

SETTLEMENT AGREEMENT

This Settlement Agreement (“**Agreement**”) is made this __ day of October, 2022 by and between Costco Wholesale Corporation, a Washington corporation (“**Costco**”), Town of Loomis, California, a municipal corporation (“**Loomis**”), City of Rocklin, a municipal corporation Rocklin (“**Rocklin**”), and Citizens for Responsible Growth, an unincorporated association (“**Citizens**”). Costco, Loomis, Rocklin, and Citizens may be referred to herein collectively as the “**Parties**” and individually as a “**Party**.”

RECITALS

A. Costco is the owner of certain real property located in Loomis, California, generally described and depicted on Exhibit A attached hereto (the “**Costco Property**”).

B. Loomis issued certain land use approvals (the “**Loomis Approvals**”) for the development of a Costco Wholesale warehouse club, vehicle fuel facility, and related parking and improvements (the “**Costco Project**”) on the Costco Property.

C. Rocklin is the Petitioner and Loomis is the Respondent in that certain action filed in Placer County Superior Court under Case No. S-CV-0045516, (the “**First Rocklin Action**”) challenging certain aspects of the Loomis Approvals. Costco is a Real Party in Interest in the Rocklin Action.

D. On March 15, 2022, Rocklin filed a Notice of Appeal in the First Rocklin Action, and on April 4, 2022, Costco filed a Notice of Cross Appeal in the First Rocklin Action.

E. Citizens is the Petitioner and Loomis is the Respondent in that certain action filed in Placer County Superior Court under Case No. S-CV0045539, (the “**First Citizens Action**”), also challenging certain aspects of the Loomis Approvals. Costco is a Real Party in Interest in the Citizens Action.

F. On April 1, 2022, Costco filed a Notice of Appeal in the First Citizens Action and on April 14, 2022, Citizens filed a Notice of Cross Appeal in the First Citizens Action.

G. Rocklin is the Petitioner and Loomis is the Respondent in that certain action filed in Placer County Superior Court under Case No. S-CV-0048607, (the “**Second Rocklin Action**”) challenging certain changes to the Loomis zoning code adopted by Loomis.

H. Citizens is the Petitioner and Loomis is the Respondent in that certain action filed in Placer County Superior Court under Case No. S-CV0048601, (the “**Second Citizens Action**”), challenging certain changes to the Loomis zoning code adopted by Loomis.

I. Costco, Loomis, Rocklin and Citizens have reached an agreement to settle the First Rocklin Action, the First Citizens Action, the Second Rocklin Action, and the Second Citizens Action, upon the terms and conditions more fully set forth below.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the Parties agree as follows:

1. **Stay of All Litigation.** Upon execution of the Settlement Agreement the Parties agree to request that Third District Court of Appeal stay the appeals in Case No. S-CV-0045516 (the “**First Rocklin Action**”), Case No. S-CV-0045516S-CV-0045539 (the “**First Citizens Action**”) and request that Placer County Superior Court stay the litigation in Case No. S-CV-0048607 (the “**Second Rocklin Action**”) and Case No. S-CV-0048601 (the “**Second Citizens Action**”) until at least May 1, 2023, or as otherwise agreed to by each Court in each litigation.

2. **Revised Loomis Site Plan Approvals.** Following the implementation of the stay of all litigation, Costco would file an application for necessary revisions to the land use approvals with Loomis (and any other necessary jurisdictions) to approve the portion of the Costco project in Loomis (without the fuel facility), as generally shown on the conceptual site plan (herein the “**Revised Costco Project**”) included in Exhibit A, attached. The site plan shall include a northbound right turn entry lane as depicted in the attached “NB Right Turn Storage Concept” plan. Final approvals would need to be received by **April 1, 2023**. Costco shall have options to extend the approvals deadline for two (2) periods of two months each. Final approvals shall be acceptable to Costco in Costco’s sole discretion and not subject to appeals or litigation.

