CITY OF ROSEVILLE CALIFORNIA

AGENDA

March 2, 2022

CITY COUNCIL
6:00 p.m.
Council Chambers
311 Vernon Street
Roseville, California
www.roseville.ca.us

The meeting may be viewed on Comcast channel 14, Consolidated Communications channel 73, and AT&T U-Verse. City Council meetings are also video streamed live on the City's website at roseville.ca.us/watch and roseville.ca.us/agenda, and the City's YouTube channel at youtube.com/CityofRosevilleCa.

If you need a disability-related modification or accommodation to participate in this meeting, please contact Voice: 916-774-5200, TDD: 916-774-5220. Requests must be made as early as possible.

THE CITY OF ROSEVILLE WELCOMES YOUR PARTICIPATION

If an agenda item is open to public comment, such public comment shall be addressed to the chair of the meeting.

Public Comment - Speakers have three minutes under Public Comment to speak on issues that are not listed on the agenda and are within the City's jurisdiction. The Brown Act does not permit any action or discussion on items not listed on the agenda.

Consent Calendar - If applicable, the Consent Calendar consists of routine items that may be approved by one motion. Any person can remove an item from the Consent Calendar to be discussed separately.

Agenda Items - Speakers have five minutes to address items that are listed on the agenda.

Americans with Disabilities Act - Notify the City Clerk or Secretary at least 72 hours in advance if special assistance is required to participate in a meeting including the need of auxiliary aids or services.

Audio/Visual Presentations - If making a presentation regarding an agenda item, audio/visual materials must be submitted to the City Clerk or Secretary at least 72 hours in advance.

Security procedures are in place to attend Roseville City Council meetings. All attendees must successfully pass through a security metal detector. Any person with a prohibited item will not be

allowed entry. Prohibited items include, but are not limited to: firearms (even with valid CCW), knives, pepper spray/mace, explosives of any kind/ any weapons and/or dangerous devices of any kind, illegal drugs and alcohol.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. MEETING PROCEDURES

5. PUBLIC COMMENTS

6. CONSENT CALENDAR

BEGINNING OF CONSENT CALENDAR

Bids / Purchases / Services

6.1. Centrifuge Controls Upgrade - Sole Source Contract Purchase Agreement

Memo from Preventative Maintenance Coordinator Blaine Wiegel and Environmental Utilities Director Richard Plecker recommending the City Council adopt RESOLUTION NO. 22-061 APPROVING A SOLE SOURCE CONTRACT PURCHASE AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND GEA WESTFALIA SEPARATOR INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests approval of a sole source contract purchase agreement with GEA Westfalia Separator Inc., in the amount of $181,256 to provide control upgrades to the three centrifuges in the Pleasant Grove Wastewater Treatment Plant. Funding is available from the Environmental Utilities Department's FY2021-22 operating budget in the Wastewater Operations Fund.

CC #: 1951

File #: 0203-09

CONTACT: Blaine Wiegel 916-746-1833 bwiegel@roseville.ca.us

Resolutions

6.2. Affordable Housing - Rental Agreements

Memo from Housing Manager Trisha Isom and Economic Development Director Melissa Anguiano recommending the City Council adopt RESOLUTION NO. 22-053 APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 22-054 APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt

RESOLUTION NO. 22-055 APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 22-056 APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 22-057 APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 22-058 APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests Council approve six (6) Affordable Rental Housing Agreements with DF Properties, Inc. The developer will allocate 18 units on 6 different parcels in the Infill Specific Plan to be rented by very low and low-income households. The General Plan Housing Element requires a 10% affordable housing obligation for residential development and recommends that developers provide a distribution of the required affordable housing as follows: 40% very low; 40% low and 20% middle income. Since the 1980's, the City's Housing Division has implemented the General Plan's recommended distribution for compliance with the 10% affordable housing obligation and created over 3,500 affordable units. The subsidies for the program are borne by the developer. No General Fund resources will be used.

CC #: 1946

File #: 0709-03-02

CONTACT: Trisha Isom 916-746-1239 tisom@roseville.ca.us

6.3. Financial Advisory Services - Professional Services Agreement

Memo from Management Analyst Jeannine Thrash and Assistant City Manager/Chief Financial Officer Dennis Kauffman recommending the City Council adopt RESOLUTION NO. 22-052 APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND HILLTOP SECURITIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests Council award a contract to Hilltop Securities, Inc for Financial Advisory Services with a total not-to-exceed amount of $675,000 through February 28, 2025. The professional services agreement has two components. The first component is an annual retainer of $75,000 for providing general financial advisory services. The budget for the retainer is included in the Finance Department's approved FY2021-22 General Fund budget. The second component is for providing specific financial advisory services rendered in the process of issuing a series of bonds. The agreement is for a flat fee of $25,000 per bond issuance. These expenses are a component of typical "bond issuance costs". Payment of bond issuance costs are typically contingent upon issuance of bonds and are routinely paid from bond proceeds,

thus they are not an expense to the General Fund.

CC #: 1945

File #: 0200

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

6.4. Energy Risk Management Policies Update

Memo from Electric Risk and Compliance Supervisor Petra Wallace and Electric Utility Director Daniel Beans recommending the City Council adopt RESOLUTION NO. 22-060 REAFFIRMING THE ENERGY UTILITY RISK MANAGEMENT POLICY AND THE ENERGY CREDIT RISK POLICY AND ADOPTING THE ENERGY HEDGE POLICY AND THE ENERGY TRADING AUTHORITY POLICY. Staff requests approval of two updated Energy Risk Management Policies and reaffirmation of two existing Energy Risk Management Policies for Roseville Electric Utility. The Energy Trading Authority Policy and the Energy Hedge Policy are recommended to be updated. The Energy Credit Risk Policy and the Electric Utility Risk Management Policy require City Council reaffirmation every two years by Roseville's internal risk policy. There is no fiscal impact associated with these policy changes.

CC #: 1948

File #: 0800-03

CONTACT: Petra Wallace 916-774-5510 pwallace@roseville.ca.us

6.5. Fiddyment Ranch - Phase 3 Holt Parkway 3A-1 - Notice of Completion

Memo from Senior Construction Inspector Darin Crockett and Development Services Director Mike Isom recommending the City Council adopt RESOLUTION NO. 22-051 ACCEPTING THE PUBLIC WORK KNOWN AS Fiddyment Ranch Phase 3 Holt Parkway 3A-1, APPROVING THE "NOTICE OF COMPLETION", AND AUTHORIZING AND DIRECTING THE CITY ENGINEER TO EXECUTE SAID NOTICE ON BEHALF OF THE CITY OF ROSEVILLE, THEREFORE, AND ACCEPTING A PORTION OF THE DEDICATIONS OFFERED ON THE RECORDED MAP OF THE SUBDIVISION. The Engineering Division has made final inspection of the project and has found the civil improvement work complete in accordance with the improvement plans and City specifications. This action has no impact to the City's General Fund. Construction costs were paid by the developer.

CC #: 1942

File #: 0400-04-09-1

CONTACT: Darin Crockett 916-751-9196 dcrockett@roseville.ca.us

6.6. Litigation, Labor, and Employment Services - Legal Services Agreement

Memo from Paralegal Gretchen Hakala and City Attorney Michelle Sheidenberger recommending the City Council adopt RESOLUTION NO. 22-048 APPROVING AN AGREEMENT FOR LEGAL SERVICES, BY AND BETWEEN THE CITY OF ROSEVILLE AND BURKE, WILLIAMS & SORENSEN, LLP, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests

Council approval of a legal services agreement with Burke, Williams & Sorensen, LLP for outside legal services to advise, assist, and represent the City as co-counsel with the City Attorney from time to time with respect to litigation, and to assist the City with respect to transaction matters. Staff is updating the current agreement from 2012 to match the current contractual terms. The firm will continue to assist the Human Resources Department with Labor and Employment matters. Legal services provided by this contract will be dependent upon needs as they occur during the year and thus cannot be forecast. All expenses will be paid from the Human Resources Department operating budget in the General Fund, as needed.

CC #: 1937

File #: 0500

CONTACT: Gretchen Hakala 916-774-5325 ghakala@roseville.ca.us

Ordinances (for introduction and adoption - appropriation/urgency measures)

6.7. Park Rehabilitation Projects - Budget Adjustment

Memo from the Park Planning & Development Superintendent, Tara Gee and Parks, Recreation & Libraries Director, Jill Geller, recommending the City Council adopt ORDINANCE NO. 6459 AUTHORIZING CERTAIN AMENDMENTS TO THE FISCAL YEAR 2021-22 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. Staff recommends City Council approval of a budget adjustment to redirect existing funds in the Parks, Recreation & Libraries Capital Projects Fund for approved park rehabilitation projects. Staff requests Council approval of a budget adjustment for the Mahany Patio Shade project in an amount of $4,000 to fill the existing empty tree wells in the patio area with concrete as the new shade canopy will be erected over this area. Funding is available in the Paving Repair project fund for this request. Staff also requests a budget adjustment for the Shade Structure at the Mahany All-Weather Field in an amount of $16,800, as the cost to add shade over the second set of bleachers at the All-Weather Field came in higher than anticipated. Funding is available in the Maidu Museum Trail Repair project fund for this request. No additional funding is requested.

CC #: 1944

File #: 0704-01 & 0201-01

CONTACT: Tara Gee 916-774-5253 tgee@roseville.ca.us

Reports / Requests

6.8. HOUSING AUTHORITY/CITY COUNCIL - Quarterly Status Update

Memo from Housing Supervisor Suzi Cook-Turner and Economic Development Director Melissa Anguiano recommending the City Council receive a quarterly report on the Housing Authority's Housing Choice Voucher Program. This report is for informational purposes only and has no impact on the City's General Fund.

CC #: 1943

File #: 0709-02-01

CONTACT: Suzi Cook-Turner 916-774-5414 smcook-turner@roseville.ca.us
Trisha Isom 916-746-1239 tisom@roseville.ca.us

6.9. Roseville Junction Final Map

Memo from Assistant Engineer Kerry Andrews and Development Services Director Mike Isom recommending the City Council approve the Roseville Junction final map. Engineering has completed its review of the final map and found that it is in compliance with the approved tentative map. This map will be creating 6 commercial lots. The actions requested have no fiscal impact to the City's General Fund.

CC #: 1950

File #: 0400-06-03 & 0400-07

CONTACT: Kerry Andrews 916-774-5346 kandrews@roseville.ca.us

6.10. Out-of-State Travel Request - Police Department

Memo from Management Analyst Mark Peinado and Police Chief Troy Bergstrom recommending the City Council approve out-of-state travel to Hoover, Alabama, for one Police Officer to attend a Credit Card Skimmers course from March 8, 2022 to March 10, 2022. The travel and training cost for this four-day course is fully sponsored by the National Computer Forensics Institute. This course is fully funded by the NCFI. The NCFI will pay for training and travel expenses, including hotel and per diem for meals. There is no cost to the City or fiscal impact to the General Fund.

CC #: 1938

File #: 0600-02

CONTACT: Mark Peinado 916-774-5021 mcpeinado@roseville.ca.us

6.11. Out-of-State Travel Request - Police Department

Memo from Management Analyst Mark Peinado and Police Chief Troy Bergstrom recommending the City Council approve out-of-state travel from March 13th to March 17th, 2022, to Winston-Salem, North Carolina, for two professional staff members to research and evaluate specific integration software at an agency with a Real Time Crime Center deployment that aligns with the City's future vision. The total cost to send two professional staff members will be approximately $3,400. This amount includes travel, lodging, meals and incidental expenses. There are sufficient funds in the FY2021-22 Police Department budget in the General Fund to cover the expense; no additional funds are being requested.

CC #: 1939

File #: 0600-02

CONTACT: Josh Simon 916-774-5059 jsimon@roseville.ca.us
Mark Peinado 916-774-5021 mcpeinado@roseville.ca.us

END OF CONSENT CALENDAR

7. RESOLUTIONS

7.1. Community Facilities District No. 3 (Municipal Services) - Annexation No. 27 (Torrente at Sierra Vista) - Annexation of Territory

Memo from Management Analyst Jeannine Thrash and Assistant City Manager/Chief Financial Officer Dennis Kauffman recommending the City Council adopt RESOLUTION NO. 22-049 A RESOLUTION OF ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS; and adopt RESOLUTION NO. 22-050 A RESOLUTION DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN. The recommended annexation into Community Facilities District (CFD) No. 3 will incorporate the developer-owned territory and be named Community Facilities District No. 3 (Municipal Services), Annexation 27 (Torrente at Sierra Vista), under the Mello-Roos Community Facilities Act of 1982, as amended. The landowner submitted the required property owner ballots to the City Clerk, agreeing to be annexed into CFD No. 3. The landowner agrees to pay the approved special tax sufficient to pay the costs of the CFD, levied annually among the parcels within the CFD, at the maximum special tax rates identified in the Amended Notice of Special Tax for CFD No. 3. On February 2, 2022, the City Council adopted Resolution of Intention No. 22-029, to Annex Territory to the Community Facilities District and to Authorize the Levy of Special Taxes Therein, City of Roseville, Community Facilities District No. 3 (Municipal Services), Annexation No. 27 (Torrente at Sierra Vista), and set March 2, 2022, at 6:00 p.m. at the City of Roseville Civic Center Council Chambers at 311 Vernon Street, Roseville, California as the time and place to conduct a public hearing. The CFD will generate special taxes levied on the landowner's annual property tax bill. Annexation into Community Facilities District No. 3 (Municipal Services) helps offset the property's impact on City General Fund resources available to pay for municipal services and therefore will not negatively impact the General Fund.

CC #: 1941

File #: 0400-09-01

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

8. ORDINANCES

8.1. Military Equipment Policy

Memo from Police Captain Doug Blake and Chief of Police Troy Bergstrom recommending the City Council adopt findings pursuant to California Assembly Bill 481 and introduce for first reading an ordinance adopting a Military Equipment Policy authorizing the Roseville Police Department’s continued use of “military equipment”, as defined by Assembly Bill 481, obtained prior to January 1, 2022 and going forward. There is no fiscal impact associated with the proposed policy.

CC #: 1949

File #: 0323

CONTACT: Troy Bergstrom 916-774-5058 tbergstrom@roseville.ca.us
Doug Blake 916-746 1043 dblake@roseville.ca.us

9. REPORTS / PUBLIC COMMENTS

10. ADJOURNMENT

COUNCIL COMMUNICATION

CC #: 1951
File #: 0203-09

Title:	Centrifuge Controls Upgrade - Sole Source Contract Purchase Agreement
Contact:	Blaine Wiegel 916-746-1833 bwiegel@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.1.

RECOMMENDATION TO COUNCIL

Staff recommends City Council adopt a resolution authorizing the City Manager to execute a sole source, contract purchase agreement with GEA Westfalia Separator, Inc. to provide control upgrades to the three centrifuges in the Pleasant Grove Wastewater Treatment Plant.

BACKGROUND

The Pleasant Grove Wastewater Treatment facility uses three GEA centrifuges for the dewatering of processed sludge before transporting it to the landfill. Centrifugal thickening and dewatering of sewage sludge is a high-speed process that uses the force from rapid rotation of a cylindrical bowl to separate wastewater solids from liquid to produce a non-liquid material referred to as “cake.” Dewatering wastewater solids reduces the volume of residuals, improves operation, and reduces costs for subsequent storage, processing, transfer, end use, or disposal, among other benefits. These centrifuges are twenty years old and are in need of a controls upgrade to ensure the operation of this critical process in wastewater treatment. Upgrades to these centrifuges can only be purchased from, and performed by, GEA Westfalia factory-trained technicians. There are no other certified technicians or repair facilities that can perform maintenance with GEA’s authorization.

FISCAL IMPACT

The cost of the control upgrades is $181,256 with funding from the Environmental Utilities Department’s FY2021-22 operating budget in the Wastewater Operations Fund.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. Approval of a contract purchase order for centrifuge controls meets the above criteria and is not subject to CEQA. No additional environmental review is required.

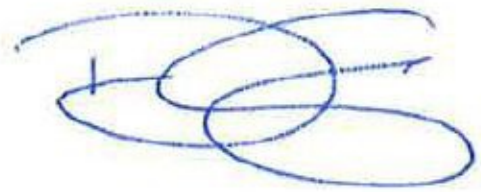
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal C - Maintain a safe and healthy community
Goal E - Deliver exceptional city services
Goal F - Invest in well-planned infrastructure and growth

Respectfully Submitted,

Blaine Wiegel, Preventative Maintenance Coordinator

Richard Plecker, Environmental Utilities Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution 22-061

Signed GEA Contract

RESOLUTION NO. 22-061

APPROVING A SOLE SOURCE CONTRACT PURCHASE AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND GEA WESTFALIA SEPARATOR INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a sole source contract purchase agreement (3001768) for a controls upgrade to existing panels of the Pleasant Grove Wastewater Treatment Plant's centrifuges, between the City of Roseville and GEA Westfalia Separator Inc., has been reviewed by the Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said sole source contract purchase agreement is approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this____day of _____, 20_, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

DocuSign Envelope ID: AAD47759-5B5A-4C42-93A5-8C475910EC5C

CITY OF ROSEVILLE CALIFORNIA

Contract Purchase Agreement 3001768

Supplier Details:

Company	GEA Westfalia Separator Inc
Contact	Brian Lent
Address	100 Fairway Court
	Northvale, NJ 07647

Submit your response to:

Company	City of Roseville
Contact	Sue Jessup
Address	Purchasing Division
	2075 Hilltop Circle
	Roseville, CA 95747
Phone	(916) 746-1702
Fax	(916) 774-5736
E-mail	SJessup@roseville.ca.us

This Contract Purchase Agreement is sent for your review and acceptance. Notify the Buyer via email of any needed changes to the company name, address, and contact information. The Buyer will update the agreement prior to you signing the document.

Return signed copies of the agreement to the Buyer noted on the agreement. Alterations or modifications to the agreement are not allowed. Upon receipt of all necessary documents, the City will sign the agreement and return a fully executed copy to you. Receipt of the signed copy will be your notice to proceed with the work in accordance with the terms and conditions of the agreement. Work must not begin until the contract has been fully executed.

The following guidelines must be followed for the signature block on the agreement:

Sole proprietorship - **By owner**

Partnership - **Any general partner**

Corporation - **Two options:**
(1) A signature from the President and the corporate seal; **OR**
(2) One signature from the Chairman of the Board, President, or any Vice President **AND** one signature from the Secretary, any Assistant Secretary, Chief Financial Officer, or any Treasurer or Assistant Treasurer of the corporation

*General Manager, Office Manager and/or Sales Manager are **not** corporate officer titles. The agreement will be rejected if not signed in accordance with these guidelines.

Insurance requirements:
The City's insurance requirements are referenced on Attachment A of the agreement. By signing the agreement, you are confirming that your company has the minimum insurance limits required.

DocuSign Envelope ID: AAD47759-5B5A-4C42-93A5-8C475910EC5C

CITY OF ROSEVILLE CALIFORNIA

Contract Purchase Agreement 3001768

Agreement	**3001768**
Agreement Date	**13-DEC-2021**
Revision	**0**
Agreement Amount	**181,256.00 USD**

Invoice To	**City of Roseville** **Accounts Payable** **311 Vernon St** **ROSEVILLE CA 95678**
Phone:	(916) 774-5488
Fax:	(916) 784-3796
Email:	accountspayable@roseville.ca.us

Supplier	**GEA Westfalia Separator Inc** 100 Fairway Court Northvale, NJ 07647
Phone:	()
Fax:	()
Email:	brian.lent@gea.com

Description of Labor, equipment and/or materials

The vendor shall provide the labor and equipment for a controls upgrade for existing panels of the Environmental Utilities Pleasant Grove Wastewater Treatment Plant's (PGWWTP) centrifuges in accordance with the attached GEA Mechanical Equipment US, Inc. proposal number CR11112021BL dated 11/11/21 and the "Agreed GEA and City of Roseville Terms and Conditions – Services" dated 10/20/21.

Start Date: Executed Agreement
End Date: Upon Final Payment

Please contact Blaine Wiegel with the PGWWTP at (916)746-1833 or bwiegel@roseville.ca.us for questions regarding this agreement.

Customer #	Supplier #	Payment Terms	Freight Terms	FOB	Shipping Method
	11735	**Net 30**	**Freight on Board at the destination**	**Destination**	**Best Method**

Start Date	End Date	Confirm To
		Sue Jessup Phone **1-916-746-1702**

Attention: Total Cost not to exceed the agreement amount without prior approval of the Purchasing office.

Contract Terms and Conditions

ATTACHMENT A
HUMAN RESOURCES/RISK MANAGEMENT DIVISION
INSURANCE REQUIREMENTS
AGREEMENT OVER FORMAL BID LIMIT OR INVOLVING HIGH RISK ACTIVITIES

General - Required Coverage/Documentation

- General Liability: $1 Million per occurrence /$2 Million aggregate
- Automobile Liability: $1 Million combined single limit
- Workers' Compensation: Statutory *Must provide a Waiver of subrogation
- Additional Insured Endorsement (AIE) - General Liability policy: CG 20 38 04 13 or an equivalent, blanket endorsement or section of the policy. Endorsement shall cover the City of Roseville, its officers, agents, employees and volunteers as additional insured.
- Policies must be primary and non-contributory
- A 30 day notice of cancellation must be provided
- List certificate holder as: The City of Roseville - Insurance Compliance, PO Box 100085-R1, Duluth, GA 30096

Additional Liability/Insurance Requirements if required by Agreement (and marked below):

Construction:____
General Liability:
$2 Million/occurrence
$4 Million aggregate

Design Professional:____
General Liability:
$2 Million/occurrence
$4 Million aggregate
Professional Liability:
$2 Million/occurrence

Professional Consultant:____
Professional Liability:
$1 Million/occurrence

IT Services:_X___
Professional Liability:
$1 Million/occurrence
No auto required

Hazardous Materials:____
Pollution Liability:
$1 Million/occurrence

Special Events/Caterers-Vendors:____
No auto required
No workers' comp required

Professional Counseling/ Psychological:____

Professional Liability:
$1 Million/occurrence
No auto required

Pyrotechnics:____
General Liability:
$5 Million/occurrence
$10 Million aggregate
Auto - $2 Million/occurrence

Chemical/Environmental:____
General Liability:
$3 Million/occurrence
$6 Million aggregate
Pollution – $2 Million/Occurrence
Auto - $2 Million/Occurrence

Insurance Submission Process

The City of Roseville Human Resources/Risk Management Department uses a service called EBIX to manage our insurance certificate tracking.

