

**AGREEMENT FOR ANNEXATION OF TERRITORY
(DEFERRED ANNEXATION AGREEMENT)**

County File Number: 9160-48-74-05S Tract No. 9885

Name of Developer: Ponderosa Homes II, Inc.

Assessor Parcel Number: 612-21-125

Site Address: 507 Porter Lane, San Jose, CA 95127

Mailing Address: 6671 Owens Drive, Pleasanton, CA 94588

Type(s) of Improvements: Road, Drainage and Retaining Walls

This agreement is made and entered into on _____ between the COUNTY OF SANTA CLARA ("County"), the CITY OF SAN JOSE ("City") and Ponderosa Homes II, Inc. ("Owner"), relating to the annexation to City of certain real property in the unincorporated territory of County and within City's sphere of influence.

RECITALS

- A. County and City have adopted policies for the purpose of assuring that urban development, which requires urban services such as police and fire protection, sewers, streets, water, libraries and parks, occurs in the City to facilitate more efficient use of public resources and to prevent urban sprawl.
- B. To implement these policies, County and City have agreed to encourage annexation to City of developing unincorporated lands within City's sphere of influence so that they can be improved in accordance with City's land use plans and standards and contribute tax revenue to pay for City services.
- C. Owner desires to develop the property described in Exhibit A, attached hereto and incorporated herein by this reference (referred to herein as the "subject property" or "property"). The property is located in the unincorporated area of County and within the sphere of influence of City.
- D. At the present time the subject property cannot be annexed to City due to its distance from a City boundary. Development of the property may itself, or in conjunction with the development of other properties in the area, stimulate the need for urban services.
- E. To provide for the orderly expansion of City boundaries consistent with the ability of City to extend urban services to the proposed development on the subject

property and the surrounding area, it is necessary that the subject property be annexed to City whenever City determines this is feasible and desirable.

- F. As a condition of development of the subject property, Owner has agreed to enter into this agreement to provide for the future annexation of the property to City. This agreement provides a substantial benefit to the property and lands within City's sphere of influence because it allows for the extension of governmental services to the area while providing the means of reimbursing the costs of such services through the payment of taxes and assessments on the property to City following annexation.
- G. The parties intend that all of the covenants contained herein shall run with the land and shall bind the successive owners of the subject property and shall inure to the benefit of all the lands within City's sphere of influence.

IT IS AGREED by the parties as follows:

1. Owner Cooperation.
Owner agrees that annexation of the subject property to City is desirable and consents to such proceedings at such time as they may be commenced by City. Owner shall fully cooperate in the initiation and conduct of such annexation proceedings and waives any rights of protest under any law governing such proceedings.
2. City Initiation.
City agrees to initiate annexation proceedings for subject property at such time as City so elects after City has determined that annexation is feasible.
3. Payment of Taxes and Assessments.
Owner agrees to pay all property taxes and assessments levied on the subject property following annexation, subject to whatever right of administrative appeal and judicial review as be provided by law.
4. Release of Owner from Condition of Land Development Approval: County Reliance.
Upon execution and recording of this agreement, County shall release Owner from further compliance with condition number 69 of Owner's land development approval. It is understood that County relied upon this agreement when granting final approval for this project and will rely upon the agreement in the future when approving other development projects in the area.
5. Agreement Binding Upon Successors In Interest.
This agreement and the covenants contained herein shall run with the land and shall bind the successive owners of the subject property and shall inure to the benefit of all the lands within City's sphere of influence. For the purposes of this agreement, City's sphere of influence is that geographical area which extends outward from the City's incorporated territory and which represents the probable ultimate future physical

boundary and service area of City as most recently determined by the Local Agency Formation Commission prior to the execution of this agreement.

In the event the subject property is divided and sold, the terms of this agreement shall apply separately to each new parcel and the owner of each parcel shall succeed to the obligations imposed on Owner by this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on
APR 26 2011.

ATTEST:

COUNTY OF SANTA CLARA

Maria Marinor
Maria Marinor, Clerk of the Board

Dave Cortese
Dave Cortese, President

APPROVED AS TO FORM AND LEGALITY:

Lizanne Reynolds
Lizanne Reynolds, Deputy County Counsel

DEVELOPER

Jeffrey C. Schroeder
Company Name
Ponderosa Homes II, Inc

Jeffrey C. Schroeder
Authorized Signer Name (Printed)

Sr. Vice President
Title

CITY OF SAN JOSE

APPROVED AS TO FORM:

City Clerk

Deputy City Attorney

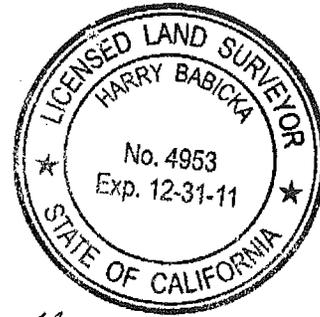


EXHIBIT "A"