3. **Dismissal of Actions.** Upon successful completion of: (i) the approval of the revised site plan for the Costco project in Loomis (without the fuel facility) as described in section 2 above, (ii) the one-time payments set forth in subsection (a) below by Costco within forty-five (45) days from approval of the revised site plan, and (iii) establishment of the covenant set forth in subsection (c) below within forty-five (45) days from final approval of the revised site plan, the Petitioners shall file a request for dismissal in the matters before the Placer County Superior and file a stipulation in the Third District Court of Appeal requesting dismissal of the appeal and Costco may proceed with permitting, construction and operation of the revised Costco project in Loomis.

a. Costco to pay Rocklin the following:

- i. A payment in the amount of \$2.7 million, of which \$1.5 million is identified as a one-time payment as a catch-up for the project’s contribution to the I-80/SCB interchange improvement project, and \$1.2 million is identified as 12 years of payments to address ongoing improvement and maintenance impacts to the I-80/SCB interchange.
- ii. A one-time payment in the amount of \$1,055,224 to allow City of Rocklin to address Cumulative Plus Project AM/PM Peak Hour, including Saturday Peak Hour, impacts on the SCB corridor north of the I-80 / SCB interchange.

iii. Rocklin agrees to use the \$1.2 million payment and the \$1,055,224 payment to mitigate impacts from the Revised Costco Project on the Sierra College Boulevard corridor.

b. Costco to Reimburse Citizens for Responsible Growth in the amount of \$ 227,580 for its reasonable attorney's fees and costs, plus Citizens' attorney's fees and costs through final dismissal of the cases identified above, with reimbursement paid by Costco within 30 days following dismissal of the cases. The total amount of costs and fees shall not exceed \$250,000.

c. Costco to covenant, in any manner acceptable to Rocklin, for no less than 50 years, not to build a gas station facility anywhere within the Town of Loomis that is located: (i) on the existing Loomis Costco Site, or (ii) within the Town of Loomis within 750 feet of the boundary of the existing Costco site.

4. **Non-Opposition.** The Parties agree that they will not directly or indirectly oppose the Revised Costco Project in any way, including any and all present or future actions, permits (discretionary and/or ministerial), determinations, approvals and/or entitlements granted or made by Rocklin, Loomis, or any other governmental agency with respect to the Revised Costco Project, in any forum whatsoever. The Parties further agree that they will not encourage, support, or assist any other person or entity for the purposes of directly or indirectly opposing the Revised Costco Project or the related current or future approvals therefore.

5. **No Lawsuit or Appeal.** Excepting only a Party's rights to enforce this Agreement, no Party shall file a lawsuit challenging the Revised Costco Project or the related current or future approvals therefore, or appeal, challenge, or contest administratively any of the related current or future approvals therefore. No Party shall encourage or support any other person or entity to do any of the foregoing, or otherwise take any action which would delay, hinder, or otherwise impede the construction or operation of the Revised Costco Project.

6. **Breach.** In the event that any Party breaches this Agreement, the non-breaching Party or Parties shall be entitled to pursue any and all remedies at law or equity, including, without limitation, specific performance.

7. **No Admissions.** Nothing contained herein shall be construed as an admission by any Party hereto of any liability of any kind to any other Party. Each of the Parties neither denies or accepts any liability in connection with the matters set forth herein and intends merely to resolve any outstanding disagreements or disputes.

8. **Mutual Release of Claims.** In consideration of the promises and covenants contained in this Agreement and after consultation with counsel and without in any way affecting the executory obligations required under this Agreement, the Parties irrevocably and unconditionally release and forever discharge each other, as well as their respective past and

present related or affiliated entities and past and present officers, employees, attorneys, partners, members, investors, trustees, insurers, joint venturers, and agents and each of them, from any and all causes of action, claims, actions, rights, judgments, obligations, damages, demands, accountings, or liabilities of whatever kind or character, known or unknown, which the Parties have or may have against the other and their respective past and present related or affiliated entities and past and present officers, employees, attorneys, partners, members, investors, trustees, insurers, joint venturers, and agents, and any and all matters of whatever kind, nature, or description, whether known or unknown, occurring prior to the date of the execution of this Agreement. Nothing contained herein shall release, waive, or in any way compromise a Party's right to enforce this Agreement. The Parties hereby expressly waive and relinquish all rights and benefits afforded by California Civil Code Section 1542 and do so understanding and acknowledging the significance and consequences of such waiver. The Parties acknowledge and understand that they are being represented in this matter by counsel, and acknowledge that they are familiar with 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.