How It Works

- The vendor's contact information is entered into EBIX. EBIX will contact the vendor to request proof of insurance.
- The Vendor can forward the request to their Insurance Agent(s) if necessary.
- Vendor/Insurance Agent submits insurance to EBIX by email to roseville@ebix.com or by fax to (770) 325-5727. After faxing or emailing the certificate, please DO NOT send the certificate by mail to EBIX. Please do not mail, email or fax any certificates to the City of Roseville.
- Once submitted, EBIX reviews the insurance documentation. If there are deficiencies, EBIX will send a follow up letter or email requesting additional information.

Questions Regarding Insurance Submission: Contact EBIX at (951) 652-4239
Questions Regarding Insurance Requirements Contact Risk Management at (916) 774-5202

Supplier	
Signature:	
Print Name:	Michael J. Vick
Title:	President

Supplier	
Signature:	
Print Name:	Evan Walker
Title:	Director Finance

City of Roseville, A Municipal Corporation	
Signature:	
Print Name:	**Dominick Casey**
Title:	**City Manager**

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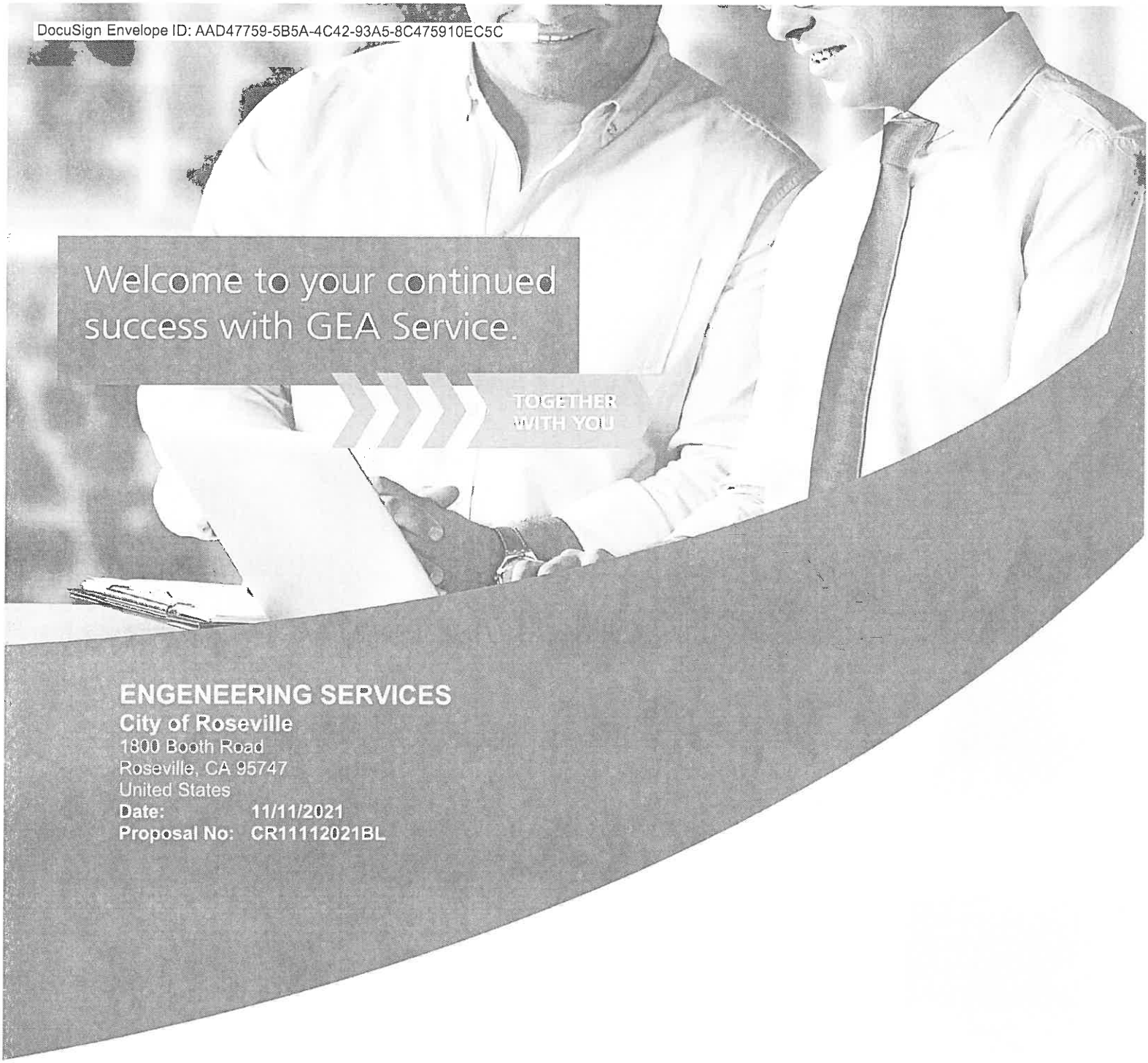


ENGENEERING SERVICES

City of Roseville
1800 Booth Road
Roseville, CA 95747
United States

Date: 11/11/2021
Proposal No: CR11112021BL

engineering for a better world

gea.com

DocuSign Envelope ID: AAD47759-5B5A-4C42-93A5-8C475910EC5C

GEA Mechanical Equipment US, Inc.
100 Fairway Court
Northvale, NJ 07647

Tel. (201) 767-3900
Fax (201) 767-3901
www.gea.com
State of Incorporation: Delaware
President: Michael J. Vick

SECTION I SCOPE OF SUPPLY

MODEL:

Model	Serial number	Referred to as
CA-755-00-32	8002-121	Decanter #1
CA-755-00-32	8004-946	Decanter #2
CA-755-00-32	8002-122	Decanter #3

DESCRIPTION: Controls upgrade for existing panels for customer owned centrifuges.

GEA is not responsible for communication to/from existing scada system except for any current discrete interfacing.

This quote is for the engineering, fabrication, factory testing and preparation for shipment. Includes installation assistance and startup.

SUMMARY

HARDWARE

1. Replacement of HMI for both Decanters #1 and #3
   - HMI model will be Magelis HMIGTO5310, 10" touch screen (#2 will also require and new HMI unit)
   - Each new HMI includes an HMI cutout adapter, RIO drop adapter which replaces the CPU module, and an Ethernet cable
   - The existing HMI installed on Decanters #1 and #3 now (XBTF034510) has been discontinued as well as the software used to program it
   - Requires using the above Magelis OIT which requires converting the HMI program to the latest software which is Vijeo.

2. Replacement of PLCs for both Decanters #1 and #3
   - This is required to update the software to Unity Pro v13 (currently installed on Decanter #2).
   - Per the City's request GEA is proposing to replace the existing PLC with a M340 processor (BMXP342020), including replacement backplane (X80), power supply, 4x discrete input modules, 2x discrete output modules, 2x high speed analog input modules, 4x analog input modules, 2x analog output modules, 1x flash memory card, and necessary circuit protection and terminals as required
   - The proposal is based on the M340 and X80 fitting in the existing panel enclosure. The GEA proposal does NOT guarantee that the named model will fit until the measurements are verified.
   - Modbus Plus will be eliminated by the proposed modifications. The communications protocol will be via Ethernet now.
   - Note: these costs are contingent upon Roseville returning the old Quantum PLC processors back to GEA

3. SJM Removal for Decanters #1, #2 and #3
   - Existing SJM controller will be removed from the control panel door
   - A cover plate will be retrofitted on the door to close cut-out of SJM

4. All equipment factory tested by GEA, not witnessed by the customer. If customer witness testing is required, this would be at an additional to be determined cost

SOFTWARE

5. All software work for Decanter #1, #2 and #3
   - Includes review of PLC program for all three decanters
   - Update programs for Decanter #1 and #3 to match Decanter #2
     - This means "similar to Decanter #2 within reason" because some functionality may not be able to be translated. A verification of the #2 software is required for a comparison to the new #1 and #3.
   - Update the CIP sequence for all Decanters to match the latest GEA standards
     - GEA will support in providing SOP documents and consulting to assist with this
     - Decanters #1 and #3 will need to be shut down during the retrofit and software installation
6. Backup copy of the HMI and PLC programs for each machine on a USB or SD card.

ENGINEERING AND FIELD SERVICES

7. Engineering and Design work to update all electrical drawings
   - Also includes labor costs such as project management, documentation, administrative
8. Field Services supplied by GEA
   - One engineer to make 1 trip consisting of 3 days on-site and 2 travel days
   - One retrofit technician for 1 trip consisting of 1 day on-site and 2 travel days
9. Engineering and Design work by GEA, in support of project

- 40 man-hours at $175/hr., for any miscellaneous project support including updating the SOP and assisting with the software updates

10. Field Services supplied by GEA
    - One-week trip by a Process Engineer to visit the plant to commission and validate the controls upgrade.

DOCUMENTATION

11. The following documentation is included with the scope of supply above.
    - Data sheets for all upgrade hardware
    - Updated Electrical Drawings and Network Diagrams
    - Submittal documentation for the *optional* center console unit, to include control panel layout drawings, electrical schematic drawings, bill of material and component data sheets
    - Final documentation package (with help from GEA): Operation Manuals, As-Built Drawings, Sequence of Operations
    - No submittals or review included

Any additional Engineering time would be charged per the attached rate sheet.

NOT INCLUDED IN THE SCOPE OF SUPPLY:

This quote does NOT include any onsite hardware installation, conduit or wiring.

- Installation of supplied hardware.
- Disposal and removal of existing hardware.
- Modifications to existing hardware.
- Cables, wire or labels.

SECTION II SPECIFIC TERMS & CONDITIONS

Price:

Hardware	$ 94,197.83
Software & Programming	$ 30, 448.83
Engineering and Field Services	$ 22,075.84
GEA Project Management, Overhead & Support	$ 32,033.50
Total	**$181,256.00**
Optional center console deleted by City	
Sales price includes the latest Bond requirement from the City.	

DDP City of Roseville (Incoterms 2020)

DELIVERY:	Estimated delivery of equipment is 10-12 weeks after reception of the Purchase Order. If the Center Console Unit is purchased as an option, submittals will be delivered in 6-8 weeks. Note that delivery of equipment and all travel is pending COVID-19 restrictions. See Covid-19 Disclaimer below.
PAYMENT TERMS:	30% down payment, due net 10 days on presentation of invoice 70%upon shipment, due net 30 days upon presentation of invoice
VALIDITY:	Prices are firm for acceptance for thirty (30) days from date of proposal and shall remain firm for delivery as quoted
WARRANTY:	Equipment quoted bears a warranty against faulty workmanship and material for a period of twelve (12) months from date of acceptance, not to exceed eighteen (18) months after delivery
START-UP:	Supervision of initial startup and training of operating personnel is included.

This quotation is subject to the Terms & Conditions of Sale, including the Limited Equipment Warranty and Disclaimer contained therein, a copy of which can be found in Section III of this proposal.

COVID-19 DISCLAIMER: Due to current developments and measures taken globally, nationally and locally in connection with the World Health Organization's declared public health emergency in respect of the COVID-19 pandemic, GEA's offered goods and/or services can be negatively affected. Although GEA is taking actions to mitigate potential supply impacts, please be advised that our choice of suppliers / subcontractors, delivery lead-times, engineering and/or site services, quoted prices, etc. may be impacted due to the COVID-19 pandemic.
Such adverse effects may, in particular, be caused by or occur in response to actions taken by a government or public authority (including the imposition of embargoes or import or export restrictions, quarantine orders, travel restrictions or any other restrictions or prohibitions and the compliance by GEA or any of its sub-suppliers of any tier with corresponding laws or governmental orders, rules, regulations, directions, recommendations or precautions). The coronavirus pandemic and these effects may *inter alia* result in excessive illness rates of personnel, difficulties or increased costs in obtaining workers or goods, inability to transport goods or persons across borders, other travel restrictions or mobility impairments, personnel and/or material shortages, delays or other adverse circumstances affecting the supply of goods or services.

Accordingly, GEA reserves the right to require an extension of any stated time schedule and/or to charge extra reasonable costs in the event GEA's time schedule is adversely impacted and/or GEA incurs additional costs due to any of the foregoing.

AGREED GEA AND CITY OF ROSEVILLE TERMS AND CONDITIONS – SERVICES

Definitions

Term	Meaning
Buyer	the party who contracts to buy the Scope of Work.
Buyer Scope	all works relevant to the Scope of Work which are not expressly included in Seller's Scope of Work, including any works specified in these Terms or Seller's Offer as being the responsibility of Buyer.
Contract	the contract formed between Buyer and Seller for purchase and sale of the Scope of Work.
Contract Price	the price set out in Seller's Offer or, in case of binding contract, in the Contract.
Costs	all costs and expenses incurred or to be incurred by Seller, including overhead, insurance, financing costs and similar charges and a reasonable profit; when calculating Costs, the costs of Seller's personnel shall be based on Seller's periodic rates as set forth in Seller's Offer or, if not contained therein, according to its rates prevailing when the work is performed.
day	a calendar day.
Defect	a flaw in the workmanship or materials of Seller's equipment at the time of delivery or a failure to prepare documentation or provide Site Services according to commercially reasonable skill and care.
Export Control Event	a situation where the Export Control Regulations may require an Export License or may cause additional costs, delay, prohibit Seller's performance and/or render the Contract not reasonable to perform.
Export Control Regulations	all applicable national and international laws, regulations, orders, embargoes, administrative practices or resolutions that may prohibit or restrict the trade of the Goods.
Export License	license or an equivalent formal approval by the competent authorities for the supply of the Goods under this Contract which is required to be obtained by Seller under the Export Control Regulations.
Force Majeure	acts of war or terrorism, riots, civil commotion, embargoes, export/import permit delays or refusals, epidemics, strikes, fires, delays in transport or customs clearance, earthquakes, floods, hurricanes, typhoons, storms, other acts of God or government or any other circumstances beyond the reasonable control of a party.
including	including without limitation.
Incoterm	the series of pre-defined commercial terms published under the name Incoterm® by the International Chamber of Commerce (Paris) as in force at the date of Seller's Offer.
Schedule	the time schedule for the Scope of Work as set out in Seller Offer or, in case of binding contract, in the Contract, as such schedule may be modified according to Clause 5 of these Terms.
Scope of Work	the goods, documentation and services (including Site Services, if any) expressly listed as Seller's responsibility in Seller's Offer or, in case of binding contract, the Contract.
Seller	The GEA entity identified on the quotation, proposal or offer for the Scope of Supply or Buyer's purchase order.
Seller's Offer	Seller's quotation, proposal or offer for the Scope of Work.
Site	the place at which the Scope of Work is to be performed.
Site Services	the services (if any) provided by Seller at the Site expressly listed as Seller's responsibility in Seller's Offer or, in case of binding contract, the Contract.
Terms	these Terms and Conditions – Services.
Warranty Condition	has the meaning set out in Clause 7.1.4.
Warranty Period	ninety (90) days from performance of the Scope of Work.

General Provisions

These Terms shall apply to and form an integral part of any Seller's Offer and any Contract.
Any provision of Buyer's purchase order, offer, acceptance or other document or requirement of Buyer which forms a part of the Contract and is in conflict or inconsistent with these Terms shall not apply to the Contract and is of no force or effect.

These Terms shall prevail over any inconsistent or conflicting provision of the Contract (including Seller's Offer), except only where (i) Seller has by way of its Seller's Offer or a duly signed document expressly amended a provision of these Terms and has referenced the specific provision of these Terms being amended or (ii) these Terms expressly provide for an option to deviate from the respective provision in Seller's Offer or, as the case may be, in the Contract.

Annex A shall apply where the Scope of Work includes the testing of Buyer's materials at Seller's (or its affiliate's) facility.

1. Scope of Work:

1.1 Seller's works shall be limited to the Scope of Work. Buyer shall be responsible for the Buyer Scope.

2. Site Services:

2.1 If Site Services are included in the Scope of Work, Buyer shall ensure that Seller has safe and appropriate access to the Site at all times required by Seller. Any failure by Buyer to perform this obligation and any failure as regards readiness of the civil works or equipment outside the Scope of Work at the Site will entitle Seller to suspend its Site Services.

2.2 For the purpose of Seller carrying out the Site Services, Buyer shall be responsible for providing all of the following: (i) civil works; (ii) feed and other raw materials for making product; consumables and utilities, each in strict conformity with all requirements of the Contract; (iii) communications connections;(iv) trained and qualified laborers, operators and other personnel required by Seller; (v) safe and reliable equipment to assist in the transport of the Goods at the Site, including cranes and other lifting and transport equipment (to be operated and maintained by Buyer's personnel); (vi) a secure lock-up dry room for keeping tools and small machine parts; (vii) security; (viii) sufficient lighting; (ix) heating or cooling of the buildings at the Site to ensure reasonable climate and required ambient conditions for performing Site Services; (x) office space and facilities and welfare, messing, changing and washing facilities; (xi) any drawings or information which Seller may require for the purposes of carrying out the Site Services; (xii) special tools required for commissioning of the Goods; and (xiii) analyses of feed, utilities and product according to Seller's requirements.

2.3 Under no circumstances will Seller be responsible for the acts and/or omissions of any other contractor or person provided or made available by Buyer or for any works or equipment supplied by them, either by way of a deemed employer or otherwise, or for their payment, welfare, provision of safety equipment or safe means of working, or for their work, productivity or workmanship. Buyer shall be solely responsible for any failure of such persons or contractors to strictly comply with the instructions and requirements of Seller. Buyer shall indemnify, defend and hold Seller harmless from any resulting claims and liability for loss or damage to any property or for bodily injury or death in any way arising out of the acts or omissions of any such persons and contractors, save in each case to the extent directly caused by the negligence of Seller.

3. Payment:

3.1 Buyer shall pay Seller the Contract Price pursuant to the milestone schedule set forth in Seller's Offer or the Contract.

3.2 All payments are to be made by electronic transfer, net cash without any deduction, in United States Dollars unless a different currency is stated in Seller's Offer and within 30 days of the date of Seller's applicable invoice.

3.3 Payment shall not be deemed effected until irrevocably available funds have been received in full by Seller in its nominated bank account.

3.4 Buyer shall notify Seller in writing of any objection to the validity of any invoice within 5 days of receipt, absent which the invoice shall be deemed valid and payable.

3.5 Buyer shall have no right of set-off or right to make any form of withholding or retention against any payment of the Contract Price.

3.3 If any payment is not received by the applicable date for payment, Seller shall be entitled to interest thereon at 2.5% per month and pro rata for any part thereof, without formal demand being made. In addition and upon 7 days' written notice to that effect, Seller may suspend all or part of its performance under the Contract until the payment and any due interest is received in full.

4. Taxes:

4.1 The Contract Price and any other amounts to be paid to Seller are exclusive of, and Buyer shall be responsible for, all federal, local, or municipal duties, taxes (including value added, sales, use, business, excise, gross receipts, contractor's, withholding, or similar taxes), assessments or charges of any kind, except to the extent any taxes or other charges that are assessed on the profits of Seller or which under the applicable Incoterm relating to delivery of the Scope of Work are payable by Seller. The payment of all such duties, taxes, assessments, or charges are the responsibility of Buyer. Seller must receive appropriate tax exemption certificates from Buyer; otherwise, applicable taxes will be charged by Seller on each invoice.

4.2 If any duties, taxes, assessments or charges are imposed on Seller by authorities in the country where the Scope of Work will be installed in connection with any Site Services and/or in connection with the Contract itself, Buyer shall reimburse Seller all such amounts.

4.3 Where Buyer is obliged by applicable law to make a deduction from any payment due to Seller in relation to any such duties, taxes, assessments or charges, Buyer shall increase the payment to be made such that the net payment received by Seller is without any such deduction.

5. Delivery ! Risk of Loss ! Delays:

5.1 Seller shall deliver the Scope of Work according to the applicable Incoterms by the date specified in the Schedule. If no Incoterm is stipulated, delivery shall be Ex Works manufacturer plant as specified by Seller. In case the respective stipulated Incoterm obliges Seller to perform any import formalities for the import into the country of delivery, Buyer at its cost is obliged to support Seller in any way reasonably required by Seller. Any delay (other than a delay by Seller) in completion of import formalities shall be an event entitling Seller to an extension of time and compensation of Costs.

5.2 Transfer of risk of loss and damage to the Scope of Work shall be in accordance with the stipulated Incoterm. The inclusion of any Site Services within Seller's Scope of Work shall not alter this transfer of risk of loss and damage and shall not create any assumption by Seller of any form of care, custody and control over any Buyer Scope and/or the Site.

5.3 In case of any delay, disruption, impediment or prevention of Seller or any breach of contract by Buyer (including third parties for whom it is responsible), Seller shall be entitled to payment by Buyer of its additional Costs and to an extension of time for any delay incurred.

5.4 Each party shall be released from the performance of its obligations under the Contract to the extent such performance is delayed, disrupted, hindered or obstructed by Force Majeure. The time for performance shall be extended by at least the amount of time lost due to the Force Majeure event.

6. Ownership:

6.1 Title in the Scope of Work will transfer to Buyer when Seller has received payment of the Contract Price in full.

7. Warranties:

7.1 **Warranties regarding Scope of Work:**

7.1.1 Subject to the provisions of this Clause 7.1 and Clause 7.2, Seller warrants that the Scope of Work shall be free of Defects. This warranty shall expire on the last day of the Warranty Period.

7.1.2 Seller shall be responsible for remedying any Defect under Clause 7.1.1 provided that Buyer promptly gives detailed written notice to Seller of the Defect and in any event before the end of the Warranty Period. To the maximum extent permitted by applicable law, Seller shall have no liability for any form of Defect under Clause 7.1.1, latent or otherwise, for which it received written notification after the Warranty Period.

