Effective Date, the Interest Rate Index is 2.65%, and the Multiplier is 1%, for an Interest Rate of 3.65%. The Initial County Costs are $1,000,000.00. The total number of units is 390. The Reimbursement Amount is determined to be $2,564.10. No tentative map has been approved. On the fourth anniversary after the Effective Date, a building permit is issued for one new primary residential unit. The amount due under Section 3.12 of the Master Development Agreement would be $2,657.69.

Initial County Costs = $1,000,000.00
Total Units = 390
Reimbursement Amount = $2,564.10
Interest Rate, annualized = 3.65%
Days in Year = 365
Daily Interest Rate during relevant period = 0.01%
Number of Days Interest Accrued = 365
Amount of Accrued Unpaid Interest at Day 365 = $93.59
Payment Amount = $2,657.69

= (1,000,000 ÷ 390) + ((1,000,000 ÷ 390) x ((0.0365 ÷ 365) x 365))
= 2,564.10 + (2,564.10 x ((0.0365 ÷ 365) x 365))
= 2,564.10 + (2,564.10 x ((0.0001) x 365))
= 2,564.10 + (2,564.10 x 0.0365)

= 2,564.10 + 93.59
= $2,657.69

Example 3:

The same example as above, except the building permit is to be issued five days after the fourth anniversary following the Effective Date. The amount due under Section 3.12 of the Master Development Agreement would be $2,659.02.

Initial County Costs = $1,000,000.00
Total Units = 390
Reimbursement Amount = $2,564.10
Interest Rate, annualized = 3.65%
Days in Year = 365
Daily Interest Rate during relevant period = 0.01%
Number of Days Interest Accrued = 370
Number of Days in 1st Compounding Period = 365
Number of Days in 2nd Compounding Period = 5
Amount of Accrued Unpaid Interest at Day 365 = $93.59
Amount Upon Which Interest Accrues in 2nd Compounding Period = $2,657.69
Amount of Unpaid Interest Accrued from Days 366 through 370 = $1.33
Payment Amount = $2,659.02

Amount Upon Which Compounding is Calculated at End of First Period
= (1,000,000 ÷ 390) + ((1,000,000 ÷ 390) x ((0.0365 ÷ 365) x 365))
= 2,564.10 + (2,564.10 x ((0.0365 ÷ 365) x 365))
= 2,564.10 + (2,564.10 x ((0.0001) x 365))
= 2,564.10 + (2,564.10 x 0.0365)
= 2,564.10 + 93.59
= $2,657.69

Interest Accrued in Second Compounding Period
= 2,657.69 x ((0.0001) x 5)
= 2,657.69 x (0.0005)
= $1.33

Sum of Reimbursement Amount Plus Interest Accrued in 1st and 2nd Periods
= 2,564.10 + 93.59 + 1.33
= $2,659.02

Example 4:

The same example as above, except the building permit is to be issued five days after the fifth anniversary following the Effective Date. On the fifth anniversary after the Effective Date, assume that the Interest Rate Index published on that date was 3.65% instead of the 2.65% that applied during the first five years and, as a result, the Interest Rate during the second five years would be 4.65%. The amount due under Section 3.12 of the Master Development Agreement would be $2,756.45.

Initial County Costs = $1,000,000.00
Total Units = 390

Reimbursement Amount = $2,564.10
Interest Rate, annualized during first five years = 3.65%
Days in Year = 365
Daily Interest Rate during first five years = 0.01%
Interest Rate, annualized during second five years = 4.65%
Daily Interest Rate during second five years = 0.0127% (approx.)
Number of Days Interest Accrued in First Period
at rate in effect during first five years = 365
Number of Days Interest Accrued in Second Period
at rate in effect during first five years = 365
Number of Days Interest Accrued in Third Period
at rate in effect during second five years = 5
Payment Amount = $2,756.45.

Amount Upon Which Compounding is Calculated at End of First Period
= (1,000,000 ÷ 390) + ((1,000,000 ÷ 390) x ((0.0365 ÷ 365) x 365))
= 2,564.10 + (2,564.10 x ((0.0365 ÷ 365) x 365))
= 2,564.10 + (2,564.10 x ((0.0001) x 365))
= 2,564.10 + (2,564.10 x 0.0365)
= 2,564.10 + 93.59
= $2,657.69

Amount Upon Which Compounding is Calculated at End of Second Period
= 2,657.69 + (2,657.69 x ((0.0001) x 365))
= 2,657.69 + (2,657.69 x (0.0365))
= 2,657.69 + 97.01
= $2,754.70

Interest Accrued in Third Period
= 2,754.70 x ((0.0465 ÷ 365) x 5)
= 2,754.70 x (0.000127 x 5)
= 2,754.70 x (0.000635)
= $1.75

Sum of Reimbursement Amount Plus Interest Accrued in 1st, 2nd, and 3rd Periods
= 2,564.10 + 93.59 + 97.01 + 1.75
= $2,756.45