Notwithstanding the provisions of Section 1542, the Parties expressly acknowledge and agree that this paragraph is also intended to include in its effect, without limitation, all such claims that a Party does not know or suspect to exist at the time of the execution of this Agreement, and that this Agreement contemplates the extinguishment of those claims. The Parties acknowledge and agree that they may later discover facts different from or in addition to those they now know or believe to be true in entering into this Agreement. The Parties agree to assume the risk of the possible discovery of additional or different facts and agree that this Agreement shall remain effective regardless of such additional or different facts.

9. **Termination of Agreement.** If Costco is unable to achieve the Revised Project Approvals in accordance with Section 2 above, this Agreement shall automatically terminate. Within 10 court days of termination of this Agreement, the Parties shall request that Placer County Superior Court and the Third District Court of Appeals immediately lift the stays in the respective actions and request that the matters proceed without further delay.

10. **Notices.** All notices, demands, consents, approvals, and other communications (each, a "Notice" or "notice") that are required or desired to be given by any Party to the any other Party under this Agreement shall be in writing and shall be (a) hand delivered, or (b) sent by reputable overnight courier service, addressed to the appropriate party at its address set forth below, or at such other address as such Party shall have last designated by Notice to the others. Notices shall be deemed given when delivered, if delivered by hand or by overnight courier, Notice addresses for the Parties are as follows:

To Costco:

Costco Wholesale Corporation
999 Lake Drive
Issaquah, WA 98027
Attn: Legal Department / Rick Jerabek

And to:

Armbruster Goldsmith & Delvac LLP
12100 Wilshire Blvd., Suite 1600
Los Angeles, CA 90025
Attn: Counsel for Costco Wholesale / Damon Mamalakis

To Rocklin:

City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677
Attn: Sheri Chapman, City Attorney

And to:

Avdis & Cucchi, LLP
1415 L Street, Suite 410
Sacramento, CA 95814
Attn: Daniel S. Cucchi, Esq.

To Loomis:

Town of Loomis
3665 Taylor Road
Loomis, CA 95650
Attn: Town Attorney

To Citizens:

Citizens for Responsible Growth
c/o Law Office of Donald B. Mooney
417 Mace Blvd., Ste. J-334
Davis, CA 95618
Attn: Don Mooney

11. **Further Assurances.** The Parties shall execute, acknowledge, deliver, file, and record all such further and additional instruments and documents and do all such other acts and things as may be required by law and as shall be reasonable, convenient, necessary, or desirable to carry out the provisions of this Agreement.

12. **Authority.** Each individual signing this Agreement represents that he or she has the authority to bind the Party on whose behalf he or she is signing.

13. **Attorneys' Fees.** In the event that a Party files a lawsuit to interpret or enforce this Agreement, the prevailing Party or Parties shall be entitled to reasonable attorney fees and costs.

14. **Independent Counsel.** Each Party hereto represents that such Party has been represented by, or had the opportunity of consult with, independent counsel of such Party's own choosing in connection with the execution of this Agreement.

15. **Entire Agreement.** This Agreement contains the entire agreement and understanding between the Parties, and supersedes all prior and contemporaneous agreements, representations, and understandings, concerning the subject matter hereof.

16. **Assignment; Successors and Assigns.** No Party shall assign this Agreement without the written consent of each other Party, which may be withheld in each such Party's sole discretion. This Agreement shall be binding on the Parties and their respective permitted successors and assigns.

17. **Amendment; Governing Law.** This Agreement may be amended only in writing signed by the Parties. This Agreement shall be governed by California law.