7.1.3 Where Seller is responsible for a Defect under Clause 7.1.1, Seller shall investigate and rectify the same as soon as reasonably practicable (taking into consideration the nature of the Defect, lead-time for replacement parts, etc.). Rectification of a Defect under Clause 7.1.1 relating to goods included in the Scope of Work shall be by way of repair or replacement, at Seller's option, of the relevant part of the goods that is defective. Rectification of a Defect under Clause 7.1.1 relating to Site Services and documentation included in the Scope of Work shall be by way of re-performance by Seller of the relevant part of the Site Service or documentation that is defective. Buyer shall in each case give Seller all necessary and safe access to and possession of the Site. Any replacement parts shall be delivered according to the same delivery (Incoterms) terms as specified in the Contract. Buyer shall be responsible for all labor, equipment, costs used or incurred in the disassembly, removal, transport, installation and commissioning of repaired or replaced defective parts. Seller shall not be deemed to have breached any of its warranty obligations where it has rectified a Defect according to this Clause.

7.1.4 Seller´s responsibility for any Defect under Clause 7.1.1 is subject to the condition that it is not caused by one or more of the following: (i) normal wear and tear of parts; (ii) use of non-original spare parts; (iii) use of feed, consumables or utilities not in strict conformity with the specifications stated in the Contract or in Seller´s written manuals; (iv) any failure of upstream and/or downstream equipment; (v) modifications without Seller's express prior written consent; (vi) use of corrosive or abrasive substances; (vii) the storage, handling, use, operation or maintenance of any goods which is not in strict conformity with good engineering practice, the Contract or any written requirements of Seller, including any failure to comply with Seller's written manuals or instructions and Buyer's own quality assurance requirements; (viii) information, services, personnel, equipment or other items supplied by Buyer; (ix) failure to permit Seller to perform supervision of installation and/or installation; and/or (x) other conditions or circumstances not due to the fault of Seller (collectively, "Warranty Conditions").

7.2 **Disclaimer and Limitations:**

SELLER HEREBY EXCLUDES AND DISCLAIMS ALL CONDITIONS, WARRANTIES, GUARANTEES AND REPRESENTATIONS THAT ARE NOT EXPRESSLY SET OUT IN CLAUSE 7.1 OR WHICH ARE IMPLIED, STATUTORY, CUSTOMARY OR OTHERWISE AND WHICH, BUT FOR THIS EXCLUSION AND DISCLAIMER, WOULD OR MIGHT SUBSIST IN FAVOR OF BUYER, INCLUDING ANY WARRANTIES AS TO FITNESS FOR SPECIFIC PURPOSE OR MERCHANTABILITY. Buyer's remedies as set forth in Clause 7.1.3 above shall be Buyer's sole and exclusive remedies in respect of any Defect. If it is ultimately determined that this remedy fails of its essential purpose, then Seller's maximum liability is limited to the Contract Price attributable to the portion of the Scope of Work for which the exclusive remedy has failed. Seller's warranty does not include the replacement of lost refrigerant. Seller assumes no responsibility and shall have no liability for any repairs or replacements by Buyer without Seller's prior written authorization. Seller shall have no liability for the costs of removing or segregating any defective equipment so that the repairs or replacements can be made.

8. Confidentiality and IP:

8.1 Buyer shall treat all information, drawings and data of any kind made available or provided by Seller in Seller's Offer or under the Contract whether orally, electronically, in writing, visually (such as through site visits, tests or audits) or otherwise and regardless of whether marked "confidential" ("Confidential Information") as private and confidential. Buyer shall not publish or disclose Confidential Information or any particulars thereof (except as may be necessary for the purposes of the Contract, including disclosure to its and its affiliates' officers, directors and employees, and/or as required by a recognized stock exchange or by applicable law), without the previous written consent of Seller. Buyer may use Confidential Information only for the work covered by the Contract and not for any other project. Nothing in this Clause 8 shall prevent the publication or disclosure of any Confidential Information which either has come within the public domain otherwise than by breach of this provision or was already in the possession of Buyer with a right to disclose and use such information.

8.2 Intellectual property or patent rights which may be obtained on the basis of the information given or made available to Buyer in Seller's Offer or under the Contract or with respect to Seller's Scope of Work, including, without limitation, any discovery, invention, improvement or enhancement to Seller's Scope of Work or the process, operating parameters, or controls associated with such Scope of Work will remain the exclusive property of Seller or its subcontractors and/or sub-suppliers, respectively. Buyer shall not, nor shall Buyer permit any third party to, reverse engineer or otherwise technically examine, measure or test Seller's Scope of Work (except for the purposes of maintaining and operating the Scope of Work) without Seller's prior written consent.

8.3 To the extent the Scope of Work includes the furnishing of engineering deliverables such as, but not limited to, engineering studies, process studies, detailed price proposals, preliminary drawings, preliminary bills of materials, process and instrumentation diagrams, or specifications not concurrent with a contract for the sale of tangible goods ("Engineering Deliverables"), such Engineering Deliverables are licensed to Buyer by Seller on a fully-paid up basis only for the purpose of Buyer utilizing such Engineering Deliverables to procure equipment from Seller and no other supplier. Buyer is not authorized to use or disclose the Engineering Deliverables in connection with the purchase of equipment from any other supplier and Buyer will indemnify and hold Seller harmless from any claims, damages, losses and costs (including reasonable attorney's fees) that result from the use of any Engineering Deliverables in conflict with this provision.

9. Remedies and Limitations of Liability:

9.1 **Exclusive Remedies:**

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BUYER'S RIGHTS AND REMEDIES AS EXPRESSLY STATED IN THE CONTRACT (WHETHER BY WAY OF DAMAGES, PAYMENT OR REIMBURSEMENT OF COSTS, LIQUIDATED DAMAGES, PRICE REDUCTION, MAKE GOOD OR REMEDIATION, TERMINATION OR OTHERWISE) SHALL BE ITS SOLE AND EXCLUSIVE RIGHTS AND REMEDIES REGARDLESS OF THE EVENTS, CIRCUMSTANCES OR THEORY ON WHICH A CLAIM MAY BE BASED (INCLUDING TERMINATION, BREACH OF CONTRACT OR STATUTORY DUTY, NEGLIGENCE OR OTHER TORT, STRICT LIABILITY, INDEMNITY, RESCISSION / WITHDRAWAL OR OTHERWISE).

9.2 **Exclusion of Certain Damages**:

NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY OR THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY EXCLUSIVE OR LIMITED REMEDY, EXCEPT ONLY (i) TO THE EXTENT OF ANY LIQUIDATED DAMAGES PROVIDED FOR IN THE CONTRACT AND (ii) TO THE EXTENT THE EXCLUSION OF SELLER'S LIABILITY IS PROHIBITED BY APPLICABLE LAW (IN WHICH CIRCUMSTANCES SELLER'S LIABILITY SHALL BE LIMITED TO THE EXTENT PERMITTED BY APPLICABLE LAW):

SELLER SHALL IN NO CASE WHATSOEVER BE LIABLE FOR ANY (A) LOSS OF REVENUES OR PROFITS; LOSS OF OPPORTUNITY, PRODUCTION OR CONTRACTS; LOSS OF USE; STANDBY COSTS; LOSS OF OR DAMAGE TO FEED, RAW MATERIALS, UTILITIES OR PRODUCT; PLANT DOWNTIME OR DELAYS; LOSS OF GOODWILL; LIQUIDATED DAMAGES OR PENALTIES IMPOSED ON BUYER BY ITS CUSTOMERS OR THIRD PARTIES; BUYER'S CONTRACTUAL LI ABI LITY TOWARDS ANY THIRD PARTY; COSTS TO RECALL BUYER'S PRODUCT; ANY DAMAGES FINES OR PENALTIES PAYABLE BY BUYER; OR OTHERWI SE FOR ANY FI NANCIAL OR ECONOMI C LOSSES O R DAMAGES, AND I N EACH CASE I RRESPECTI VE WHETHER THE LOSSES OR DAMA GES I N QUESTI ON ARE DEEME D OR CLAI MED TO BE DI RECT, CONSEQUENTIAL, I NDI RECT OR OTHERWISE, OR (B) FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY, LOSSES OR DAMAGES HOWSOEVER CAUSED OR ARISING; OR (C) FOR ANY LOSS OR DAMAGE TO THE EXTENT ARISING OUT OF THE NEGLIGENCE OF BUYER, ITS EMPLOYEES OR AGENTS OR ANY THIRD PARTY.

9.3 **Maximum Aggregate Liability:**

NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY OR THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY EXCLUSIVE OR LIMITED REMEDY, EXCEPT ONLY TO THE EXTENT THE EXCLUSION OR LIMITATION OF SELLER'S LIABILITY IS PROHIBITED BY APPLICABLE LAW (IN WHICH CIRCUMSTANCES SELLER'S LIABILITY SHALL BE LIMITED TO THE EXTENT PERMITTED BY APPLICABLE LAW), SELLER'S MAXIMUM AGGREGATE LIABILITY TO BUYER UNDER OR IN CONNECTION WITH THE CONTRACT SHALL IN NO CASE EXCEED THE CONTRACT PRICE AS RECEIVED BY SELLER, IRRESPECTIVE WHETHER SUCH LIABILITY ARISES BY WAY OF BREACH OF CONTRACT (INCLUDING TERMINATION) OR OF STATUTORY DUTY, NEGLIGENCE OR OTHER TORT, STRICT LIABILITY, INDEMNITY, CONTRACT PRICE REDUCTION OR REPAYMENT, TERMINATION, RESCISSION/WITHDRAWAL, MAKE GOOD OR REMEDIATION OR OTHERWISE.

9.4 The expiry of the Warranty Period shall, to the maximum extent permitted by applicable law, constitute conclusive evidence for all purposes and in all proceedings whatsoever between the parties that Seller has completed its obligations under or arising out of the Contract and performed the Scope of Work and made good all Defects therein in accordance with its obligations under the Contract. After the expiry of the Warranty Period, all claims of any nature whatsoever Buyer may have against Seller, whether known or not, under or arising out of the Contract and the use of the Scope of Work, and any right, cause of action and or remedy shall be deemed to be barred and extinguished. Provided always that this provision shall not apply in case of fraud or to the extent any proceedings were commenced and served in writing on Seller within the Warranty Period.

9.5 TO THE EXTENT THAT BUYER MAKES ANY CLAIM UNDER ANY FRAUD OR TORT THEORY FOR THE PURPOSE OF CIRCUMVENTING THE LIMITATIONS AND DISCLAIMERS SET FORTH ABOVE AND IS UNSUCCESSFUL IN PREVAILING ON THOSE CLAIMS, BUYER HEREBY AGREES TO REIMBURSE AND INDEMNIFY SELLER FOR ALL ATTORNEYS' FEES AND EXPENSES AND COSTS INCURRED BY SELLER IN DEFENDING THOSE CLAIMS.

10. Permits / Safety:

10.1 Buyer shall be responsible for (i) all permissions, consents and permits in connection with the Site; (ii) maintaining the Site in a safe working condition and as a safe place of work for all personnel at the Site at any time, providing safe means of access to the Scope of Work at all times, (iii) not removing or modifying any safety device, guard or warning sign provided as part of the Scope of Work. If Buyer fails to strictly observe any of the obligations in this Clause, Buyer shall indemnify, defend and hold Seller harmless from any resulting claims and liability arising out of loss or damage to any property or out of personal injury or death, save to the extent caused by the negligence of Seller.

11. Export Control:

11.1 Buyer acknowledges that the Scope of Work may be controlled by Export Control Regulations which may result in an Export Control Event. In case of an Export Control Event, Seller shall be entitled to all additional costs and expenses which may be needed for Seller to fulfil its obligations under Seller's Offer or, in case of binding contract, the Contract, including costs and expenses needed to obtain an Export License. Buyer agrees to promptly provide to Seller all necessary information that may be requested to obtain an Export License, such as end-user certificates. Seller will promptly inform Buyer about material delay to obtain an Export License, a revoked license or any prohibition to execute the contract.

11.2 If an Export License is denied or revoked or if an embargo prohibits the execution of the contract or if any other Export Control Event will hinder Seller to fulfill one or more of its contractual obligations Seller shall be excused from the performance of its obligations under Seller's Offer or, in case of binding contract, the Contract, with immediate effect. This shall, without limitation, also apply in case that Seller may be hindered to fulfill its contractual obligations due to the fact that any of Seller´s suppliers or subcontractors are hindered by an Export Control Event to supply the Scope of Work all or in part. In any case, Seller shall not be liable or accountable to Buyer for any claims for delay, loss or damage in connection with an Export Control Event.

11.3 Subject to 11.2, if Seller gives notice to Buyer that its performance of Seller's Offer or, in case of binding contract, the Contract will be hindered by Export Control Regulations and/or Export License or embargos, each party shall be entitled to terminate Seller's Offer or, in case of binding contract, the Contract, by giving one week prior written notice.

11.4 Buyer shall implement and follow all necessary procedures to comply with Export Control Regulations related to the Scope of Work to be provided by Seller, and guarantees not to engage in any activity which it or Seller reasonably believes could be subject to civil, criminal or administrative liability, including but not limited to the sale, lease, transfer, or sublicensing of the Scope of Work without appropriate authorization. Buyer shall indemnify and hold harmless Seller from and against any claim, proceeding action, fine, cost, loss and damage arising from or related to the breach of this warranty.

12. Data Processing:

12.1 Buyer agrees that Seller will collect, process and use personal data and other data disclosed by Buyer in the course of the business relation with Seller for the purpose of (1) managing and performing the Contract with Buyer (which includes the creation and processing of invoices), (2) advertising and/or offering further goods and services to Buyer and/or (3) managing the business relationship with Buyer through e.g. a customer relationship management system. Such data may include the following data categories of persons being employed or retained by Buyer *inter alia* name, title, company, function within the company, business contact details (phone- and fax-number, email-address, mail address), history of orders, history of issues (e.g. warranty claims or disputes). Within the limitation of the above described purpose, Seller can c ollect, process and use the above described data (i) by itself and/or through the use of affiliates or other external sub Sellers and (ii) from countries within and/or outside the European Union or European Economic Area. Buyer will ensure (e.g., if necessary, through consent declaration of the data subjects or other appropriate means available under the law) that Seller can use the above described data for the above described purposes

13. Cancellation:

In case Buyer cancels or postpones a Confirmed Service Order, Buyer shall reimburse all direct costs such as, but not limited to, cancellation fees for air tickets, air freight charges and visa fees incurred by Seller in connection with such cancellation or postponement. "Confirmed Service Order" means Buyer's oral or written acceptance of the services offered.

14. Personal Security:

If, in Seller's reasonable opinion, the working environment, accommodation and transport arrangements create a personal security risk for Seller's technician, Seller has the right to discontinue the Site Services without liability to Buyer.

15. Replacement:

Seller shall have the right to replace a Seller technician with another technician equally suited for the Site Services.

16. Sub-Contracting:

Seller may offer the Site Services using subcontracted staff, ensuring in any event the ability of such staff to carry out their activities.

17. Miscellaneous:

17.1 If any provision of the Contract is determined to be invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions and the parties will substitute the invalid or unenforceable provision by a valid provision that achieves as closely as possible the same economic effect.

17.2 Any clause or paragraph headings or other headings appearing in the Terms are for reference only and shall not affect the construction of those Clauses or paragraphs. Words importing the singular shall include the plural and vice versa where the context requires.

17.3 The Contract shall not be construed or interpreted against or to the disadvantage of either Buyer or Seller whether on the grounds that the Contract represents Buyer's or Seller's standard or customary terms and conditions of business and /or that the Contract and or any particular recital, article, clause and or annex or appendix thereof may have originated from Buyer or Seller or other similar grounds.

17.4 The Contract sets forth the entire agreement between Seller and Buyer with respect to the subject matter thereof and supersedes any previous agreement or arrangement between the parties. Except to the extent expressly and specifically set forth in the Contract, all oral representations, warranties, undertakings and other statements of any kind and all documents given or exchanged on or prior to the date of Contract (including any brochures or sales material of Seller) are expressly excluded and disclaimed by Seller. Buyer acknowledges that it has not relied on and is not relying on any such representations, warranties, undertakings, statements or documents when entering into the Contract.

17.5 The Contract may not be assigned by either party without the other party's prior written consent, except that no consent is required for a party to assign the Contract to an affiliate as part of a corporate reorganization. This Clause 17.5 shall not require Seller to obtain any consent to subcontract any part of its obligations under the Contract. The Contract shall be binding upon and inure to the benefit of each of the parties and to their respective legal successors and assigns. Seller may assign receivables under the Contract to a financial entity financing Seller's performance and Seller may provide to such financial entity copies of the invoices to which those receivables relate.

17.6 No change in, addition to, or waiver of the provisions of the Contract shall be binding upon Seller or Buyer, unless contained within an identified written formal amendment to the Contract and signed by both parties.

17.7 Seller is an independent contractor and nothing in this Contract shall be construed to create a partnership, joint venture or agency relationship between the parties. Each party will be solely responsible for payment of all compensation owed to its employees as well as employment related taxes. Each party will maintain appropriate workers' compensation insurance for its employees as well as general liability insurance.

17.8 Except when services are provided by its authorized agents or subcontractors, Seller shall be the sole employer of all individuals performing services hereunder. Seller shall assume sole and exclusive responsibility for the payment of wages to its personnel for services performed for Buyer. Seller shall, with respect to its personnel, be responsible for withholding federal, state and local income taxes, paying Social Security taxes, unemployment insurance and maintaining workers' compensation insurance coverage in an amount and under such terms as required by state law. Only Seller shall have the right to hire and fire its personnel, provide specific instructions as to the manner in which an employee performs his or her job and to set the hours of work of its personnel. In addition, Seller shall manage all employment aspects of any assigned personnel including, without limitation, employment-based counseling, terminations, salary reviews, performance evaluations, work schedules, orientation, placement and rotation of assignments. The parties further acknowledge and agree that any personnel of Seller assigned to Buyer's account shall have no rights or entitlements to any of Buyer's employee benefit plans.

18. Disputes/Applicable law:

18.1 Any dispute arising out of or in connection with this Contract, including any question regarding its existence, validity or termination, shall first be submitted to a senior executive dispute resolution process and mediation prior to the institution of litigation; provided that the settlement negotiation process can be completed within the statute of limitations. Either party may notify the other party in writing of the nature of the claim or dispute with as much detail as possible about the alleged deficient performance of the other party (the "Dispute Notice"). Within 14 days after delivery of a Dispute Notice, a senior executive (a President or Executive Vice President level) of each party shall meet in person or by telephone at a mutually acceptable time and place in an attempt to resolve the dispute. They shall negotiate in good faith attempting to reach a resolution satisfactory to both parties. If the senior executives have not resolved the matter, or agree upon a written plan of corrective action, within 45 days of delivery of a Dispute Notice, or if they fail to meet within 30 days after delivery of a Dispute Notice, either party may initiate mediation with a mediator and mediation location acceptable to both parties. All settlement negotiations shall be confidential and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

18.2 Any dispute arising out of or in connection with this Contract, including any question regarding its existence, validity or termination, shall exclusively be referred to and finally resolved by the competent courts in Maryland. The governing law of the Contract shall be the substantive laws of Maryland. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.

18.3 EACH PARTY IRREVOCABLY WAIVES ANY RIGHT TO THE RECOVERY OF ATTORNEY'S FEES EXCEPT AS PROVIDED IN THE TERMS.

19. Insurance:

19.1 Seller shall, upon execution of the Contract and throughout the performance of its obligations hereunder, maintain in effect and shall furnish certificates of insurance upon Buyer's request evidencing the insurance coverage based on the amounts and limits as follows: (i) Comprehensive General Liability Insurance including contractual liability coverage with specific reference to liability assumed herein and including coverage for products liability and completed operations which includes coverage for bodily injury and property damage with limits of $2,000,000 for each occurrence, and $4,000,000 in the aggregate; (ii) Comprehensive Automobile Liability Insurance including coverage for owned, non-owned and hired vehicles with limits of $2,000,000 for each occurrence for bodily injury and death, and property damage; and (iii) Workmen's Compensation Insurance as required by statute in the specific jurisdiction where the work is to be performed.

ANNEX A
TESTING SERVICES

This Annex A applies where the Scope of Supply includes the testing of Buyer's materials (the "Materials") at Seller's (or its affiliate's) facility (the "Testing Services"). The terms and conditions of this Annex B shall supersede any conflicting provisions in the Terms.

1. **Price Validity.** Prices are firm for thirty (30) days from the date of Seller's offer unless extended in writing by Seller.

2. **Testing Conducted by Seller Affiliates and Export/Import Matters.** To the extent that any of Seller's affiliated companies are engaged to assist in conducting the Testing Services as a necessary party to complete the testing required by the Buyer, such Seller affiliated party and its respective employees will be covered by and subject to the terms of the Contract. To the extent that any Materials are required for any reason to be shipped outside the United States or the Materials are required to be imported (or reimported) into the United States, Buyer will be solely responsible for (i) managing all shipping and logistics, including all making all applicable import and/or export filings in its name, and (ii) complying with all applicable U.S. and applicable foreign import and export laws related to the shipment, import, export and re-import of the Materials.

3. **Right to Use the Materials.** Buyer grants Seller the right to use the Materials solely for the purpose of conducting the Testing Services.

4. **Indemnification.** Seller will defend and indemnify Buyer for any third party claims of bodily injury or death to the extent they may arise from its and its permitted employees' (i) negligence or willful misconduct, or (ii) use, storage or disposal of the Materials in conflict with the terms of the Test Confirmation Letter or with the MSDS information provided by the Buyer to Seller for the Materials. Buyer will defend and indemnify Seller for any third-party claims of bodily injury or death to the extent they may arise from the Buyer's and its employees or agents (i) negligence or willful misconduct.
or (iii) failure by Buyer employees to comply with Seller's health and safety rules while on Seller's premises.

Seller will defend and indemnify Buyer for any third-party claims that the design, manufacture, or functioning of the test equipment infringe such third party's intellectual property rights. Buyer will defend and indemnify Seller for any third party claims that the Materials or processing of the Materials infringe such third party's intellectual property rights.