Harry Babicka

All that real property situated in County of Santa Clara, State of California and being more particularly described as follows:

Beginning at a point on the Westerly rights of way line of Porter Lane said point being the Northerly most corner of said Parcel A as shown on the Parcel Map recorded in Book 487 of Maps at Page 50, Santa Clara county Records; thence along said rights of way line South 29 Degrees 25 Minutes 32 Seconds East a length of 330.02 feet; thence South 35 Degrees 40 Minutes 20 Seconds East a length of 50.01 feet; thence leaving said right of way line and along the Northwesterly boundary of parcel shown on the Record of Survey Map recorded in Book 9 Page 26, Santa Clara County Records South 26 Degrees 51 Minutes 43 Seconds West a length of 179.71 feet; thence leaving said Northwesterly line North 55 Degrees 34 Minutes 58 Seconds West a length of 64.05 feet; thence North 60 Degrees 29 Minutes 12 Seconds West a length of 50.88 feet; thence 40.86 feet along a non tangent curve to the right with radius of 88.00 feet, a delta of 26 Degrees 36 Minutes 10 Seconds and radial bearing North 36 Degrees 32 Minutes 07 Seconds West; thence South 10 Degrees 05 Minutes 30 Seconds East a length of 34.27 feet; thence South 26 Degrees 50 Minutes 00 Seconds West a length of 95.26 feet to the Northerly line of Tract 3208; thence along said Northerly line North 63 Degrees 10 Minutes 00 Seconds West a length of 146.88 feet; thence leaving said line North 26 Degrees 47 Minutes 00 Seconds East a length of 0.19 feet; thence 33.54 feet along a non-tangent curve to the right with radius of 203.21 feet, a delta of 9 Degrees 27 Minutes 21 Seconds and a radial bearing North 36 Degrees 35 Minutes 40 Seconds East; thence North 43 Degrees 56 Minutes 59 Seconds West a length of 71.78 feet; thence North 26 Degrees 27 Minutes 10 Seconds East a length of 16.08 feet; thence North 21 Degrees 37 Minutes 40 Seconds West a length of 124.33 feet; thence North 21 Degrees 37 Minutes 50 Seconds East a length of 197.96 feet; thence South 60 Degrees 57 Minutes 51 Seconds East a length of 140.85 feet; thence North 31 Degrees 53 Minutes 50 Seconds East a length of 207.18 feet to the point of beginning.

Containing 3.58 acres more or less.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Alameda

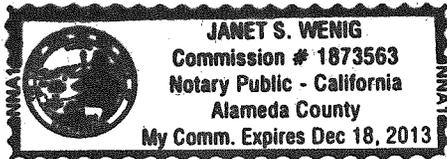
On 4-15-11 before me, Janet S. Wenig, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Jeffrey C. Schroeder
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature: Janet S. Wenig
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Individual
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee
<input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____ | <p style="text-align: center; font-weight: bold; font-size: small;">RIGHT THUMBPRINT
OF SIGNER</p> <p style="text-align: center; font-size: x-small;">Top of thumb here</p> | <input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Individual
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee
<input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____ | <p style="text-align: center; font-weight: bold; font-size: small;">RIGHT THUMBPRINT
OF SIGNER</p> <p style="text-align: center; font-size: x-small;">Top of thumb here</p> |
|---|---|---|---|

Signer Is Representing: _____ Signer Is Representing: _____

DRAFT--Contact the Office of the City Clerk at (408) 535-1260 or CityClerk@sanjoseca.gov for final document.

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Santa Clara

On 4.26.11 before me, Melissa G. Miller, Notary Public
(Here insert name and title of the officer)

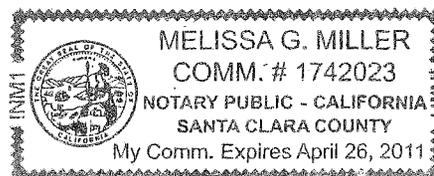
personally appeared Dave Cortese

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.

Melissa G. Miller
Signature of Notary Public



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT
_____ (Title or description of attached document)
_____ (Title or description of attached document continued)
Number of Pages _____ Document Date _____
_____ (Additional information)

CAPACITY CLAIMED BY THE SIGNER
<input type="checkbox"/> Individual (s) <input type="checkbox"/> Corporate Officer _____ (Title)
<input type="checkbox"/> Partner(s) <input type="checkbox"/> Attorney-in-Fact <input type="checkbox"/> Trustee(s) <input type="checkbox"/> Other _____

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