18. **Recitals; Headings.** The recitals and all exhibits referred to in this Agreement are incorporated herein by reference. Paragraph headings are for reference purposes only and shall not be used for limiting or interpreting the meaning of any paragraph.

19. **No Waiver.** No waiver by a Party of any default of any other Party or of any event, circumstance or condition shall constitute a waiver of any other default of any other Party or of any other such event, circumstance, or condition. No failure or delay by a Party to exercise any right by reason of any other Party's default shall prevent the exercise by such Party of such right while the defaulting Party continues to be in default, and no waiver of a default shall operate as a waiver of any other default or as a modification of this Agreement.

20. **Time Is Of The Essence.** Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.

21. **Electronic Signatures; Counterparts.** This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Electronically transmitted signatures on this Agreement, including without limitation, PDF scans of pen and ink signatures and signatures via DocuSign or other nationally recognized electronic signature platform, shall constitute original signatures of the parties.

Project Data
 Client: Costco Wholesale
 909 Lake Drive
 Issaquah, WA 98027

Project Address:
 Sierra College Boulevard
 Loomis, CA
 Town of Loomis

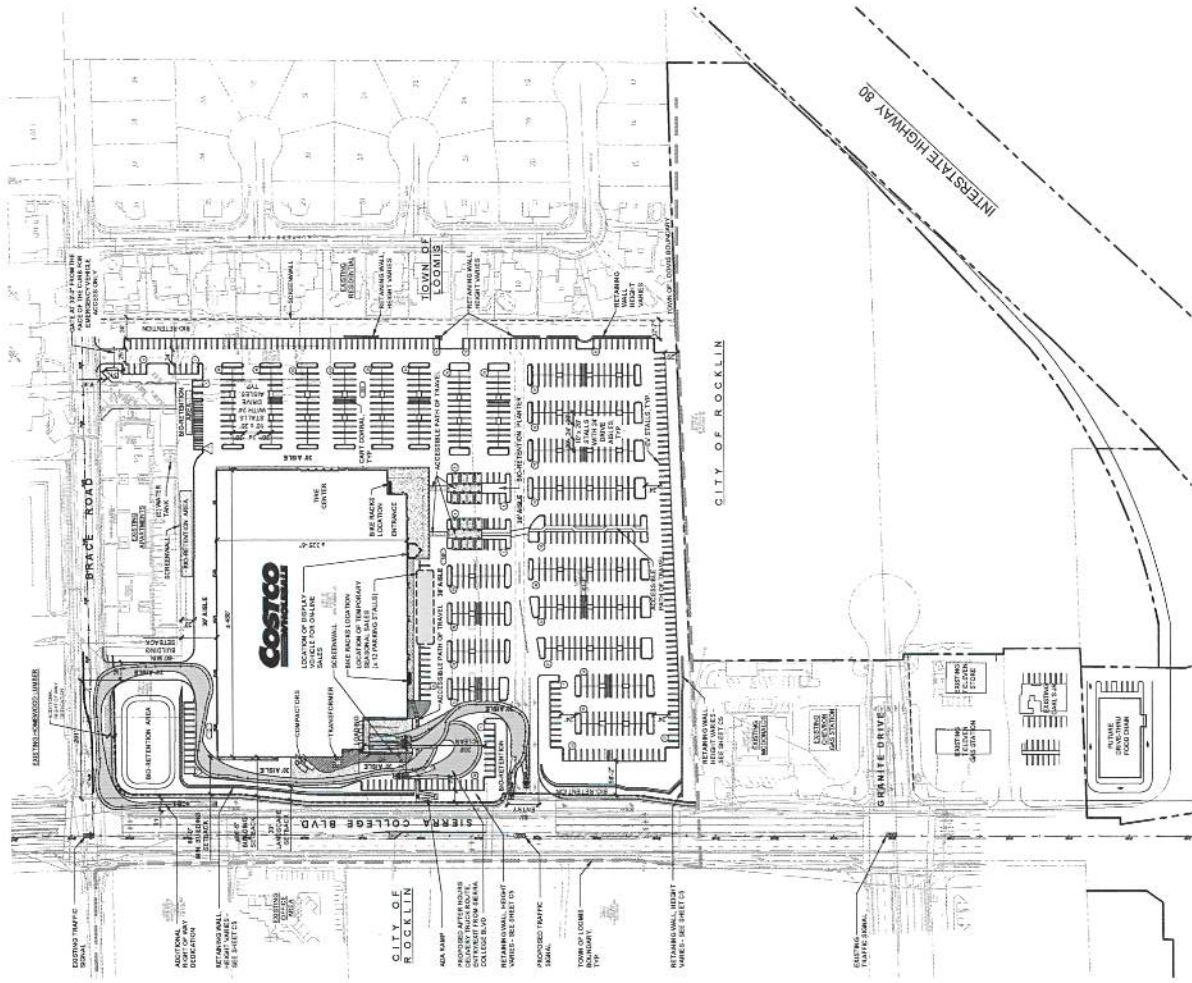
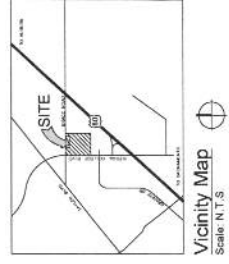
Site Data
 Costco Site Area: 17.19 AC (749,721 s.f.)
 Right of Way Dedication: 0.50 AC (22,148 s.f.)
 Jurisdiction: Town of Loomis, CA
 Existing Zoning: GC - General Commercial / Residential
 RM 5 - Medium Density Residential
 RH - High Density Residential