In all cases of either party's indemnity provided in this paragraph, the party seeking indemnity must promptly notify the other party in writing of such claim of infringement; the defense of any legal action relating to such claim will be under the direction and control of the indemnifying party; the indemnified party shall cooperate with the indemnifying party in making such defense; and the indemnifying party will have complete control of the litigation or proceeding, including the amount of any settlement (provided the indemnified party has no monetary contribution obligation with regard to such settlement) and the choice in retention of counsel, and shall bear all expenses of such defense; provided, however, that the indemnified party may be represented in such action by its own counsel at its own expense

5. **Health and Safety.** All employees of Buyer that participate in observing the Testing Services, to the extent permitted by Seller, must comply with all test specific instructions established by Seller as well as Seller's health and safety rules. Depending on the type of testing and the level of participation by the employees of Buyer, each employee may be required to participate in a health and safety training and may be required to acknowledge their participation in such training in writing prior to such person being granted access to any Seller testing area.

6. **Disposal of Materials.** If the Materials are regulated as hazardous or otherwise regulated or restricted materials by any governmental agency, Buyer must advise Seller of any such regulations and required actions that must be taken by Seller. Regardless of the hazardous nature of the Materials, to the extent that any destruction or disposal by Seller is deemed in Seller's sole discretion to be unduly burdensome to Seller, Seller may require the Buyer to take all required actions for the proper destruction or disposal in accordance with all applicable laws and regulations.

7. **Damage to Material.** Seller is in no way responsible or liable to the Buyer if in connection with the Testing Services the Material is damaged, destroyed, transformed, modified, etc. and the Buyer assumes the full risk of this possibility.

8. **Seller Technology.** All rights and title in and to Seller's process equipment and equipment processes, including without limitation, process and operating parameters applied to Seller's equipment in connection with the Testing Services, including all intellectual property rights thereto and therein (collectively, "Seller Technology"), are owned by Seller and at all times remain Seller's and nothing in the Contract shall grant Buyer any ownership rights in or to the Seller Technology. Any and all enhancements, clones, improvements, discoveries, derivatives and modifications, whether or not patentable, related to, arising out of or dominated by, the Seller Technology that are made, directly or indirectly, by Seller, exclusively or with any other person or entity, shall be solely, fully and completely owned by Seller.

AGREED TERMS AND CONDITIONS FOR THE CITY OF ROSEVILLE, CA

City of Roseville

Signature	**Print name and Title**

Date: _____

GEA MECHANICAL EQUIPMENT – NORTH AMERICA

Signature	Michael J. Vick, President 1/13/2022 **Print name and Title**
	Evan Walker, Director Finance 1/13/2022

Date: October 20th, 2021

GEA INTERNAL

COUNCIL COMMUNICATION

CC #: 1946
File #: 0709-03-02

Title: Affordable Housing - Rental Agreements
Contact: Trisha Isom 916-746-1239 tisom@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.2.

RECOMMENDATION TO COUNCIL

Staff recommends that the City Council adopt resolutions to approve six (6) Affordable Rental Housing Agreements with DF Properties, Inc., and authorize the City Manager to execute them.

BACKGROUND

The City of Roseville's General Plan Housing Element requires a 10% affordable housing obligation for residential development and recommends that developers provide a distribution of the required affordable housing as follows: 40% very low; 40% low and 20% middle income. Since the 1980's, the City's Housing Division has implemented the General Plan's recommended distribution for compliance with the 10% affordable housing obligation and created over 3,500 affordable units.

On November 2, 2020, City Council approved a Small Lot Subdivision Map for the Sierra Vista Specific Plan Parcel DF-20. The conditions of approval required four (4) units to be developed as affordable purchase and sold to middle income purchasers as well as eighteen (18) units to be developed and rented at rates affordable to very low and low income households. The very-low income affordable rent does not exceed the price at which a household earning 50% of the area median income (AMI) can afford and the low-income affordable rent shall not exceed the price at which a household earning 80% of the AMI can afford.

On July 7, 2021, Council approved the DF Properties – Sierra Vista Specific Plan Parcel DF-20 Affordable Purchase Agreement which requires the developer to build 4 of the subdivision's 103 homes as affordable to middle income households. The conditions of approval also allowed the transfer of 18 affordable rental units from parcel DF-20 to infill parcels owned by the developer and required them to enter into an Affordable Rental Housing Agreement with the City to implement the affordable obligations.

Due to the locations of the rental properties, there are six (6) separate agreements that comprise the 18 units. The unit mix will consist of 6 studios, 1 one-bedroom, 10 two-bedrooms and 1 three-bedroom unit. The proposed agreements establish the methods and terms by which the

affordable units will be rented to income-qualified renters. The agreements will also support the City's General Plan in meeting the affordable housing goals and Regional Housing Needs Allocation.

FISCAL IMPACT

No General Fund resources will be used for the implementation of the Affordable Renting Housing Agreements. The rental subsidies for the project that are necessary to comply with the affordability requirements will be borne by the project's developer.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. The Affordable Renting Housing Agreements meet the above criteria and are not subject to CEQA. No additional environmental review is required.

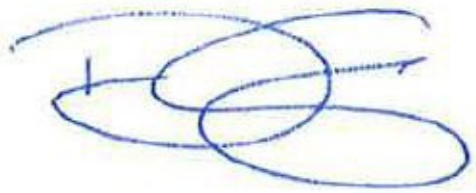
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal D - Enhance economic vitality

Respectfully Submitted,

Trisha Isom, Housing Manager

Melissa Anguiano, Economic Development Director



_____

Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution 22-053

113 Atkinson ARHA

Resolution 22-054

115 Atkinson ARHA

Resolution 22-055

205 Hickory ARHA

Resolution 22-056

207 Hickory ARHA

Resolution 22-057

1124 Circuit ARHA

Resolution 22-058

Duranta ARHA

RESOLUTION NO. 22-053

APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an Affordable Rental Housing Agreement regarding the real property located at 113 Atkinson Street, Roseville, CA, by and between the City of Roseville and DF Properties, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said Affordable Rental Housing Agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ___ day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

NO FEE DOCUMENT
PER GOVT. C. §27383

RECORDING REQUESTED BY
City of Roseville

AND WHEN RECORDED, MAIL TO:
City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

AFFORDABLE RENTAL HOUSING AGREEMENT

(Project: APN: 012-181-014-000
113 Atkinson Street, Roseville, CA)

This Affordable Rental Housing Agreement ("AGREEMENT") is made this _____ day of _____, 2022 ("Effective Date"), by and between the City of Roseville, a municipal corporation ("CITY"), and DF Properties, Inc., a California corporation ("OWNER/DEVELOPER").

RECITALS

A. On June 13, 2013, CITY approved the updated Housing Element of the General Plan which applies ten percent (10%) affordability requirement to all new specific plan areas or properties for which zoning is amended to change residential density.

B. The OWNER/DEVELOPER is receiving the benefit of land entitlements through the Specific Plan and Development Agreement process or by amendment of the zoning of the property to change residential density.

C. On November 2, 2020, CITY approved a Small Lot Subdivision Map (PL20-0098). The conditions of approval require that eighteen (18) units be developed and rented at rental rates affordable to very low and low income households (the "Regulated Units").

D. The conditions of approval require OWNER/DEVELOPER to enter into an affordable housing rental agreement to the satisfaction of City Attorney of CITY, implementing the affordable housing obligations of OWNER/DEVELOPER.

E. Pursuant to Section 1(e) of the First Amendment of Development Agreement – Sierra Vista Specific Plan, executed by the parties on February 3, 2021 and recorded on April 13, 2021 by the Placer County Recorder as Document 2021-0050636, the parties agreed to transfer OWNER/DEVELOPER's affordable housing obligations to the Infill Area. OWNER/DEVELOPER and CITY enter into this AGREEMENT in order to implement OWNER/DEVELOPER'S affordable housing obligations.

F. OWNER/DEVELOPER has secured the possession of real property located at 113 Atkinson Street, Roseville, California, 95678, also referred to as Assessor's Parcel Number 012-181-014-000 (as more particularly described in **Exhibit A** (the "Property")). OWNER/DEVELOPER proposes to continue maintenance and rental of a two (2) unit rental housing apartment project (the "Project") on the Property, that shall be rented at rents that are affordable to Low income households (the "Regulated Units"). The Project is intended to serve as a community resource by providing decent, safe, and sanitary housing for households which would otherwise be unable to afford such housing.

G. The purpose of this AGREEMENT is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the people of the City of Roseville. The covenants in this AGREEMENT are intended to run with the land and be binding on OWNER/DEVELOPER and OWNER/DEVELOPER's successors in interest for the full term of this AGREEMENT.

NOW, THEREFORE, OWNER/DEVELOPER and the CITY hereby agree as follows:

DEFINITIONS

The following terms have the meanings set forth in herein wherever used in this AGREEMENT or attached exhibits.

1. **"CITY"** means the City of Roseville, a municipal corporation.

2. **"AREA MEDIAN INCOME"** (referred to herein as "AMI") means the median income for the Metropolitan Statistical Area which includes the City of Roseville ("MSA"), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, or such other method of median income calculation applicable to the City of Roseville that HUD may hereafter adopt in connection with said Act. If HUD should cease making such determination, the City may designate another method of calculation of area median income used by any federal or state agency and applicable to the City of Roseville.

3. **"OWNER/DEVELOPER"** means DF Properties, Inc., a California corporation, together with its permitted successors and assigns.

4. **"PROJECT"** means the development, construction and operation of a residential, multi-family rental apartment project on the Property, to be rented at rents that are affordable to Very Low income households.

5. **"PROPERTY"** means the real property located at 113 Atkinson Street, Roseville, California, 95678 identified and described in **Exhibit A**, attached hereto and incorporated into this AGREEMENT by this reference, and any buildings or improvements now or hereafter situated on such real property.

6. **"QUALIFYING HOUSEHOLD"** means a household in which household income does not exceed the percentage of Area Median Income prescribed for the applicable housing unit by the terms of this AGREEMENT.

7. **"QUALIFYING RENT"** means the maximum monthly rent allowed under **Exhibit B** "adjusted for family size appropriate to the unit" (as such term is defined by Health and Safety Code sections 50052.5 and 50053) including a reasonable allowance for tenant-paid utilities (also known as Utility Allowance). During the period a regulatory agreement governing the allocation and award of any federal tax credits is in effect, Qualifying Rent may be determined in accordance with such regulatory agreement and 26 U.S.C., Section 42, for initial occupancy of tenants.

8. **"REGULATED UNITS"** means two (2) rental dwelling units of the two (2) rental dwelling units on the Property constructed for the Project, that shall be rented at rents that are affordable to Very Low income households and having the following composition: two (2) two-bedroom units.

OWNER/DEVELOPER'S OBLIGATIONS

9. **TERM OF AGREEMENT.** This AGREEMENT shall commence upon the Effective Date and shall remain in full force and effect for fifty-five (55) years after the date OWNER/DEVELOPER obtains a Certificate of Occupancy from CITY for the Project or, in the event the Project has multiple buildings or structures, a Certificate of Occupancy for the last habitable building or structure for the Project. The obligations in this AGREEMENT shall remain effective and fully binding on OWNER/DEVELOPER for this full term regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the CITY in a recorded writing.

10. **LEGAL INTEREST IN PROJECT**. OWNER/DEVELOPER represents that is has legal interest in the Subject Property and that all other persons holding legal or equitable interests in the Subject Property have signed an "Acknowledgement and Consent Certificate", in a form approved by the City Attorney of the CITY, acknowledging and consenting to the terms of this AGREEMENT. All persons holding any legal or equitable interest in the Subject Property shall be bound by this AGREEMENT.

PROJECT OCCUPANCY AND RENTS

11. **OCCUPANCY OF PROJECT.** OWNER/DEVELOPER shall limit, for the full term of this AGREEMENT identified in Section 9, above, the rental of Regulated Units to Qualifying Households according to the schedule contained in **Exhibit B** herein, which is hereby incorporated by reference into this AGREEMENT. The income levels and other qualifications of applicants shall be certified prior to initial occupancy in conformance with the Final Management Plan identified in Section 18C, below, and the City of Roseville's rules governing income certification, as these rules may be amended from time to time by California law or as required in order to comply with California law. Specifically, OWNER/DEVELOPER covenants and agrees that for the full term of this Agreement it shall reserve for occupancy: two (2) two-bedroom Regulated Units for households whose income does not exceed fifty percent (50%) of AMI.

The Project shall be owned, managed and operated as a single, multi-family residential rental project, which may be comprised of several buildings and structures, each consisting of more than one residential dwelling unit, together with facilities functionally related and subordinate thereto, in accordance with the applicable provisions of the Internal Revenue Code and applicable California law, as the same may be amended from time to time. All of the residential dwelling units in the Project will be similarly constructed and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family, including sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. None of the residential dwelling units shall be utilized, at any time, on a transient basis. Neither the Project, nor any portion thereof, shall ever be used as a hotel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

12. **PROJECT RENTS.** Rents for Regulated Units shall be limited to Qualifying Rents as set forth in **Exhibit B** as the same may be revised from time to time in accordance with this AGREEMENT and applicable federal or state laws and regulations. Rent shall be no greater than considered "affordable rent" for the applicable household pursuant to Section 50053 of the California Health and Safety Code, as amended, or any successor statute thereto. Nothing in this AGREEMENT shall prevent OWNER/DEVELOPER from charging lower rents.

13. **RENTAL INCREASES FOR EXISTING TENANTS ON THE PROPERTY.** Irrespective of when income limits are published under Tax Credit Law, rents for Regulated Units may be adjusted no more frequently than: (a) twelve (12) months following the date of initial occupancy or (b) every twelve (12) months following the last permissible date of recorded rental adjustment. Additionally, in no event shall the amount of annual rent increase exceed the amount of annual rent increase allowed by Tax Credit Law. Rents for Regulated Units may be adjusted annually to coincide with the increases in the Annual Adjustment Factors (AAF) as published by the United States Department of Housing and Urban Development (HUD) for the West Region.

In the event HUD terminates publication of the AAF, rents shall be adjusted annually to coincide with the annual percentage increase for residential rent as shown in the "rent, Residential" component of the Housing component in the Consumer Price Index for all urban consumers in the San Francisco-Oakland area. If OWNER/DEVELOPER does not agree with the adjustment factors provided herein, OWNER/DEVELOPER may, within fifteen (15) calendar days of notification by CITY's Housing Manager ("the HM") of that year's adjustment, present to the HM information on which it wishes to base its annual rent adjustment. The HM will review this information and decide on which adjustment factor OWNER/DEVELOPER shall base its annual rent increase. The decision of the HM shall be final.

14. **CONDOMINIUM CONVERSION PROHIBITED.** OWNER/DEVELOPER shall not convert Project units, including Regulated Units and/or any unregulated units, to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Project units.

15. **NONDISCRIMINATION.** OWNER/DEVELOPER shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Project units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, gender, gender identity, gender expression, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. OWNER/DEVELOPER shall include a statement in all advertisements, notices, and signs for the availability of Project units for rent to the effect that OWNER/DEVELOPER is an Equal Housing Opportunity Provider. OWNER/DEVELOPER shall further ensure and require that any contractor or subcontractor engaged in work on the Project shall provide equal opportunity for employment without discrimination as to race, sex, marital status, color, religion, sexual orientation, source of income, national origin or ancestry.

16. **MANAGEMENT RESPONSIBILITIES.** OWNER/DEVELOPER is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CITY shall have no responsibility over management of the Property.

17. **MANAGEMENT ENTITY.** The CITY shall have the right to review and approve the management entity chosen by OWNER/DEVELOPER for the Property and, with the prior written consent of the Senior Lenders and the tax credit investor (if applicable), shall have the right to require a change in the management agent for the Project in the event OWNER/DEVELOPER is in default under the AGREEMENT. Any contracting of management services by OWNER/DEVELOPER shall not relieve OWNER/DEVELOPER of its primary responsibilities for proper performance of management duties. The CITY approves of the use of DF Properties, Inc., a California corporation, engaged in the provision of multi-family residential and commercial

property management services, as the designated initial management entity for the Project.

18. **DRAFT AND FINAL MANAGEMENT PLANS**.

A. **DRAFT MANAGEMENT PLAN.** OWNER/DEVELOPER shall prepare and submit to CITY a Draft Management Plan for CITY's review and approval. The Draft Management Plan shall be submitted to CITY at least one hundred eighty (180) calendar days prior to the anticipated date for completion of construction of the Project. The Draft Management Plan shall contain, but is not limited to, specific statement as to (1) the identity, experience and duties regarding operation of the Project of any non- profit, public benefit corporation who is a partner of OWNER/DEVELOPER; (2) marketing policies and strategies; (3) tenancy occupancy rules and regulations; (4) rental procedures and tenant income limitation; (5) eviction procedures; (6) operating policies and guidelines; (7) reserve account policies; (8) maintenance and capital improvement policies; and (9) shall provide as an exhibit thereto a sample form of lease agreement. Upon transfer of the Project of OWNER/DEVELOPER'S interest in the Project, the party to who the Project is transferred shall, as a condition of such transfer, provide CITY with a copy of such party's Management Plan for the Project, which plan shall provide statements as called for herein.

B. **CITY REVIEW OF DRAFT MANAGEMENT PLAN.** Upon submittal of the Draft Management Plan by OWNER/DEVELOPER to CITY the CITY shall review the Draft Management Plan and provide written comments to OWNER/DEVELOPER within ninety (90) calendar days or as soon thereafter as is practicable.

C. **FINAL MANAGEMENT PLAN.** Prior to issuance of any Certificate of Occupancy for the Project, OWNER/DEVELOPER shall submit a Final Management Plan to the CITY for its review and final approval no later than thirty (30) calendar days prior to the anticipated date for completion of construction of the Project.

Notwithstanding the foregoing, the CITY shall have the right to review and approve any proposed amendments to OWNER/DEVELOPER's contract with its management firm, or any new management contracts, during the term of this AGREEMENT; provided, however, that the CITY's approval shall not be required for a renewal of the initial management contract.

19. **MANAGEMENT AGENT**. The Project shall at all times be managed by an experienced Management Agent reasonably acceptable to CITY, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe and sanitary housing. During the monitoring as described in Section 25, CITY will assess Management Agent's ability to operate the Project in a decent, safe and sanitary manner. One factor CITY will use to make its assessment will be a comparison of calls for police and fire services with other rental complexes in Roseville which offer similar services.

OWNER/DEVELOPER shall submit for CITY's approval the identity of any proposed Management Agent. OWNER/DEVELOPER shall also submit such additional information about the background, experience, and financial condition of any proposed Management Agent as is reasonably necessary for CITY to determine whether the proposed Management Agent meets the standards for a qualified Management Agent set forth above.

If the proposed Management Agent meets the standards for a qualified Management Agent set forth above, CITY shall approve the proposed Management Agent by notifying OWNER/DEVELPER in writing. Unless the proposed Management Agent is disapproved by CITY within thirty (30) days of said submission of identity and qualifications of proposed Management Agent, which disapproval shall state reasonable specificity the basis for disapproval it shall be deemed approved, DF Properties, Inc., a California corporation is hereby approved by the CITY as the initial Management Agent.

20. **DISMISSAL OF MANAGEMENT AGENT**. Within fifteen (15) days from OWNER/DEVELOPER'S receipt of any recommendation by CITY staff to dismiss the Management Agent, OWNER/DEVELOPER shall either dismiss the Management Agent or request a public meeting to discuss such recommendation. If, after conducting a requested public meeting, the CITY Council supports said recommendation of CITY staff, OWNER/DEVELOPER shall promptly dismiss the Management Agent and shall appoint as the new Management Agent a person or entity which meets the standards for Management Agent and is approved by CITY as set forth in Section 19.

21. **MAINTENANCE AND SECURITY.** OWNER/DEVELOPER shall at its own cost and expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable, and tenantable living condition for the benefit of Project occupants. OWNER/DEVELOPER shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. OWNER/DEVELOPER shall provide adequate ongoing security equipment and services for Project occupants. OWNER/DEVELOPER shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Management Plan; but OWNER/DEVELOPER's maintenance obligations shall not be limited only to the standards contained in these laws or the Management Plan.

In the event the OWNER/DEVELOPER fails to maintain the Property in accordance with the foregoing standards, and after at least seven (7) calendar days' prior written notice to OWNER/DEVELOPER and the Senior Lenders, the CITY or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in CITY's reasonable discretion (with the prior written consent of the Senior Lenders), and provide for payment thereof. Any amount advanced by CITY to make such repairs, together with the maximum legal interest rate thereon from the date of such shall become an additional obligation of OWNER/DEVELOPER to CITY shall be immediately due and payable to CITY.

22. **UNIT VACANCIES.** OWNER/DEVELOPER shall use its best efforts to fill vacancies in Regulated Units as quickly as possible.

23. **INSPECTION AND RECORDS.** OWNER/DEVELOPER shall maintain records which clearly document OWNER/DEVELOPER's performance of its obligations to operate the Property and the Project under the terms of this AGREEMENT. OWNER/DEVELOPER shall submit any records to the CITY within ten (10) business days of CITY's request. OWNER/DEVELOPER shall permit CITY to enter and inspect the Property and the Project for compliance with obligations under this AGREEMENT upon twenty-four (24) hours advance notice of such visit by CITY to OWNER/DEVELOPER or OWNER/DEVELOPER's management agent and to tenants of any inspected Project units, subject to the provisions of the lease regarding inspection and entry rights, which provisions must otherwise be consistent with state law.

24. **ANNUAL REPORT.** OWNER/DEVELOPER shall submit an annual report to CITY as required by California Health and Safety Code Section 33418, which shall include at a minimum for each Regulated Unit the rental rate and the income and household size of the occupants. The income information required under this report shall be supplied by the tenant in a certified statement on a form provided by CITY. CITY may request additional information be included in the annual report.

25. **MONITORING/NON-COMPLIANCE/CURE**. OWNER/DEVELOPER'S compliance with the provisions of this AGREEMENT shall be reviewed at least annually, and at such other times as CITY may require, upon thirty (30) days prior written notice from CITY. During any such review, OWNER/DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this AGREEMENT. If, as a result of such review, CITY finds and determines that OWNER/DEVELOPER has not complied in good faith with the terms and conditions of this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER of its findings and of the exact nature of OWNER/DEVELOPER'S non-compliance. OWNER/DEVELOPER shall be given a period of sixty (60) days after delivery of any such notice in which to cure, to the reasonable satisfaction of CITY, any non-compliance. In the event CITY fails to give OWNER/DEVELOPER notice of any non-compliance at or before the annual review, OWNER/DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this AGREEMENT during the year covered by the annual review.