Boundary Information
 This plan has been prepared using the Topographic Survey and is prepared by Kline Wright & Chan Engineers & Surveyors, Inc.

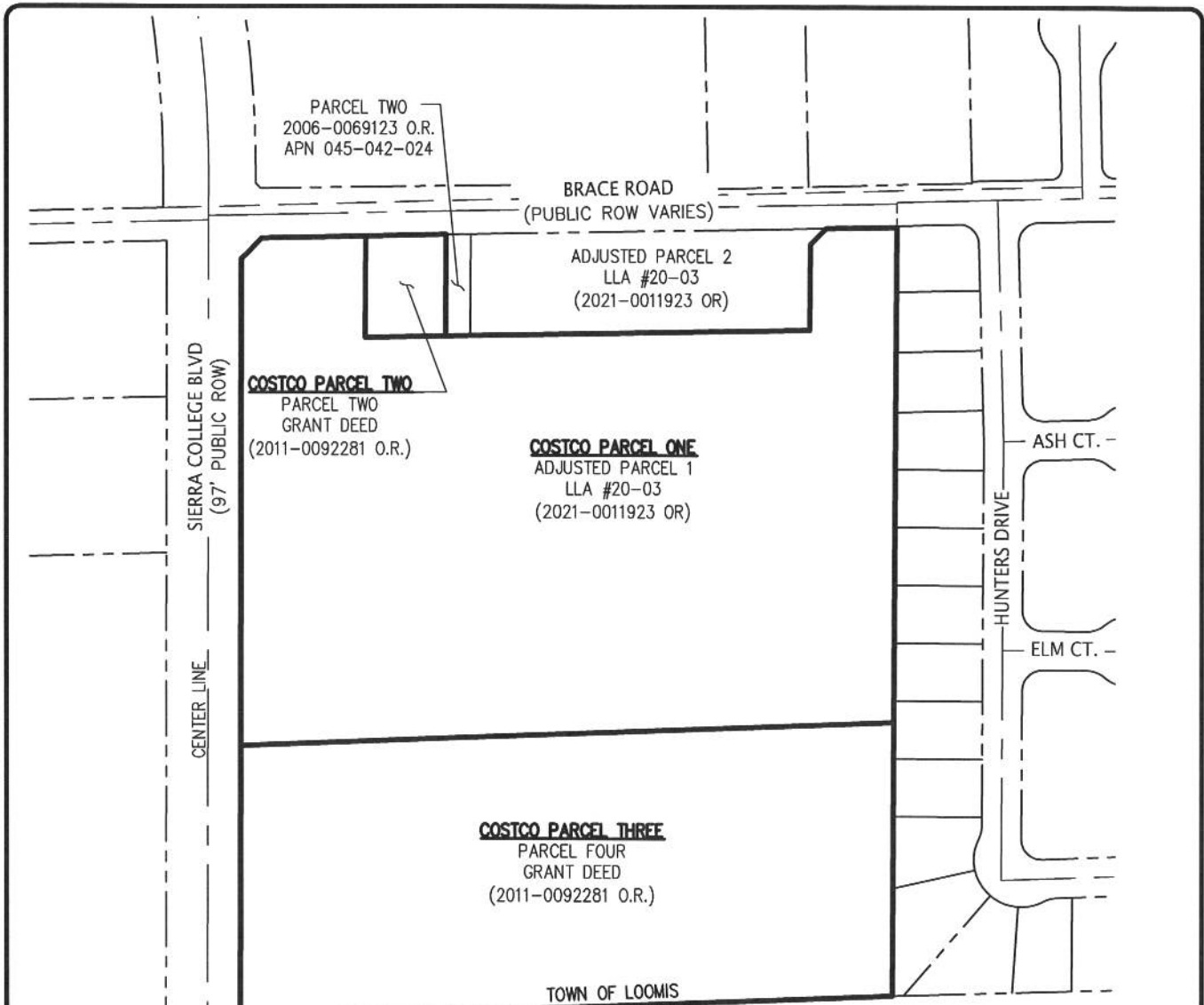
Building Data
 Total: ± 155,000 s.f.