26. **CITY REMEDIES FOR BREACH**. If OWNER/DEVELOPER is unable or otherwise fails to cure any non-compliance within sixty (60) days after CITY delivers notice of non-compliance pursuant to Section 25, CITY may, in addition to any other remedy provided by law or equity, modify or terminate this AGREEMENT, revoke the Project approval, seek liquidated damages in accordance with this AGREEMENT, or take any other action available to it under this AGREEMENT.

In particular, and without limitation by reason of enumeration, OWNER/DEVELOPER acknowledges and agrees that failure to cure any non-compliance under this AGREEMENT, whether by OWNER/DEVELOPER or any successor, shall, at the option of the CITY, constitute a breach and default under this AGREEMENT as to all other property within the Project.

In addition, and without limitation by reason of enumeration, OWNER/DEVLOPER acknowledges and agrees that CITY shall have the right to withhold issuance of all building permits within the Project until such breach is cured.

In the event of any breach/default or violation of any agreement, obligation, or warranty under this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER, with copies to any Senior Lenders, if applicable: (a) the nature of the breach or violation, (b) the action required to cure the breach or violation, and (c) a date, which shall not be less than thirty (30) calendar days from the date of the notice, by which such action to cure must be taken. If OWNER/DEVELOPER fails to cure the breach or violation within the time frame specified in the notice CITY additionally has the right, at its sole election, to:

A. Bring an action for equitable relief seeking the specific performance by OWNER/DEVELOPER of the terms and conditions of this AGREEMENT, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property and the Project, and continue in possession until such time as CITY in its sole judgment determines that OWNER/DEVELOPER is in a position to operate the Property and the Project in compliance with this AGREEMENT;

C. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

D. For violations of OWNER/DEVELOPER's obligations with respect to occupancy restrictions, Project maintenance, and unit vacancies, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount of ONE THOUSAND DOLLARS ($1,000) per day for each Project unit that is not operated in compliance with this AGREEMENT;

E. For violations of OWNER/DEVELOPER's obligations with respect to Project rents, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount equal to the actual amount OWNER/DEVELOPER has collected from any Qualifying Household in excess of the Qualifying Rent;

F. Pursue any other remedy allowed at law or in equity.

CITY's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by CITY of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this AGREEMENT or now or hereafter existing at law or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

The parties agree that the sums and formulas designated herein as liquidated damages represent a reasonable approximation of the damages CITY is likely to suffer from violations of the respective terms. OWNER/DEVELOPER agrees to pay in full any accrued liquidated damages to CITY within ten (10) calendar days of a written demand by CITY for such payment.

27. **FEES, TAXES, AND OTHER LEVIES.** OWNER/DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Project, and shall pay such charges prior to delinquency. However, OWNER/DEVELOPER shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings, and (b) OWNER/DEVELOPER maintains reserves adequate to pay any contested liabilities.

28. **INSURANCE COVERAGE.** OWNER/DEVELOPER shall cause to have in full force and effect during the term of this AGREEMENT continuous insurance coverage as required by any lienholder.

29. **PROPERTY DAMAGE OR DESTRUCTION.** If any building or improvement erected by OWNER/DEVELOPER on the Property is damaged or destroyed, subject to the requirements of the Senior Lenders, OWNER/DEVELOPER shall, at its own cost and expense, repair or restore the Property consistent with the original Plans and Specifications for the Project. Such work shall be commenced within one hundred twenty (120) calendar days after the damage or loss occurs and shall be completed within three hundred and sixty-five (365) calendar days thereafter. Subject to the requirements of the Senior Lenders, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if insurance proceeds are insufficient for such purpose, OWNER/DEVELOPER shall make up the deficiency.

GENERAL PROVISIONS

30. **SUBORDINATION.** Except as expressly set forth herein, this AGREEMENT shall not be subordinated in priority to any other interest in the Property that was not recorded on or prior to the date of recordation of this Agreement, unless the CITY expressly consents, in writing, to the subordination or junior priority of this AGREEMENT. Such consent, if any, shall be within the CITY's sole discretion, and may only be permitted, if at all, for purposes that conform with the circumstances authorized by California Health and Safety Code section 33334.14(a), and to the extent the proposed subordination does not jeopardize the CITY's security interest in the property and is otherwise consistent and compliant with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project.

31. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this AGREEMENT, OWNER/DEVELOPER shall not make or permit any sale, agreement to sell, assignment, conveyance, lease (other than the rental of Project units to eligible residential tenant occupants), or transfer of the Property or any part thereof, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers"), without the prior written consent of CITY. The limitations on OWNER/DEVELOPER's right of assignment or other transfer contained in this Section 31 shall not apply to any foreclosure, deed in lieu of foreclosure, or other remedial action lawfully taken by any Senior Lender holding a security interest in the Property with priority over the CITY's interests; nor shall they apply to the transfer of limited partner interests in OWNER/DEVELOPER and/or the removal of a general partner or a limited partner pursuant to the terms and conditions of OWNER/DEVELOPER's organizational document.

CITY shall give its consent to a Transfer provided that it determines all of the following conditions are met: (a) OWNER/DEVELOPER is in compliance with this AGREEMENT or the Transfer will cure existing violations of this AGREEMENT; (b) the transferee agrees to assume all obligations of OWNER/DEVELOPER imposed by this AGREEMENT; (c) the transferee demonstrates to CITY's satisfaction that it is capable of owning and/or operating the Property and the Project in full compliance with this AGREEMENT; (d) the terms of the Transfer shall not jeopardize the CITY's security interest in the Property and is otherwise in full compliance with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project; and (e) the Transfer has been approved by CITY's governing body, if such approval is required.

During the term of this AGREEMENT, OWNER/DEVELOPER shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property and/or the Project (except for any financing provided by CITY), without the prior written consent of CITY, which consent may be withheld in CITY's sole discretion. CITY may give its consent to such financing if and only to the extent necessary to maintain or improve the affordability or condition of the Property and/or the Project.

32. **NONLIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS**. No member, official, director, employee, agent or independent contractor of CITY shall be personally liable to OWNER/DEVELOPER or third party beneficiaries for any obligation created under the terms of this AGREEMENT.

33. **INDEMNITY AND WAIVER**. Notwithstanding the insurance coverage required herein, OWNER/DEVELOPER shall indemnify and hold CITY, its members, officials, directors, employees, agents and independent contractors (collectively "Indemnitees"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney's fees) which Indemnitees may incur as a result of (1) OWNER/DEVELOPER's failure to perform any obligations as and when required by this AGREEMENT; (2) any failure of OWNER/DEVELOPER's representations or warranties to be true and complete in any material respect; or (3) any act or omission by OWNER/DEVELOPER or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except to the extent that such losses are caused solely by the negligence or willful misconduct of Indemnitees. The duty of the OWNER/DEVELOPER to indemnify includes the duty to defend Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. OWNER/DEVELOPER's duty to indemnify Indemnitees shall survive the term of this AGREEMENT.

OWNER/DEVELOPER hereby waives any claims, suits, or actions against the CITY on account of or arising from the Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 *et seq.* ("CHRHA"). Furthermore, the parties hereby acknowledge and agree that, without limitation, any Project entitlements, permits, or approvals have conferred upon the OWNER/DEVELOPER and/or the Project either a direct financial contribution or other form of assistance pursuant to Section 1954.52(b) of the CHRHA.

34. **GOVERNING LAW.** This AGREEMENT shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

35. **AGREEMENT CONTROLS**. In the event that any provisions of this AGREEMENT and any of its exhibits, the terms of the AGREEMENT shall control.

36. **ATTORNEYS' FEES AND COSTS**. In the event that a legal or administrative action is brought to interpret or enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

37. **TIME**. Time is of the essence in this AGREEMENT.

38. **CONSENTS AND APPROVALS**. Except as otherwise expressly provided in this AGREEMENT, any consent or approval required under the AGREEMENT shall not be unreasonably withheld or delayed.

39. **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between OWNER/DEVELOPER and CITY shall be given by first class or certified mail, return receipt requested, postage prepaid or delivered personally, to OWNER/DEVELOPER and CITY as follows, or at such other address as a party may designate by written notice to the other party:

City of Roseville
Housing Manager
316 Vernon Street #150
Roseville, CA 95678

DF Properties, Inc.
Attn: Jeff Ronten
2013 Opportunity Drive, Suite 150
Roseville, CA 95678

40. **BINDING UPON SUCCESSORS**. All provisions of this AGREEMENT shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of OWNER/DEVELOPER and CITY, and shall run with the land for the full term of this AGREEMENT. Any successor in interest to OWNER/DEVELOPER and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on OWNER/DEVELOPER under this AGREEMENT for the full term of this AGREEMENT. The term "OWNER/DEVELOPER" as used in this AGREEMENT shall include all such assigns, successors-in-interest, and transferees.

41. **RELATIONSHIP OF PARTIES**. The relationship of OWNER/DEVELOPER and CITY for this Project during the term of this AGREEMENT shall not be construed as a joint venture, equity venture, or partnership. CITY neither undertakes nor assumes any responsibility or duty to OWNER/DEVELOPER or to any third party with respect to the operation of the Property or the actions of OWNER/DEVELOPER. Except as CITY may specify in writing, OWNER/DEVELOPER shall have no authority to act as an agent of CITY or to bind CITY to any obligation.

42. **WAIVER.** Any waiver by CITY of any obligation in this AGREEMENT must be in writing. No waiver shall be implied from any delay or failure by CITY to take action on any breach or default of OWNER/DEVELOPER or to pursue any remedy allowed under this AGREEMENT or applicable law. Any extension of time granted to OWNER/DEVELOPER to perform any obligation under this AGREEMENT shall not operate as a waiver or release from any of its obligations under this AGREEMENT. Consent by CITY to any act or omission by OWNER/DEVELOPER shall not be construed as the consent to any other or subsequent act or omission or to waive the requirement for CITY's written consent to future waivers.

43. **OTHER AGREEMENTS.** OWNER/DEVELOPER represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this AGREEMENT. OWNER/DEVELOPER shall not enter into any agreements that are inconsistent with the terms of this AGREEMENT without an express written waiver by CITY.

44. **AMENDMENTS AND MODIFICATIONS**. Any amendments or modifications to this AGREEMENT must be in writing, and shall be effective only if executed by both OWNER/DEVELOPER and CITY, following receipt of all required approvals, and only with the consent of the Senior Lenders.

45. **SEVERABILITY**. Every provision of this AGREEMENT is intended to be severable. If any provision of this AGREEMENT is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

SPECIAL PROVISIONS

46. **ADMINISTRATIVE FEE.** In the event of OWNER/DEVELOPER's breach or violation of any agreement, obligation or warranty under the AGREEMENT or in the event the Property is transferred in violation of Section 31 of this AGREEMENT, and the Property is exempt from real property taxation, OWNER/DEVELOPER shall pay annually, not later than April 15 of each year, a fee equal to seventeen percent (17%) of the real property tax which would have been paid on the Property if it were subject to real property taxation ("Administrative Fee"). The CITY shall provide the OWNER/DEVELOPER with notice and the right to cure, as set forth in above Section 25, any event which the CITY believes give rise to an obligation to pay the Administrative Fee.

The Administrative Fee shall increase and be adjusted annually by an amount equal to two percent (2%) of each prior year's Administrative Fee, and shall be increased and adjusted further from time to time by the percentage equal to any increase in the Property and/or Project's assessed valuation arising from any sale, transfer or refinancing of the Property and/or Project; provided, however, in the event the Property and/or Project becomes subject to payment of property taxes other than special district taxes, the Administrative Fee shall terminate. The payment of such Administrative Fee shall be in addition to, and not to the exclusion of, the CITY's other remedies contemplated in Section 26 of this AGREEMENT.

47. **REFINANCING REVIEW FEE.** In the event that the Property and/or the Project is a tax credit project and is refinanced during the term of this Agreement, OWNER/DEVELOPER shall provide CITY a prepayment in amount to be determined by CITY, upon request by OWNER/DEVELOPER, for CITY's staff costs in reviewing any refinancing documentation submitted to CITY for CITY's review and approval. Such prepayment shall be submitted by OWNER/DEVELOPER prior to CITY commencing any review. It is estimated that the prepayment will be ten thousand dollars ($10,000.00). OWNER/DEVELOPER shall not be entitled to receive a refund of any such fee in the event that OWNER/DEVELOPER fails to complete such refinancing.

48. **TENANT MONITORING FEE.** Commencing one (1) year after the date of the final Certificate of Occupancy for the Project and annually thereafter, OWNER/DEVELOPER shall pay to CITY, not later than March 31 of each year, a tenant monitoring fee equal to FORTY DOLLARS ($40) for each occupied, rent restricted, apartment unit within the Project, with such fee to be adjusted to reflect the Project's actual occupancy rate. The fee for each unit shall be prorated over the portion of the year that the unit was occupied or leased. A penalty of ten percent (10%) per month shall be assessed against any fee not paid when due.

49. **PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM.** During the term of this AGREEMENT, OWNER/DEVELOPER agrees to accept tenants who qualify under the Housing Choice Voucher ("HCV") program administered by the Roseville Housing Authority (the "Authority") or its successor.

50. **CHECKLIST FOR REGULATED UNITS.** OWNER/DEVELOPER agrees that each prospective tenant, prior to rental of a Regulated Unit, shall be required to complete forms required by **Exhibit C**, or OWNER/DEVELOPER'S equivalent as approved in writing by CITY.

[Signatures Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the Effective Date.

City of Roseville,
a municipal corporation:

By: _____
DOMINICK CASEY
City Manager

ATTEST:

By: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

By: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
MELISSA ANGUIANO
Economic Development Director

DF Properties,
a California corporation,

By: _____
Kenneth Denio
President

AND

By: _____
Jeffrey Ronten
Executive Vice President/CFO

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Kenneth Denio

,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

_____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

_____.

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Jeffrey Ronten,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

(Seal)

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

Lot 7, Block 1, as shown on the map of "Roseville Heights", filed for recorded January 9, 1907 in Book "A" of Maps at page 51, Placer County Recorders Office.

APN# 012-181-014-000

EXHIBIT B
OCCUPANCY AND RENT RESTRICTIONS

	Two Bedroom	
Maximum Household Income as Percentage of AMI	Number of Units	Initial Qualifying Rent (Gross)
50%	2	$1,133
Non-Rent Restricted On Site Management		N/A
TOTAL	2	

EXHIBIT C
CHECKLIST FOR AFFORDABLE RENTAL UNITS

The following documentation must be present in the Tenant's file (in a form approved by the Housing Manager) for all incoming "affordable renters."

____ Certification of Affordable Rental Unit Eligibility Form

____ Calculation of Tenant Eligibility Form

____ Record of Rental Increases

____ Written, third party verification of all income sources, including:

- ____ Employment
- ____ Self-employment (tax return and profit & loss statement for current year)
- ____ Unemployment
- ____ AFDC (Welfare) Benefits
- ____ Child Support
- ____ Alimony
- ____ Social Security Benefits
- ____ Supplemental Security Income (SSK)
- ____ VA or Military Benefits
- ____ Pensions and/or Annuities
- ____ Retirement Funds
- ____ Savings Accounts (Interest Income)
- ____ Checking Accounts
- ____ Government Grants
- ____ Trust Funds
- ____ Stocks & Bonds (Cash Value)
- ____ Life Insurance (Cash Value)

Name _____ **Complex** _____

Title _____ **Date** _____

CERTIFICATION OF RESIDENT ELIGIBILITY

Re: _____ Apt. # _____
Apartment Complex

I/we have read and answered truthfully, fully frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit (complete sections 1-5 for each household member):

1) Name of Member of the Household	2) Relationship to Head of Household	3) Age	4) Social Security No.	5) Place of Employment (if applicable)

CERTIFICATION OF RESIDENT ELIGIBILITY (cont.)

INCOME COMPUTATION

6) The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is $_____.

Included in the total anticipated income listed above are:

a. All wages and salaries, overtime pay, commissions, fees and other compensation for personal services, before payroll deductions.

Excluded from such anticipated income are:

a. Casual, sporadic or irregular gifts;

b. Amounts which are specifically for or in reimbursement of medical expenses;

c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses;

d. Amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;

e. Hazardous duty pay to a family member in the Armed Forces who is away from home and exposed to hostile fire;

f. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

g. Foster child care payments;

h. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977.

7) This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we

declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

8) I/We will assist the Owner in obtaining any information or documents required to verify the statement made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9) I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____day of _____in the City of _____California.

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

[All persons listed in number 2 above, except children under the age of 18 must sign this form]

CALCULATIONS OF TENANT ELIGIBILITY
FOR AFFORDABLE RENTAL FORM

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME: _____ UNIT # _____

SOURCE	MONTHLY	ANNUAL
Social Security	$ _____	$ _____
Social Security	$ _____	$ _____
Civil Service	$ _____	$ _____
Pension _____	$ _____	$ _____
Interest _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Child Support	$ _____	$ _____
Welfare	$ _____	$ _____
Stocks/Bonds	$ _____	$ _____
Other _____	$ _____	$ _____
Other _____	$ _____	$ _____
TOTAL INCOME	**$ _____**	**$ _____**
	Monthly base rent	$ _____
	Move-in date	_____

BY

TITLE _____

DATE _____

AFFORDABLE TENANT
RECORD OF RENTAL INCREASES

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME _____ APT. NO. _____

MOVE-IN DATE _____ INITIAL BASE RENT $_____

ANNUAL INCOME $_____

DATE OF INCREASE	CURRENT RENT		ANNUAL ADJUSTMENT FACTOR		NEW RENT
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
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RESOLUTION NO. 22-054

APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an Affordable Rental Housing Agreement regarding the real property located at 115 Atkinson Street, Roseville, CA, by and between the City of Roseville and DF Properties, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said Affordable Rental Housing Agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ___ day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

NO FEE DOCUMENT
PER GOVT. C. §27383

RECORDING REQUESTED BY
City of Roseville

AND WHEN RECORDED, MAIL TO:
City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

AFFORDABLE RENTAL HOUSING AGREEMENT

(Project: APN: 012-181-015-000
115 Atkinson Street)

This Affordable Rental Housing Agreement ("AGREEMENT") is made this _____ day of _____, 2022 ("Effective Date"), by and between the City of Roseville, a municipal corporation ("CITY"), and DF Properties, Inc., a California corporation ("OWNER/DEVELOPER").

RECITALS

A. On June 13, 2013, CITY approved the updated Housing Element of the General Plan which applies ten percent (10%) affordability requirement to all new specific plan areas or properties for which zoning is amended to change residential density.

B. The OWNER/DEVELOPER is receiving the benefit of land entitlements through the Specific Plan and Development Agreement process or by amendment of the zoning of the property to change residential density.

C. On November 2, 2020, CITY approved a Small Lot Subdivision Map (PL20-0098). The conditions of approval require that eighteen (18) units be developed and rented at rental rates affordable to very low and low income households (the "Regulated Units").

D. The conditions of approval require OWNER/DEVELOPER to enter into an affordable housing rental agreement to the satisfaction of City Attorney of CITY, implementing the affordable housing obligations of OWNER/DEVELOPER.

E. Pursuant to Section 1(e) of the First Amendment of Development Agreement – Sierra Vista Specific Plan, executed by the parties on February 3, 2021 and recorded on April 13, 2021 by the Placer County Recorder as Document 2021-0050636, the parties agreed to transfer OWNER/DEVELOPER's affordable housing obligations to the Infill Area. OWNER/DEVELOPER and CITY enter into this AGREEMENT in order to implement OWNER/DEVELOPER'S affordable housing obligations.

F. OWNER/DEVELOPER has secured the possession of real property located at 115 Atkinson Street, Roseville, California, 95678, also referred to as Assessor's Parcel Number 012-181-015-000 (as more particularly described in **Exhibit A** (the "Property")). OWNER/DEVELOPER proposes to continue maintenance and rental of a one (1) unit rental housing apartment project (the "Project") on the Property, that shall be rented at rents that are affordable to Low income households (the "Regulated Units"). The Project is intended to serve as a community resource by providing decent, safe, and sanitary housing for households which would otherwise be unable to afford such housing.

G. The purpose of this AGREEMENT is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the people of the City of Roseville. The covenants in this AGREEMENT are intended to run with the land and be binding on OWNER/DEVELOPER and OWNER/DEVELOPER's successors in interest for the full term of this AGREEMENT.

NOW, THEREFORE, OWNER/DEVELOPER and the CITY hereby agree as follows:

DEFINITIONS

The following terms have the meanings set forth in herein wherever used in this AGREEMENT or attached exhibits.

1. **"CITY"** means the City of Roseville, a municipal corporation.

2. **"AREA MEDIAN INCOME"** (referred to herein as "AMI") means the median income for the Metropolitan Statistical Area which includes the City of Roseville ("MSA"), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, or such other method of median income calculation applicable to the City of Roseville that HUD may hereafter adopt in connection with said Act. If HUD should cease making such determination, the City may designate another method of calculation of area median income used by any federal or state agency and applicable to the City of Roseville.

3. **"OWNER/DEVELOPER"** means DF Properties, Inc., a California corporation, together with its permitted successors and assigns.

4. **"PROJECT"** means the development, construction and operation of a residential, multi-family rental apartment project on the Property, to be rented at rents that are affordable to Low income households.

5. **"PROPERTY"** means the real property located at 115 Atkinson Street, Roseville, California, 95678 identified and described in **Exhibit A**, attached hereto and incorporated into this AGREEMENT by this reference, and any buildings or improvements now or hereafter situated on such real property.

6. **"QUALIFYING HOUSEHOLD"** means a household in which household income does not exceed the percentage of Area Median Income prescribed for the applicable housing unit by the terms of this AGREEMENT.

7. **"QUALIFYING RENT"** means the maximum monthly rent allowed under **Exhibit B** "adjusted for family size appropriate to the unit" (as such term is defined by Health and Safety Code sections 50052.5 and 50053) including a reasonable allowance for tenant-paid utilities (also known as Utility Allowance). During the period a regulatory agreement governing the allocation and award of any federal tax credits is in effect, Qualifying Rent may be determined in accordance with such regulatory agreement and 26 U.S.C., Section 42, for initial occupancy of tenants.

8. **"REGULATED UNITS"** means one (1) rental dwelling unit of the one (1) rental dwelling units on the Property constructed for the Project, that shall be rented at rents that are affordable to Low income households and having the following composition: one (1) three-bedroom unit.

OWNER/DEVELOPER'S OBLIGATIONS

9. **TERM OF AGREEMENT.** This AGREEMENT shall commence upon the Effective Date and shall remain in full force and effect for fifty-five (55) years after the date OWNER/DEVELOPER obtains a Certificate of Occupancy from CITY for the Project or, in the event the Project has multiple buildings or structures, a Certificate of Occupancy for the last habitable building or structure for the Project. The obligations in this AGREEMENT shall remain effective and fully binding on OWNER/DEVELOPER for this full term regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the CITY in a recorded writing.

10. **LEGAL INTEREST IN PROJECT**. OWNER/DEVELOPER represents that is has legal interest in the Subject Property and that all other persons holding legal or equitable interests in the Subject Property have signed an "Acknowledgement and Consent Certificate", in a form approved by the City Attorney of the CITY, acknowledging and consenting to the terms of this AGREEMENT. All persons holding any legal or equitable interest in the Subject Property shall be bound by this AGREEMENT.

PROJECT OCCUPANCY AND RENTS

11. **OCCUPANCY OF PROJECT.** OWNER/DEVELOPER shall limit, for the full term of this AGREEMENT identified in Section 9, above, the rental of Regulated Units to Qualifying Households according to the schedule contained in **Exhibit B** herein, which is hereby incorporated by reference into this AGREEMENT. The income levels and other qualifications of applicants shall be certified prior to initial occupancy in conformance with the Final Management Plan identified in Section 18C, below, and the City of Roseville's rules governing income certification, as these rules may be amended from time to time by California law or as required in order to comply with California law. Specifically, OWNER/DEVELOPER covenants and agrees that for the full term of this Agreement it shall reserve for occupancy: one (1) three-bedroom Regulated Unit for households whose income does not exceed eighty percent (80%) of AMI.

The Project shall be owned, managed and operated as a single, multi-family residential rental project, which may be comprised of several buildings and structures, each consisting of more than one residential dwelling unit, together with facilities functionally related and subordinate thereto, in accordance with the applicable provisions of the Internal Revenue Code and applicable California law, as the same may be amended from time to time. All of the residential dwelling units in the Project will be similarly constructed and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family, including sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. None of the residential dwelling units shall be utilized, at any time, on a transient basis. Neither the Project, nor any portion thereof, shall ever be used as a hotel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

12. **PROJECT RENTS.** Rents for Regulated Units shall be limited to Qualifying Rents as set forth in **Exhibit B** as the same may be revised from time to time in accordance with this AGREEMENT and applicable federal or state laws and regulations. Rent shall be no greater than considered "affordable rent" for the applicable household pursuant to Section 50053 of the California Health and Safety Code, as amended, or any successor statute thereto. Nothing in this AGREEMENT shall prevent OWNER/DEVELOPER from charging lower rents.

13. **RENTAL INCREASES FOR EXISTING TENANTS ON THE PROPERTY.** Irrespective of when income limits are published under Tax Credit Law, rents for Regulated Units may be adjusted no more frequently than: (a) twelve (12) months following the date of initial occupancy or (b) every twelve (12) months following the last permissible date of recorded rental adjustment. Additionally, in no event shall the amount of annual rent increase exceed the amount of annual rent increase allowed by Tax Credit Law. Rents for Regulated Units may be adjusted annually to coincide with the increases in the Annual Adjustment Factors (AAF) as published by the United States Department of Housing and Urban Development (HUD) for the West Region.

In the event HUD terminates publication of the AAF, rents shall be adjusted annually to coincide with the annual percentage increase for residential rent as shown in the "rent, Residential" component of the Housing component in the Consumer Price Index for all urban consumers in the San Francisco-Oakland area. If OWNER/DEVELOPER does not agree with the adjustment factors provided herein, OWNER/DEVELOPER may, within fifteen (15) calendar days of notification by CITY's Housing Manager ("the HM") of that year's adjustment, present to the HM information on which it wishes to base its annual rent adjustment. The HM will review this information and decide on which adjustment factor OWNER/DEVELOPER shall base its annual rent increase. The decision of the HM shall be final.

14. **CONDOMINIUM CONVERSION PROHIBITED.** OWNER/DEVELOPER shall not convert Project units, including Regulated Units and/or any unregulated units, to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Project units.

15. **NONDISCRIMINATION.** OWNER/DEVELOPER shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Project units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, gender, gender identity, gender expression, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. OWNER/DEVELOPER shall include a statement in all advertisements, notices, and signs for the availability of Project units for rent to the effect that OWNER/DEVELOPER is an Equal Housing Opportunity Provider. OWNER/DEVELOPER shall further ensure and require that any contractor or subcontractor engaged in work on the Project shall provide equal opportunity for employment without discrimination as to race, sex, marital status, color, religion, sexual orientation, source of income, national origin or ancestry.

16. **MANAGEMENT RESPONSIBILITIES.** OWNER/DEVELOPER is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CITY shall have no responsibility over management of the Property.

17. **MANAGEMENT ENTITY.** The CITY shall have the right to review and approve the management entity chosen by OWNER/DEVELOPER for the Property and, with the prior written consent of the Senior Lenders and the tax credit investor (if applicable), shall have the right to require a change in the management agent for the Project in the event OWNER/DEVELOPER is in default under the AGREEMENT. Any contracting of management services by OWNER/DEVELOPER shall not relieve OWNER/DEVELOPER of its primary responsibilities for proper performance of management duties. The CITY approves of the use of DF Properties, Inc., a California corporation, engaged in the provision of multi-family residential and commercial

property management services, as the designated initial management entity for the Project.

18. **DRAFT AND FINAL MANAGEMENT PLANS.**

A. **DRAFT MANAGEMENT PLAN.** OWNER/DEVELOPER shall prepare and submit to CITY a Draft Management Plan for CITY's review and approval. The Draft Management Plan shall be submitted to CITY at least one hundred eighty (180) calendar days prior to the anticipated date for completion of construction of the Project. The Draft Management Plan shall contain, but is not limited to, specific statement as to (1) the identity, experience and duties regarding operation of the Project of any non- profit, public benefit corporation who is a partner of OWNER/DEVELOPER; (2) marketing policies and strategies; (3) tenancy occupancy rules and regulations; (4) rental procedures and tenant income limitation; (5) eviction procedures; (6) operating policies and guidelines; (7) reserve account policies; (8) maintenance and capital improvement policies; and (9) shall provide as an exhibit thereto a sample form of lease agreement. Upon transfer of the Project of OWNER/DEVELOPER'S interest in the Project, the party to who the Project is transferred shall, as a condition of such transfer, provide CITY with a copy of such party's Management Plan for the Project, which plan shall provide statements as called for herein.

B. **CITY REVIEW OF DRAFT MANAGEMENT PLAN.** Upon submittal of the Draft Management Plan by OWNER/DEVELOPER to CITY the CITY shall review the Draft Management Plan and provide written comments to OWNER/DEVELOPER within ninety (90) calendar days or as soon thereafter as is practicable.

C. **FINAL MANAGEMENT PLAN.** Prior to issuance of any Certificate of Occupancy for the Project, OWNER/DEVELOPER shall submit a Final Management Plan to the CITY for its review and final approval no later than thirty (30) calendar days prior to the anticipated date for completion of construction of the Project.

Notwithstanding the foregoing, the CITY shall have the right to review and approve any proposed amendments to OWNER/DEVELOPER's contract with its management firm, or any new management contracts, during the term of this AGREEMENT; provided, however, that the CITY's approval shall not be required for a renewal of the initial management contract.

19. **MANAGEMENT AGENT**. The Project shall at all times be managed by an experienced Management Agent reasonably acceptable to CITY, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe and sanitary housing. During the monitoring as described in Section 25, CITY will assess Management Agent's ability to operate the Project in a decent, safe and sanitary manner. One factor CITY will use to make its assessment will be a comparison of calls for police and fire services with other rental complexes in Roseville which offer similar services.

OWNER/DEVELOPER shall submit for CITY's approval the identity of any proposed Management Agent. OWNER/DEVELOPER shall also submit such additional information about the background, experience, and financial condition of any proposed Management Agent as is reasonably necessary for CITY to determine whether the proposed Management Agent meets the standards for a qualified Management Agent set forth above.

If the proposed Management Agent meets the standards for a qualified Management Agent set forth above, CITY shall approve the proposed Management Agent by notifying OWNER/DEVELPER in writing. Unless the proposed Management Agent is disapproved by CITY within thirty (30) days of said submission of identity and qualifications of proposed Management Agent, which disapproval shall state reasonable specificity the basis for disapproval it shall be deemed approved, DF Properties, Inc., a California corporation is hereby approved by the CITY as the initial Management Agent.

20. **DISMISSAL OF MANAGEMENT AGENT**. Within fifteen (15) days from OWNER/DEVELOPER'S receipt of any recommendation by CITY staff to dismiss the Management Agent, OWNER/DEVELOPER shall either dismiss the Management Agent or request a public meeting to discuss such recommendation. If, after conducting a requested public meeting, the CITY Council supports said recommendation of CITY staff, OWNER/DEVELOPER shall promptly dismiss the Management Agent and shall appoint as the new Management Agent a person or entity which meets the standards for Management Agent and is approved by CITY as set forth in Section 19.

21. **MAINTENANCE AND SECURITY.** OWNER/DEVELOPER shall at its own cost and expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable, and tenantable living condition for the benefit of Project occupants. OWNER/DEVELOPER shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. OWNER/DEVELOPER shall provide adequate ongoing security equipment and services for Project occupants. OWNER/DEVELOPER shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Management Plan; but OWNER/DEVELOPER's maintenance obligations shall not be limited only to the standards contained in these laws or the Management Plan.

In the event the OWNER/DEVELOPER fails to maintain the Property in accordance with the foregoing standards, and after at least seven (7) calendar days' prior written notice to OWNER/DEVELOPER and the Senior Lenders, the CITY or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in CITY's reasonable discretion (with the prior written consent of the Senior Lenders), and provide for payment thereof. Any amount advanced by CITY to make such repairs, together with the maximum legal interest rate thereon from the date of such shall become an additional obligation of OWNER/DEVELOPER to CITY shall be immediately due and payable to CITY.

22. **UNIT VACANCIES.** OWNER/DEVELOPER shall use its best efforts to fill vacancies in Regulated Units as quickly as possible.

23. **INSPECTION AND RECORDS.** OWNER/DEVELOPER shall maintain records which clearly document OWNER/DEVELOPER's performance of its obligations to operate the Property and the Project under the terms of this AGREEMENT. OWNER/DEVELOPER shall submit any records to the CITY within ten (10) business days of CITY's request. OWNER/DEVELOPER shall permit CITY to enter and inspect the Property and the Project for compliance with obligations under this AGREEMENT upon twenty-four (24) hours advance notice of such visit by CITY to OWNER/DEVELOPER or OWNER/DEVELOPER's management agent and to tenants of any inspected Project units, subject to the provisions of the lease regarding inspection and entry rights, which provisions must otherwise be consistent with state law.

24. **ANNUAL REPORT.** OWNER/DEVELOPER shall submit an annual report to CITY as required by California Health and Safety Code Section 33418, which shall include at a minimum for each Regulated Unit the rental rate and the income and household size of the occupants. The income information required under this report shall be supplied by the tenant in a certified statement on a form provided by CITY. CITY may request additional information be included in the annual report.

25. **MONITORING/NON-COMPLIANCE/CURE**. OWNER/DEVELOPER'S compliance with the provisions of this AGREEMENT shall be reviewed at least annually, and at such other times as CITY may require, upon thirty (30) days prior written notice from CITY. During any such review, OWNER/DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this AGREEMENT. If, as a result of such review, CITY finds and determines that OWNER/DEVELOPER has not complied in good faith with the terms and conditions of this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER of its findings and of the exact nature of OWNER/DEVELOPER'S non-compliance. OWNER/DEVELOPER shall be given a period of sixty (60) days after delivery of any such notice in which to cure, to the reasonable satisfaction of CITY, any non-compliance. In the event CITY fails to give OWNER/DEVELOPER notice of any non-compliance at or before the annual review, OWNER/DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this AGREEMENT during the year covered by the annual review.

26. **CITY REMEDIES FOR BREACH**. If OWNER/DEVELOPER is unable or otherwise fails to cure any non-compliance within sixty (60) days after CITY delivers notice of non-compliance pursuant to Section 25, CITY may, in addition to any other remedy provided by law or equity, modify or terminate this AGREEMENT, revoke the Project approval, seek liquidated damages in accordance with this AGREEMENT, or take any other action available to it under this AGREEMENT.

In particular, and without limitation by reason of enumeration, OWNER/DEVELOPER acknowledges and agrees that failure to cure any non-compliance under this AGREEMENT, whether by OWNER/DEVELOPER or any successor, shall, at the option of the CITY, constitute a breach and default under this AGREEMENT as to all other property within the Project.

In addition, and without limitation by reason of enumeration, OWNER/DEVLOPER acknowledges and agrees that CITY shall have the right to withhold issuance of all building permits within the Project until such breach is cured.

In the event of any breach/default or violation of any agreement, obligation, or warranty under this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER, with copies to any Senior Lenders, if applicable: (a) the nature of the breach or violation, (b) the action required to cure the breach or violation, and (c) a date, which shall not be less than thirty (30) calendar days from the date of the notice, by which such action to cure must be taken. If OWNER/DEVELOPER fails to cure the breach or violation within the time frame specified in the notice CITY additionally has the right, at its sole election, to:

A. Bring an action for equitable relief seeking the specific performance by OWNER/DEVELOPER of the terms and conditions of this AGREEMENT, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property and the Project, and continue in possession until such time as CITY in its sole judgment determines that OWNER/DEVELOPER is in a position to operate the Property and the Project in compliance with this AGREEMENT;

C. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

D. For violations of OWNER/DEVELOPER's obligations with respect to occupancy restrictions, Project maintenance, and unit vacancies, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount of ONE THOUSAND DOLLARS ($1,000) per day for each Project unit that is not operated in compliance with this AGREEMENT;

E. For violations of OWNER/DEVELOPER's obligations with respect to Project rents, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount equal to the actual amount OWNER/DEVELOPER has collected from any Qualifying Household in excess of the Qualifying Rent;

F. Pursue any other remedy allowed at law or in equity.

CITY's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by CITY of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this AGREEMENT or now or hereafter existing at law or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

The parties agree that the sums and formulas designated herein as liquidated damages represent a reasonable approximation of the damages CITY is likely to suffer from violations of the respective terms. OWNER/DEVELOPER agrees to pay in full any accrued liquidated damages to CITY within ten (10) calendar days of a written demand by CITY for such payment.

27. **FEES, TAXES, AND OTHER LEVIES.** OWNER/DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Project, and shall pay such charges prior to delinquency. However, OWNER/DEVELOPER shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings, and (b) OWNER/DEVELOPER maintains reserves adequate to pay any contested liabilities.

28. **INSURANCE COVERAGE.** OWNER/DEVELOPER shall cause to have in full force and effect during the term of this AGREEMENT continuous insurance coverage as required by any lienholder.

29. **PROPERTY DAMAGE OR DESTRUCTION.** If any building or improvement erected by OWNER/DEVELOPER on the Property is damaged or destroyed, subject to the requirements of the Senior Lenders, OWNER/DEVELOPER shall, at its own cost and expense, repair or restore the Property consistent with the original Plans and Specifications for the Project. Such work shall be commenced within one hundred twenty (120) calendar days after the damage or loss occurs and shall be completed within three hundred and sixty-five (365) calendar days thereafter. Subject to the requirements of the Senior Lenders, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if insurance proceeds are insufficient for such purpose, OWNER/DEVELOPER shall make up the deficiency.

GENERAL PROVISIONS

30. **SUBORDINATION.** Except as expressly set forth herein, this AGREEMENT shall not be subordinated in priority to any other interest in the Property that was not recorded on or prior to the date of recordation of this Agreement, unless the CITY expressly consents, in writing, to the subordination or junior priority of this AGREEMENT. Such consent, if any, shall be within the CITY's sole discretion, and may only be permitted, if at all, for purposes that conform with the circumstances authorized by California Health and Safety Code section 33334.14(a), and to the extent the proposed subordination does not jeopardize the CITY's security interest in the property and is otherwise consistent and compliant with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project.

31. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this AGREEMENT, OWNER/DEVELOPER shall not make or permit any sale, agreement to sell, assignment, conveyance, lease (other than the rental of Project units to eligible residential tenant occupants), or transfer of the Property or any part thereof, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers"), without the prior written consent of CITY. The limitations on OWNER/DEVELOPER's right of assignment or other transfer contained in this Section 31 shall not apply to any foreclosure, deed in lieu of foreclosure, or other remedial action lawfully taken by any Senior Lender holding a security interest in the Property with priority over the CITY's interests; nor shall they apply to the transfer of limited partner interests in OWNER/DEVELOPER and/or the removal of a general partner or a limited partner pursuant to the terms and conditions of OWNER/DEVELOPER's organizational document.

CITY shall give its consent to a Transfer provided that it determines all of the following conditions are met: (a) OWNER/DEVELOPER is in compliance with this AGREEMENT or the Transfer will cure existing violations of this AGREEMENT; (b) the transferee agrees to assume all obligations of OWNER/DEVELOPER imposed by this AGREEMENT; (c) the transferee demonstrates to CITY's satisfaction that it is capable of owning and/or operating the Property and the Project in full compliance with this AGREEMENT; (d) the terms of the Transfer shall not jeopardize the CITY's security interest in the Property and is otherwise in full compliance with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project; and (e) the Transfer has been approved by CITY's governing body, if such approval is required.

During the term of this AGREEMENT, OWNER/DEVELOPER shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property and/or the Project (except for any financing provided by CITY), without the prior written consent of CITY, which consent may be withheld in CITY's sole discretion. CITY may give its consent to such financing if and only to the extent necessary to maintain or improve the affordability or condition of the Property and/or the Project.

32. **NONLIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS**. No member, official, director, employee, agent or independent contractor of CITY shall be personally liable to OWNER/DEVELOPER or third party beneficiaries for any obligation created under the terms of this AGREEMENT.

33. **INDEMNITY AND WAIVER**. Notwithstanding the insurance coverage required herein, OWNER/DEVELOPER shall indemnify and hold CITY, its members, officials, directors, employees, agents and independent contractors (collectively "Indemnitees"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney's fees) which Indemnitees may incur as a result of (1) OWNER/DEVELOPER's failure to perform any obligations as and when required by this AGREEMENT; (2) any failure of OWNER/DEVELOPER's representations or warranties to be true and complete in any material respect; or (3) any act or omission by OWNER/DEVELOPER or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except to the extent that such losses are caused solely by the negligence or willful misconduct of Indemnitees. The duty of the OWNER/DEVELOPER to indemnify includes the duty to defend Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. OWNER/DEVELOPER's duty to indemnify Indemnitees shall survive the term of this AGREEMENT.

OWNER/DEVELOPER hereby waives any claims, suits, or actions against the CITY on account of or arising from the Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 *et seq.* ("CHRHA"). Furthermore, the parties hereby acknowledge and agree that, without limitation, any Project entitlements, permits, or approvals have conferred upon the OWNER/DEVELOPER and/or the Project either a direct financial contribution or other form of assistance pursuant to Section 1954.52(b) of the CHRHA.

34. **GOVERNING LAW.** This AGREEMENT shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

35. **AGREEMENT CONTROLS**. In the event that any provisions of this AGREEMENT and any of its exhibits, the terms of the AGREEMENT shall control.

36. **ATTORNEYS' FEES AND COSTS**. In the event that a legal or administrative action is brought to interpret or enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

37. **TIME**. Time is of the essence in this AGREEMENT.

38. **CONSENTS AND APPROVALS**. Except as otherwise expressly provided in this AGREEMENT, any consent or approval required under the AGREEMENT shall not be unreasonably withheld or delayed.

39. **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between OWNER/DEVELOPER and CITY shall be given by first class or certified mail, return receipt requested, postage prepaid or delivered personally, to OWNER/DEVELOPER and CITY as follows, or at such other address as a party may designate by written notice to the other party:

City of Roseville
Housing Manager
316 Vernon Street #150
Roseville, CA 95678

DF Properties, Inc.
Attn: Jeff Ronten
2013 Opportunity Drive, Suite 150
Roseville, CA 95678

40. **BINDING UPON SUCCESSORS**. All provisions of this AGREEMENT shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of OWNER/DEVELOPER and CITY, and shall run with the land for the full term of this AGREEMENT. Any successor in interest to OWNER/DEVELOPER and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on OWNER/DEVELOPER under this AGREEMENT for the full term of this AGREEMENT. The term "OWNER/DEVELOPER" as used in this AGREEMENT shall include all such assigns, successors-in-interest, and transferees.

41. **RELATIONSHIP OF PARTIES**. The relationship of OWNER/DEVELOPER and CITY for this Project during the term of this AGREEMENT shall not be construed as a joint venture, equity venture, or partnership. CITY neither undertakes nor assumes any responsibility or duty to OWNER/DEVELOPER or to any third party with respect to the operation of the Property or the actions of OWNER/DEVELOPER. Except as CITY may specify in writing, OWNER/DEVELOPER shall have no authority to act as an agent of CITY or to bind CITY to any obligation.

42. **WAIVER.** Any waiver by CITY of any obligation in this AGREEMENT must be in writing. No waiver shall be implied from any delay or failure by CITY to take action on any breach or default of OWNER/DEVELOPER or to pursue any remedy allowed under this AGREEMENT or applicable law. Any extension of time granted to OWNER/DEVELOPER to perform any obligation under this AGREEMENT shall not operate as a waiver or release from any of its obligations under this AGREEMENT. Consent by CITY to any act or omission by OWNER/DEVELOPER shall not be construed as the consent to any other or subsequent act or omission or to waive the requirement for CITY's written consent to future waivers.