Parking Data (Costco Parcel)

10' wide stalls:	791 stalls
Accessible stalls:	16 stalls
EV stalls:	50 stalls
Costco Parking:	857 stalls
Required Parking:	775 stalls

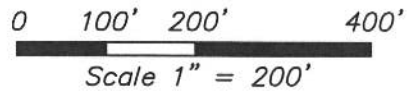


COSTCO LOOMIS, CA
 CONCEPT SITE PLAN



LEGEND

- CENTER LINE
- PROPERTY LINE
- SECTION LINE
- OFFICIAL RECORD



KIER & WRIGHT
 CIVIL ENGINEERS & SURVEYORS, INC.
 2850 Collier Canyon Road Phone (925) 245-8788
 Livermore, California 94551 Fax (925) 245-8796
 www.kierwright.com

EXHIBIT

ADJUSTED PARCELS - AFTER THE LLA
 (AFTER CERTIFICATE OF COMPLIANCE)

LOOMIS, CALIFORNIA

DATE	MAY, 2020
SCALE	1" = 200'
BY	RJH
JOB NO.	A16658
SHEET	1 OF 1

LEGAL DESCRIPTION COSTCO PARCELS

THREE PARCELS OF LAND, BEING REAL PROPERTY SITUATE IN THE TOWN OF LOOMIS, COUNTY OF PLACER, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEING ALL OF ADJUSTED PARCEL 1 AS DESCRIBED IN THAT LOT LINE ADJUSTMENT, TOWN OF LOOMIS APPLICATION #20-03, RECORDED JANUARY 28, 2021, AS DOCUMENT NO. 2021-0011923, OFFICIAL RECORDS OF PLACER COUNTY.

PARCEL TWO:

BEING ALL OF PARCEL TWO AS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED NOVEMBER 17, 2011, AS DOCUMENT NO. 2011-0092281, OFFICIAL RECORDS OF PLACER COUNTY.

PARCEL THREE:

BEING ALL OF PARCEL FOUR AS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED NOVEMBER 17, 2011, AS DOCUMENT NO. 2011-0092281, OFFICIAL RECORDS OF PLACER COUNTY.

KIER & WRIGHT CIVIL ENGINEERS & SURVEYORS, INC.