43. **OTHER AGREEMENTS.** OWNER/DEVELOPER represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this AGREEMENT. OWNER/DEVELOPER shall not enter into any agreements that are inconsistent with the terms of this AGREEMENT without an express written waiver by CITY.

44. **AMENDMENTS AND MODIFICATIONS**. Any amendments or modifications to this AGREEMENT must be in writing, and shall be effective only if executed by both OWNER/DEVELOPER and CITY, following receipt of all required approvals, and only with the consent of the Senior Lenders.

45. **SEVERABILITY**. Every provision of this AGREEMENT is intended to be severable. If any provision of this AGREEMENT is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

SPECIAL PROVISIONS

46. **ADMINISTRATIVE FEE.** In the event of OWNER/DEVELOPER's breach or violation of any agreement, obligation or warranty under the AGREEMENT or in the event the Property is transferred in violation of Section 31 of this AGREEMENT, and the Property is exempt from real property taxation, OWNER/DEVELOPER shall pay annually, not later than April 15 of each year, a fee equal to seventeen percent (17%) of the real property tax which would have been paid on the Property if it were subject to real property taxation ("Administrative Fee"). The CITY shall provide the OWNER/DEVELOPER with notice and the right to cure, as set forth in above Section 25, any event which the CITY believes give rise to an obligation to pay the Administrative Fee.

The Administrative Fee shall increase and be adjusted annually by an amount equal to two percent (2%) of each prior year's Administrative Fee, and shall be increased and adjusted further from time to time by the percentage equal to any increase in the Property and/or Project's assessed valuation arising from any sale, transfer or refinancing of the Property and/or Project; provided, however, in the event the Property and/or Project becomes subject to payment of property taxes other than special district taxes, the Administrative Fee shall terminate. The payment of such Administrative Fee shall be in addition to, and not to the exclusion of, the CITY's other remedies contemplated in Section 26 of this AGREEMENT.

47. **REFINANCING REVIEW FEE.** In the event that the Property and/or the Project is a tax credit project and is refinanced during the term of this Agreement, OWNER/DEVELOPER shall provide CITY a prepayment in amount to be determined by CITY, upon request by OWNER/DEVELOPER, for CITY's staff costs in reviewing any refinancing documentation submitted to CITY for CITY's review and approval. Such prepayment shall be submitted by OWNER/DEVELOPER prior to CITY commencing any review. It is estimated that the prepayment will be ten thousand dollars ($10,000.00). OWNER/DEVELOPER shall not be entitled to receive a refund of any such fee in the event that OWNER/DEVELOPER fails to complete such refinancing.

48. **TENANT MONITORING FEE.** Commencing one (1) year after the date of the final Certificate of Occupancy for the Project and annually thereafter, OWNER/DEVELOPER shall pay to CITY, not later than March 31 of each year, a tenant monitoring fee equal to FORTY DOLLARS ($40) for each occupied, rent restricted, apartment unit within the Project, with such fee to be adjusted to reflect the Project's actual occupancy rate. The fee for each unit shall be prorated over the portion of the year that the unit was occupied or leased. A penalty of ten percent (10%) per month shall be assessed against any fee not paid when due.

49. **PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM.** During the term of this AGREEMENT, OWNER/DEVELOPER agrees to accept tenants who qualify under the Housing Choice Voucher ("HCV") program administered by the Roseville Housing Authority (the "Authority") or its successor.

50. **CHECKLIST FOR REGULATED UNITS.** OWNER/DEVELOPER agrees that each prospective tenant, prior to rental of a Regulated Unit, shall be required to complete forms required by **Exhibit C**, or OWNER/DEVELOPER'S equivalent as approved in writing by CITY.

[Signatures Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the Effective Date.

City of Roseville,
a municipal corporation:

By: _____
DOMINICK CASEY
City Manager

ATTEST:

By: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

By: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
MELISSA ANGUIANO
Economic Development Director

DF Properties,
a California corporation,

By: _____
Kenneth Denio
President

AND

By: _____
Jeffrey Ronten
Executive Vice President/CFO

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Kenneth Benio

,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

_____.

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Jeffrey Ronten

,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

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The signer(s) capacity or authority is/are as:

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

Lots 6, Block 1, as shown on the map of "Roseville Heights", filed for recorded January 9, 1907 in Book "A" of Maps at page 51, Placer County Recorders Office.

APN# 012-181-015-000

EXHIBIT B
OCCUPANCY AND RENT RESTRICTIONS

	Three Bedroom	
Maximum Household Income as Percentage of AMI	Number of Units	Initial Qualifying Rent (Gross)
80%	1	$2,030
Non-Rent Restricted On Site Management		N/A
TOTAL	1	

EXHIBIT C
CHECKLIST FOR AFFORDABLE RENTAL UNITS

The following documentation must be present in the Tenant's file (in a form approved by the Housing Manager) for an "affordable renter."

____ Certification of Affordable Rental Unit Eligibility Form

____ Calculation of Tenant Eligibility Form

____ Record of Rental Increases

____ Written, third party verification of all income sources, including:

- ____ Employment
- ____ Self-employment (tax return and profit & loss statement for current year)
- ____ Unemployment
- ____ AFDC (Welfare) Benefits
- ____ Child Support
- ____ Alimony
- ____ Social Security Benefits
- ____ Supplemental Security Income (SSK)
- ____ VA or Military Benefits
- ____ Pensions and/or Annuities
- ____ Retirement Funds
- ____ Savings Accounts (Interest Income)
- ____ Checking Accounts
- ____ Government Grants
- ____ Trust Funds
- ____ Stocks & Bonds (Cash Value)
- ____ Life Insurance (Cash Value)

Name _____ **Complex** _____

Title _____ **Date** _____

CERTIFICATION OF RESIDENT ELIGIBILITY

Re: _____ Apt. # _____
Apartment Complex

I/we have read and answered truthfully, fully frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit (complete sections 1-5 for each household member):

1) Name of Member of the Household	2) Relationship to Head of Household	3) Age	4) Social Security No.	5) Place of Employment (if applicable)

CERTIFICATION OF RESIDENT ELIGIBILITY (cont.)

INCOME COMPUTATION

6) The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is $_____.

Included in the total anticipated income listed above are:

a. All wages and salaries, overtime pay, commissions, fees and other compensation for personal services, before payroll deductions.

Excluded from such anticipated income are:

a. Casual, sporadic or irregular gifts;

b. Amounts which are specifically for or in reimbursement of medical expenses;

c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses;

d. Amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;

e. Hazardous duty pay to a family member in the Armed Forces who is away from home and exposed to hostile fire;

f. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

g. Foster child care payments;

h. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977.

7) This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we

declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

8) I/We will assist the Owner in obtaining any information or documents required to verify the statement made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9) I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____day of _____in the City of _____California.

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

[All persons listed in number 2 above, except children under the age of 18 must sign this form]

CALCULATIONS OF TENANT ELIGIBILITY
FOR AFFORDABLE RENTAL FORM

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME: _____ UNIT # _____

SOURCE	MONTHLY	ANNUAL
Social Security	$ _____	$ _____
Social Security	$ _____	$ _____
Civil Service	$ _____	$ _____
Pension _____	$ _____	$ _____
Interest _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Child Support	$ _____	$ _____
Welfare	$ _____	$ _____
Stocks/Bonds	$ _____	$ _____
Other _____	$ _____	$ _____
Other _____	$ _____	$ _____
TOTAL INCOME	**$ _____**	**$ _____**
	Monthly base rent	$ _____
	Move-in date	_____

BY

TITLE _____

DATE _____

AFFORDABLE TENANT
RECORD OF RENTAL INCREASES

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME _____ APT. NO. _____

MOVE-IN DATE _____ INITIAL BASE RENT $_____

ANNUAL INCOME $_____

DATE OF INCREASE	CURRENT RENT		ANNUAL ADJUSTMENT FACTOR		NEW RENT
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____

RESOLUTION NO. 22-055

APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an Affordable Rental Housing Agreement regarding the real property located at 205 Hickory Street, Roseville, CA, by and between the City of Roseville and DF Properties, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said Affordable Rental Housing Agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ___ day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

NO FEE DOCUMENT
PER GOVT. C. §27383

RECORDING REQUESTED BY
City of Roseville

AND WHEN RECORDED, MAIL TO:
City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

AFFORDABLE RENTAL HOUSING AGREEMENT

(Project: APN: 012-164-012-000
205 Hickory Street)

This Affordable Rental Housing Agreement ("AGREEMENT") is made this _____ day of _____, 2022_("Effective Date"), by and between the City of Roseville, a municipal corporation ("CITY"), and DF Properties, Inc., a California corporation ("OWNER/DEVELOPER").

RECITALS

A. On June 13, 2013, CITY approved the updated Housing Element of the General Plan which applies ten percent (10%) affordability requirement to all new specific plan areas or properties for which zoning is amended to change residential density.

B. The OWNER/DEVELOPER is receiving the benefit of land entitlements either through the Specific Plan and Development Agreement process or by amendment of the zoning of the property to change residential density.

C. On November 2, 2020, CITY approved a Small Lot Subdivision Map (PL20-0098). The conditions of approval require that eighteen (18) units be developed and rented at rental rates affordable to very low and low income households (the "Regulated Units").

D. The conditions of approval of the Project require OWNER/DEVELOPER to enter into an affordable housing rental agreement to the satisfaction of City Attorney of CITY, implementing the affordable housing obligations of OWNER/DEVELOPER.

E. Pursuant to Section 1(e) of the First Amendment of Development Agreement – Sierra Vista Specific Plan, executed by the parties on February 3, 2021 and recorded on April 13, 2021 by the Placer County Recorder as Document 2021-0050636, the parties agreed to transfer OWNER/DEVELOPER's affordable housing obligations to the Infill Area. OWNER/DEVELOPER and CITY enter into this AGREEMENT in order to implement OWNER/DEVELOPER'S affordable housing obligations.

F. OWNER/DEVELOPER has secured the possession of real property located at 205 Hickory Street, Roseville, California, 95678, also referred to as Assessor's Parcel Number 012-164-012-000 (as more particularly described in **Exhibit A** (the "Property")). OWNER/DEVELOPER proposes to continue maintenance and rental of a three (3) unit rental housing apartment project (the "Project") on the Property, that shall be rented at rents that are affordable to Low income households (the "Regulated Units"). The Project is intended to serve as a community resource by providing decent, safe, and sanitary housing for households which would otherwise be unable to afford such housing.

G. The purpose of this AGREEMENT is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the people of the City of Roseville. The covenants in this AGREEMENT are intended to run with the land and be binding on OWNER/DEVELOPER and OWNER/DEVELOPER's successors in interest for the full term of this AGREEMENT.

NOW, THEREFORE, OWNER/DEVELOPER and the CITY hereby agree as follows:

DEFINITIONS

The following terms have the meanings set forth in herein wherever used in this AGREEMENT or attached exhibits.

1. **"CITY"** means the City of Roseville, a municipal corporation.

2. **"AREA MEDIAN INCOME"** (referred to herein as "AMI") means the median income for the Metropolitan Statistical Area which includes the City of Roseville ("MSA"), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, or such other method of median income calculation applicable to the City of Roseville that HUD may hereafter adopt in connection with said Act. If HUD should cease making such determination, the City may designate another method of calculation of area median income used by any federal or state agency and applicable to the City of Roseville.

3. **"OWNER/DEVELOPER"** means DF Properties, Inc., a California corporation, together with its permitted successors and assigns.

4. **"PROJECT"** means the development, construction and operation of a residential, multi-family rental apartment project on the Property, to be rented at rents

that are affordable to Low income households.

5. **"PROPERTY"** means the real property located at 205 Hickory Street, Roseville, California, 95678 identified and described in **Exhibit A**, attached hereto and incorporated into this AGREEMENT by this reference, and any buildings or improvements now or hereafter situated on such real property.

6. **"QUALIFYING HOUSEHOLD"** means a household in which household income does not exceed the percentage of Area Median Income prescribed for the applicable housing unit by the terms of this AGREEMENT.

7. **"QUALIFYING RENT"** means the maximum monthly rent allowed under **Exhibit B** "adjusted for family size appropriate to the unit" (as such term is defined by Health and Safety Code sections 50052.5 and 50053) including a reasonable allowance for tenant-paid utilities (also known as Utility Allowance). During the period a regulatory agreement governing the allocation and award of any federal tax credits is in effect, Qualifying Rent may be determined in accordance with such regulatory agreement and 26 U.S.C., Section 42, for initial occupancy of tenants.

8. **"REGULATED UNITS"** means three (3) rental dwelling units of the three (3) rental dwelling units on the Property constructed for the Project, that shall be rented at rents that are affordable to Low income households and having the following composition: three (3) two-bedroom units.

OWNER/DEVELOPER'S OBLIGATIONS

9. **TERM OF AGREEMENT.** This AGREEMENT shall commence upon the Effective Date and shall remain in full force and effect for fifty-five (55) years after the date OWNER/DEVELOPER obtains a Certificate of Occupancy from CITY for the Project or, in the event the Project has multiple buildings or structures, a Certificate of Occupancy for the last habitable building or structure for the Project. The obligations in this AGREEMENT shall remain effective and fully binding on OWNER/DEVELOPER for this full term regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the CITY in a recorded writing.

10. **LEGAL INTEREST IN PROJECT**. OWNER/DEVELOPER represents that is has legal interest in the Subject Property and that all other persons holding legal or equitable interests in the Subject Property have signed an "Acknowledgement and Consent Certificate", in a form approved by the City Attorney of the CITY, acknowledging and consenting to the terms of this AGREEMENT. All persons holding any legal or equitable interest in the Subject Property shall be bound by this AGREEMENT.

PROJECT OCCUPANCY AND RENTS

11. **OCCUPANCY OF PROJECT.** OWNER/DEVELOPER shall limit, for the full term of this AGREEMENT identified in Section 9, above, the rental of Regulated Units to Qualifying Households according to the schedule contained in **Exhibit B** herein, which is hereby incorporated by reference into this AGREEMENT. The income levels and other qualifications of applicants shall be certified prior to initial occupancy in conformance with the Final Management Plan identified in Section 18C, below, and the City of Roseville's rules governing income certification, as these rules may be amended from time to time by California law or as required in order to comply with California law. Specifically, OWNER/DEVELOPER covenants and agrees that for the full term of this Agreement it shall reserve for occupancy: three (3) two-bedroom Regulated Units for households whose income does not exceed eighty percent (80%) of AMI.

The Project shall be owned, managed and operated as a single, multi-family residential rental project, which may be comprised of several buildings and structures, each consisting of more than one residential dwelling unit, together with facilities functionally related and subordinate thereto, in accordance with the applicable provisions of the Internal Revenue Code and applicable California law, as the same may be amended from time to time. All of the residential dwelling units in the Project will be similarly constructed and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family, including sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. None of the residential dwelling units shall be utilized, at any time, on a transient basis. Neither the Project, nor any portion thereof, shall ever be used as a hotel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

12. **PROJECT RENTS.** Rents for Regulated Units shall be limited to Qualifying Rents as set forth in **Exhibit B** as the same may be revised from time to time in accordance with this AGREEMENT and applicable federal or state laws and regulations. Rent shall be no greater than considered "affordable rent" for the applicable household pursuant to Section 50053 of the California Health and Safety Code, as amended, or any successor statute thereto. Nothing in this AGREEMENT shall prevent OWNER/DEVELOPER from charging lower rents.

13. **RENTAL INCREASES FOR EXISTING TENANTS ON THE PROPERTY.** Irrespective of when income limits are published under Tax Credit Law, rents for Regulated Units may be adjusted no more frequently than: (a) twelve (12) months following the date of initial occupancy or (b) every twelve (12) months following the last permissible date of recorded rental adjustment. Additionally, in no event shall the amount of annual rent increase exceed the amount of annual rent increase allowed by Tax Credit Law. Rents for Regulated Units may be adjusted annually to coincide with the increases in the Annual Adjustment Factors (AAF) as published by the United States Department of Housing and Urban Development (HUD) for the West Region.

In the event HUD terminates publication of the AAF, rents shall be adjusted annually to coincide with the annual percentage increase for residential rent as shown in the "rent, Residential" component of the Housing component in the Consumer Price Index for all urban consumers in the San Francisco-Oakland area. If OWNER/DEVELOPER does not agree with the adjustment factors provided herein, OWNER/DEVELOPER may, within fifteen (15) calendar days of notification by CITY's Housing Manager ("the HM") of that year's adjustment, present to the HM information on which it wishes to base its annual rent adjustment. The HM will review this information and decide on which adjustment factor OWNER/DEVELOPER shall base its annual rent increase. The decision of the HM shall be final.

14. **CONDOMINIUM CONVERSION PROHIBITED.** OWNER/DEVELOPER shall not convert Project units, including Regulated Units and/or any unregulated units, to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Project units.

15. **NONDISCRIMINATION.** OWNER/DEVELOPER shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Project units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, gender, gender identity, gender expression, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. OWNER/DEVELOPER shall include a statement in all advertisements, notices, and signs for the availability of Project units for rent to the effect that OWNER/DEVELOPER is an Equal Housing Opportunity Provider. OWNER/DEVELOPER shall further ensure and require that any contractor or subcontractor engaged in work on the Project shall provide equal opportunity for employment without discrimination as to race, sex, marital status, color, religion, sexual orientation, source of income, national origin or ancestry.

16. **MANAGEMENT RESPONSIBILITIES.** OWNER/DEVELOPER is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CITY shall have no responsibility over management of the Property.

17. **MANAGEMENT ENTITY.** The CITY shall have the right to review and approve the management entity chosen by OWNER/DEVELOPER for the Property and, with the prior written consent of the Senior Lenders and the tax credit investor (if applicable), shall have the right to require a change in the management agent for the Project in the event OWNER/DEVELOPER is in default under the AGREEMENT. Any contracting of management services by OWNER/DEVELOPER shall not relieve OWNER/DEVELOPER of its primary responsibilities for proper performance of management duties. The CITY approves of the use of DF Properties, Inc., a California corporation, engaged in the provision of multi-family residential and commercial

property management services, as the designated initial management entity for the Project.

18. **DRAFT AND FINAL MANAGEMENT PLANS**.

A. **DRAFT MANAGEMENT PLAN.** OWNER/DEVELOPER shall prepare and submit to CITY a Draft Management Plan for CITY's review and approval. The Draft Management Plan shall be submitted to CITY at least one hundred eighty (180) calendar days prior to the anticipated date for completion of construction of the Project. The Draft Management Plan shall contain, but is not limited to, specific statement as to (1) the identity, experience and duties regarding operation of the Project of any non- profit, public benefit corporation who is a partner of OWNER/DEVELOPER; (2) marketing policies and strategies; (3) tenancy occupancy rules and regulations; (4) rental procedures and tenant income limitation; (5) eviction procedures; (6) operating policies and guidelines; (7) reserve account policies; (8) maintenance and capital improvement policies; and (9) shall provide as an exhibit thereto a sample form of lease agreement. Upon transfer of the Project of OWNER/DEVELOPER'S interest in the Project, the party to who the Project is transferred shall, as a condition of such transfer, provide CITY with a copy of such party's Management Plan for the Project, which plan shall provide statements as called for herein.

B. **CITY REVIEW OF DRAFT MANAGEMENT PLAN.** Upon submittal of the Draft Management Plan by OWNER/DEVELOPER to CITY the CITY shall review the Draft Management Plan and provide written comments to OWNER/DEVELOPER within ninety (90) calendar days or as soon thereafter as is practicable.

C. **FINAL MANAGEMENT PLAN.** Prior to issuance of any Certificate of Occupancy for the Project, OWNER/DEVELOPER shall submit a Final Management Plan to the CITY for its review and final approval no later than thirty (30) calendar days prior to the anticipated date for completion of construction of the Project.

Notwithstanding the foregoing, the CITY shall have the right to review and approve any proposed amendments to OWNER/DEVELOPER's contract with its management firm, or any new management contracts, during the term of this AGREEMENT; provided, however, that the CITY's approval shall not be required for a renewal of the initial management contract.

19. **MANAGEMENT AGENT**. The Project shall at all times be managed by an experienced Management Agent reasonably acceptable to CITY, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe and sanitary housing. During the monitoring as described in Section 25, CITY will assess Management Agent's ability to operate the Project in a decent, safe and sanitary manner. One factor CITY will use to make its assessment will be a comparison of calls for police and fire services with other rental complexes in Roseville which offer similar services.

OWNER/DEVELOPER shall submit for CITY's approval the identity of any proposed Management Agent. OWNER/DEVELOPER shall also submit such additional information about the background, experience, and financial condition of any proposed Management Agent as is reasonably necessary for CITY to determine whether the proposed Management Agent meets the standards for a qualified Management Agent set forth above.

If the proposed Management Agent meets the standards for a qualified Management Agent set forth above, CITY shall approve the proposed Management Agent by notifying OWNER/DEVELPER in writing. Unless the proposed Management Agent is disapproved by CITY within thirty (30) days of said submission of identity and qualifications of proposed Management Agent, which disapproval shall state reasonable specificity the basis for disapproval it shall be deemed approved, DF Properties, Inc., a California corporation is hereby approved by the CITY as the initial Management Agent.

20. **DISMISSAL OF MANAGEMENT AGENT**. Within fifteen (15) days from OWNER/DEVELOPER'S receipt of any recommendation by CITY staff to dismiss the Management Agent, OWNER/DEVELOPER shall either dismiss the Management Agent or request a public meeting to discuss such recommendation. If, after conducting a requested public meeting, the CITY Council supports said recommendation of CITY staff, OWNER/DEVELOPER shall promptly dismiss the Management Agent and shall appoint as the new Management Agent a person or entity which meets the standards for Management Agent and is approved by CITY as set forth in Section 19.

21. **MAINTENANCE AND SECURITY.** OWNER/DEVELOPER shall at its own cost and expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable, and tenantable living condition for the benefit of Project occupants. OWNER/DEVELOPER shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. OWNER/DEVELOPER shall provide adequate ongoing security equipment and services for Project occupants. OWNER/DEVELOPER shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Management Plan; but OWNER/DEVELOPER's maintenance obligations shall not be limited only to the standards contained in these laws or the Management Plan.

In the event the OWNER/DEVELOPER fails to maintain the Property in accordance with the foregoing standards, and after at least seven (7) calendar days' prior written notice to OWNER/DEVELOPER and the Senior Lenders, the CITY or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in CITY's reasonable discretion (with the prior written consent of the Senior Lenders), and provide for payment thereof. Any amount advanced by CITY to make such repairs, together with the maximum legal interest rate thereon from the date of such shall become an additional obligation of OWNER/DEVELOPER to CITY shall be immediately due and payable to CITY.

22. **UNIT VACANCIES.** OWNER/DEVELOPER shall use its best efforts to fill vacancies in Regulated Units as quickly as possible.

23. **INSPECTION AND RECORDS.** OWNER/DEVELOPER shall maintain records which clearly document OWNER/DEVELOPER's performance of its obligations to operate the Property and the Project under the terms of this AGREEMENT. OWNER/DEVELOPER shall submit any records to the CITY within ten (10) business days of CITY's request. OWNER/DEVELOPER shall permit CITY to enter and inspect the Property and the Project for compliance with obligations under this AGREEMENT upon twenty-four (24) hours advance notice of such visit by CITY to OWNER/DEVELOPER or OWNER/DEVELOPER's management agent and to tenants of any inspected Project units, subject to the provisions of the lease regarding inspection and entry rights, which provisions must otherwise be consistent with state law.

24. **ANNUAL REPORT.** OWNER/DEVELOPER shall submit an annual report to CITY as required by California Health and Safety Code Section 33418, which shall include at a minimum for each Regulated Unit the rental rate and the income and household size of the occupants. The income information required under this report shall be supplied by the tenant in a certified statement on a form provided by CITY. CITY may request additional information be included in the annual report.

25. **MONITORING/NON-COMPLIANCE/CURE**. OWNER/DEVELOPER'S compliance with the provisions of this AGREEMENT shall be reviewed at least annually, and at such other times as CITY may require, upon thirty (30) days prior written notice from CITY. During any such review, OWNER/DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this AGREEMENT. If, as a result of such review, CITY finds and determines that OWNER/DEVELOPER has not complied in good faith with the terms and conditions of this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER of its findings and of the exact nature of OWNER/DEVELOPER'S non-compliance. OWNER/DEVELOPER shall be given a period of sixty (60) days after delivery of any such notice in which to cure, to the reasonable satisfaction of CITY, any non-compliance. In the event CITY fails to give OWNER/DEVELOPER notice of any non-compliance at or before the annual review, OWNER/DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this AGREEMENT during the year covered by the annual review.

26. **CITY REMEDIES FOR BREACH**. If OWNER/DEVELOPER is unable or otherwise fails to cure any non-compliance within sixty (60) days after CITY delivers notice of non-compliance pursuant to Section 25, CITY may, in addition to any other remedy provided by law or equity, modify or terminate this AGREEMENT, revoke the Project approval, seek liquidated damages in accordance with this AGREEMENT, or take any other action available to it under this AGREEMENT.

In particular, and without limitation by reason of enumeration, OWNER/DEVELOPER acknowledges and agrees that failure to cure any non-compliance under this AGREEMENT, whether by OWNER/DEVELOPER or any successor, shall, at the option of the CITY, constitute a breach and default under this AGREEMENT as to all other property within the Project.

In addition, and without limitation by reason of enumeration, OWNER/DEVLOPER acknowledges and agrees that CITY shall have the right to withhold issuance of all building permits within the Project until such breach is cured.

In the event of any breach/default or violation of any agreement, obligation, or warranty under this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER, with copies to any Senior Lenders, if applicable: (a) the nature of the breach or violation, (b) the action required to cure the breach or violation, and (c) a date, which shall not be less than thirty (30) calendar days from the date of the notice, by which such action to cure must be taken. If OWNER/DEVELOPER fails to cure the breach or violation within the time frame specified in the notice CITY additionally has the right, at its sole election, to:

A. Bring an action for equitable relief seeking the specific performance by OWNER/DEVELOPER of the terms and conditions of this AGREEMENT, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property and the Project, and continue in possession until such time as CITY in its sole judgment determines that OWNER/DEVELOPER is in a position to operate the Property and the Project in compliance with this AGREEMENT;

C. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

D. For violations of OWNER/DEVELOPER's obligations with respect to occupancy restrictions, Project maintenance, and unit vacancies, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount of ONE THOUSAND DOLLARS ($1,000) per day for each Project unit that is not operated in compliance with this AGREEMENT;

E. For violations of OWNER/DEVELOPER's obligations with respect to Project rents, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount equal to the actual amount OWNER/DEVELOPER has collected from any Qualifying Household in excess of the Qualifying Rent;

F. Pursue any other remedy allowed at law or in equity.

CITY's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by CITY of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this AGREEMENT or now or hereafter existing at law or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

The parties agree that the sums and formulas designated herein as liquidated damages represent a reasonable approximation of the damages CITY is likely to suffer from violations of the respective terms. OWNER/DEVELOPER agrees to pay in full any accrued liquidated damages to CITY within ten (10) calendar days of a written demand by CITY for such payment.

27. **FEES, TAXES, AND OTHER LEVIES.** OWNER/DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Project, and shall pay such charges prior to delinquency. However, OWNER/DEVELOPER shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings, and (b) OWNER/DEVELOPER maintains reserves adequate to pay any contested liabilities.

28. **INSURANCE COVERAGE.** OWNER/DEVELOPER shall cause to have in full force and effect during the term of this AGREEMENT continuous insurance coverage as required by any lienholder.

29. **PROPERTY DAMAGE OR DESTRUCTION.** If any building or improvement erected by OWNER/DEVELOPER on the Property is damaged or destroyed, subject to the requirements of the Senior Lenders, OWNER/DEVELOPER shall, at its own cost and expense, repair or restore the Property consistent with the original Plans and Specifications for the Project. Such work shall be commenced within one hundred twenty (120) calendar days after the damage or loss occurs and shall be completed within three hundred and sixty-five (365) calendar days thereafter. Subject to the requirements of the Senior Lenders, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if insurance proceeds are insufficient for such purpose, OWNER/DEVELOPER shall make up the deficiency.

GENERAL PROVISIONS

30. **SUBORDINATION.** Except as expressly set forth herein, this AGREEMENT shall not be subordinated in priority to any other interest in the Property that was not recorded on or prior to the date of recordation of this Agreement, unless the CITY expressly consents, in writing, to the subordination or junior priority of this AGREEMENT. Such consent, if any, shall be within the CITY's sole discretion, and may only be permitted, if at all, for purposes that conform with the circumstances authorized by California Health and Safety Code section 33334.14(a), and to the extent the proposed subordination does not jeopardize the CITY's security interest in the property and is otherwise consistent and compliant with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project.

31. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this AGREEMENT, OWNER/DEVELOPER shall not make or permit any sale, agreement to sell, assignment, conveyance, lease (other than the rental of Project units to eligible residential tenant occupants), or transfer of the Property or any part thereof, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers"), without the prior written consent of CITY. The limitations on OWNER/DEVELOPER's right of assignment or other transfer contained in this paragraph 37 shall not apply to any foreclosure, deed in lieu of foreclosure, or other remedial action lawfully taken by any Senior Lender holding a security interest in the Property with priority over the CITY's interests; nor shall they apply to the transfer of limited partner interests in OWNER/DEVELOPER and/or the removal of a general partner or a limited partner pursuant to the terms and conditions of OWNER/DEVELOPER's organizational document.

CITY shall give its consent to a Transfer provided that it determines all of the following conditions are met: (a) OWNER/DEVELOPER is in compliance with this AGREEMENT or the Transfer will cure existing violations of this AGREEMENT; (b) the transferee agrees to assume all obligations of OWNER/DEVELOPER imposed by this AGREEMENT; (c) the transferee demonstrates to CITY's satisfaction that it is capable of owning and/or operating the Property and the Project in full compliance with this AGREEMENT; (d) the terms of the Transfer shall not jeopardize the CITY's security interest in the Property and is otherwise in full compliance with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project; and (e) the Transfer has been approved by CITY's governing body, if such approval is required.

During the term of this AGREEMENT, OWNER/DEVELOPER shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property and/or the Project (except for any financing provided by CITY), without the prior written consent of CITY, which consent may be withheld in CITY's sole discretion. CITY may give its consent to such financing if and only to the extent necessary to maintain or improve the affordability or condition of the Property and/or the Project.

32. **NONLIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS**. No member, official, director, employee, agent or independent contractor of CITY shall be personally liable to OWNER/DEVELOPER or third party beneficiaries for any obligation created under the terms of this AGREEMENT.

33. **INDEMNITY AND WAIVER**. Notwithstanding the insurance coverage required herein, OWNER/DEVELOPER shall indemnify and hold CITY, its members, officials, directors, employees, agents and independent contractors (collectively "Indemnitees"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney's fees) which Indemnitees may incur as a result of (1) OWNER/DEVELOPER's failure to perform any obligations as and when required by this AGREEMENT; (2) any failure of OWNER/DEVELOPER's representations or warranties to be true and complete in any material respect; or (3) any act or omission by OWNER/DEVELOPER or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except to the extent that such losses are caused solely by the negligence or willful misconduct of Indemnitees. The duty of the OWNER/DEVELOPER to indemnify includes the duty to defend Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. OWNER/DEVELOPER's duty to indemnify Indemnitees shall survive the term of this AGREEMENT.

OWNER/DEVELOPER hereby waives any claims, suits, or actions against the CITY on account of or arising from the Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 *et seq.* ("CHRHA"). Furthermore, the parties hereby acknowledge and agree that, without limitation, any Project entitlements, permits, or approvals have conferred upon the OWNER/DEVELOPER and/or the Project either a direct financial contribution or other form of assistance pursuant to Section 1954.52(b) of the CHRHA.

34. **GOVERNING LAW.** This AGREEMENT shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

35. **AGREEMENT CONTROLS**. In the event that any provisions of this AGREEMENT and any of its exhibits, the terms of the AGREEMENT shall control.

36. **ATTORNEYS' FEES AND COSTS**. In the event that a legal or administrative action is brought to interpret or enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

37. **TIME**. Time is of the essence in this AGREEMENT.

38. **CONSENTS AND APPROVALS**. Except as otherwise expressly provided in this AGREEMENT, any consent or approval required under the AGREEMENT shall not be unreasonably withheld or delayed.

39. **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between OWNER/DEVELOPER and CITY shall be given by first class or certified mail, return receipt requested, postage prepaid or delivered personally, to OWNER/DEVELOPER and CITY as follows, or at such other address as a party may designate by written notice to the other party:

City of Roseville
Housing Manager
316 Vernon Street #150
Roseville, CA 95678

DF Properties, Inc.
Attn: Jeff Ronten
2013 Opportunity Drive, Suite 150
Roseville, CA 95678

40. **BINDING UPON SUCCESSORS**. All provisions of this AGREEMENT shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of OWNER/DEVELOPER and CITY, and shall run with the land for the full term of this AGREEMENT. Any successor in interest to OWNER/DEVELOPER and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on OWNER/DEVELOPER under this AGREEMENT for the full term of this AGREEMENT. The term "OWNER/DEVELOPER" as used in this AGREEMENT shall include all such assigns, successors-in-interest, and transferees.

41. **RELATIONSHIP OF PARTIES**. The relationship of OWNER/DEVELOPER and CITY for this Project during the term of this AGREEMENT shall not be construed as a joint venture, equity venture, or partnership. CITY neither undertakes nor assumes any responsibility or duty to OWNER/DEVELOPER or to any third party with respect to the operation of the Property or the actions of OWNER/DEVELOPER. Except as CITY may specify in writing, OWNER/DEVELOPER shall have no authority to act as an agent of CITY or to bind CITY to any obligation.

42. **WAIVER.** Any waiver by CITY of any obligation in this AGREEMENT must be in writing. No waiver shall be implied from any delay or failure by CITY to take action on any breach or default of OWNER/DEVELOPER or to pursue any remedy allowed under this AGREEMENT or applicable law. Any extension of time granted to OWNER/DEVELOPER to perform any obligation under this AGREEMENT shall not operate as a waiver or release from any of its obligations under this AGREEMENT. Consent by CITY to any act or omission by OWNER/DEVELOPER shall not be construed as the consent to any other or subsequent act or omission or to waive the requirement for CITY's written consent to future waivers.

43. **OTHER AGREEMENTS.** OWNER/DEVELOPER represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this AGREEMENT. OWNER/DEVELOPER shall not enter into any agreements that are inconsistent with the terms of this AGREEMENT without an express written waiver by CITY.

44. **AMENDMENTS AND MODIFICATIONS**. Any amendments or modifications to this AGREEMENT must be in writing, and shall be effective only if executed by both OWNER/DEVELOPER and CITY, following receipt of all required approvals, and only with the consent of the Senior Lenders.

45. **SEVERABILITY**. Every provision of this AGREEMENT is intended to be severable. If any provision of this AGREEMENT is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

SPECIAL PROVISIONS

46. **ADMINISTRATIVE FEE.** In the event of OWNER/DEVELOPER's breach or violation of any agreement, obligation or warranty under the AGREEMENT or in the event the Property is transferred in violation of Section 31 of this AGREEMENT, and the Property is exempt from real property taxation, OWNER/DEVELOPER shall pay annually, not later than April 15 of each year, a fee equal to seventeen percent (17%) of the real property tax which would have been paid on the Property if it were subject to real property taxation ("Administrative Fee"). The CITY shall provide the OWNER/DEVELOPER with notice and the right to cure, as set forth in above Section 25, any event which the CITY believes give rise to an obligation to pay the Administrative Fee.

The Administrative Fee shall increase and be adjusted annually by an amount equal to two percent (2%) of each prior year's Administrative Fee, and shall be increased and adjusted further from time to time by the percentage equal to any increase in the Property and/or Project's assessed valuation arising from any sale, transfer or refinancing of the Property and/or Project; provided, however, in the event the Property and/or Project becomes subject to payment of property taxes other than special district taxes, the Administrative Fee shall terminate. The payment of such Administrative Fee shall be in addition to, and not to the exclusion of, the CITY's other remedies contemplated in Section 26 of this AGREEMENT.

47. **REFINANCING REVIEW FEE.** In the event that the Property and/or the Project is a tax credit project and is refinanced during the term of this Agreement, OWNER/DEVELOPER shall provide CITY a prepayment in amount to be determined by CITY, upon request by OWNER/DEVELOPER, for CITY's staff costs in reviewing any refinancing documentation submitted to CITY for CITY's review and approval. Such prepayment shall be submitted by OWNER/DEVELOPER prior to CITY commencing any review. It is estimated that the prepayment will be ten thousand dollars ($10,000.00). OWNER/DEVELOPER shall not be entitled to receive a refund of any such fee in the event that OWNER/DEVELOPER fails to complete such refinancing.

48. **TENANT MONITORING FEE.** Commencing one (1) year after the date of the final Certificate of Occupancy for the Project and annually thereafter, OWNER/DEVELOPER shall pay to CITY, not later than March 31 of each year, a tenant monitoring fee equal to FORTY DOLLARS ($40) for each occupied, rent restricted, apartment unit within the Project, with such fee to be adjusted to reflect the Project's actual occupancy rate. The fee for each unit shall be prorated over the portion of the year that the unit was occupied or leased. A penalty of ten percent (10%) per month shall be assessed against any fee not paid when due.

49. **PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM.** During the term of this AGREEMENT, OWNER/DEVELOPER agrees to accept tenants who qualify under the Housing Choice Voucher ("HCV") program administered by the Roseville Housing Authority (the "Authority") or its successor.

50. **CHECKLIST FOR REGULATED UNITS.** OWNER/DEVELOPER agrees that each prospective tenant, prior to rental of a Regulated Unit, shall be required to complete forms required by **Exhibit C**, or OWNER/DEVELOPER'S equivalent as approved in writing by CITY.

[Signatures Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the Effective Date.

City of Roseville,
a municipal corporation:

By: _____
DOMINICK CASEY
City Manager

ATTEST:

By: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

By: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
MELISSA ANGUIANO
Economic Development Director

DF Properties,
a California corporation,

By: _____
Kenneth Denio
President

AND

By: _____
Jeffrey Ronten
Executive Vice President/CFO

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Kenneth Denio

,

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.

ADRIAN MANUEL DAVID ACOSTA
COMM. #2240448
Notary Public - California
Placer County
My Comm. Expires Apr. 29, 2022

Signature Adrian Manuel David Acosta

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Jeffrey Ronten

,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

Lot 10, Block 21 of "Roseville Heights", as per Map No. 2, filed January 9, 1907, in the office of the Recorder of Placer County.

APN# 012-164-012-000

EXHIBIT B
OCCUPANCY AND RENT RESTRICTIONS

	Two Bedroom	
Maximum Household Income as Percentage of AMI	Number of Units	Initial Qualifying Rent (Gross)
80%	3	$1,813
Non-Rent Restricted On Site Management		N/A
TOTAL	3	

EXHIBIT C
CHECKLIST FOR AFFORDABLE RENTAL UNITS

The following documentation must be present in the Tenant's file (in a form approved by the Housing Manager) for an "affordable renter."

____ Certification of Affordable Rental Unit Eligibility Form

____ Calculation of Tenant Eligibility Form

____ Record of Rental Increases

____ Written, third party verification of all income sources, including:

- ____ Employment
- ____ Self-employment (tax return and profit & loss statement for current year)
- ____ Unemployment
- ____ AFDC (Welfare) Benefits
- ____ Child Support
- ____ Alimony
- ____ Social Security Benefits
- ____ Supplemental Security Income (SSK)
- ____ VA or Military Benefits
- ____ Pensions and/or Annuities
- ____ Retirement Funds
- ____ Savings Accounts (Interest Income)
- ____ Checking Accounts
- ____ Government Grants
- ____ Trust Funds
- ____ Stocks & Bonds (Cash Value)
- ____ Life Insurance (Cash Value)

Name _____ **Complex** _____

Title _____ **Date** _____

CERTIFICATION OF RESIDENT ELIGIBILITY

Re: _____ Apt. # _____
Apartment Complex

I/we have read and answered truthfully, fully frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit (complete sections 1-5 for each household member):

1) Name of Member of the Household	2) Relationship to Head of Household	3) Age	4) Social Security No.	5) Place of Employment (if applicable)

CERTIFICATION OF RESIDENT ELIGIBILITY (cont.)

INCOME COMPUTATION

6) The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is $_____.

Included in the total anticipated income listed above are:

a. All wages and salaries, overtime pay, commissions, fees and other compensation for personal services, before payroll deductions.

Excluded from such anticipated income are:

a. Casual, sporadic or irregular gifts;

b. Amounts which are specifically for or in reimbursement of medical expenses;

c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses;

d. Amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;

e. Hazardous duty pay to a family member in the Armed Forces who is away from home and exposed to hostile fire;

f. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

g. Foster child care payments;

h. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977.

7) This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we

declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

8) I/We will assist the Owner in obtaining any information or documents required to verify the statement made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9) I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____day of _____in the City of _____California.

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

[All persons listed in number 2 above, except children under the age of 18 must sign this form]

CALCULATIONS OF TENANT ELIGIBILITY
FOR AFFORDABLE RENTAL FORM

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME: _____ UNIT # _____

SOURCE	MONTHLY	ANNUAL
Social Security	$ _____	$ _____
Social Security	$ _____	$ _____
Civil Service	$ _____	$ _____
Pension _____	$ _____	$ _____
Interest _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Child Support	$ _____	$ _____
Welfare	$ _____	$ _____
Stocks/Bonds	$ _____	$ _____
Other _____	$ _____	$ _____
Other _____	$ _____	$ _____
TOTAL INCOME	**$ _____**	**$ _____**
	Monthly base rent	$ _____
	Move-in date	_____

BY

TITLE _____

DATE _____

AFFORDABLE TENANT
RECORD OF RENTAL INCREASES

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME _____ APT. NO. _____

MOVE-IN DATE _____ INITIAL BASE RENT $_____

ANNUAL INCOME $_____

DATE OF INCREASE	CURRENT RENT		ANNUAL ADJUSTMENT FACTOR		NEW RENT
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____

CURRENT RENT _____ _____

NEW RENT _____ _____

RESOLUTION NO. 22-056

APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an Affordable Rental Housing Agreement regarding the real property located at 207 Hickory Street, Roseville, CA, by and between the City of Roseville and DF Properties, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said Affordable Rental Housing Agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this____day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

NO FEE DOCUMENT
PER GOVT. C. §27383

RECORDING REQUESTED BY
City of Roseville

AND WHEN RECORDED, MAIL TO:
City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

AFFORDABLE RENTAL HOUSING AGREEMENT

(Project: APN: 012-164-013-000
207 Hickory Street)

This Affordable Rental Housing Agreement ("AGREEMENT") is made this _____ day of _____, 2022 ("Effective Date"), by and between the City of Roseville, a municipal corporation ("CITY"), and DF Properties, Inc., a California corporation ("OWNER/DEVELOPER").

RECITALS

A. On June 13, 2013, CITY approved the updated Housing Element of the General Plan which applies ten percent (10%) affordability requirement to all new specific plan areas or properties for which zoning is amended to change residential density.

B. The OWNER/DEVELOPER is receiving the benefit of land entitlements either through the Specific Plan and Development Agreement process or by amendment of the zoning of the property to change residential density.

C. On November 2, 2020, CITY approved a Small Lot Subdivision Map (PL20-0098). The conditions of approval require that eighteen (18) units be developed and rented at rental rates affordable to very low and low income households (the "Regulated Units").

D. The conditions of approval of the Project require OWNER/DEVELOPER to enter into an affordable housing rental agreement to the satisfaction of City Attorney of CITY, implementing the affordable housing obligations of OWNER/DEVELOPER.

E. Pursuant to Section 1(e) of the First Amendment of Development Agreement – Sierra Vista Specific Plan, executed by the parties on February 3, 2021 and recorded on April 13, 2021 by the Placer County Recorder as Document 2021-0050636, the parties agreed to transfer OWNER/DEVELOPER's affordable housing obligations to the Infill Area. OWNER/DEVELOPER and CITY enter into this AGREEMENT in order to implement OWNER/DEVELOPER'S affordable housing obligations.

F. OWNER/DEVELOPER has secured the possession of real property located at 207 Hickory Street, Roseville, California, 95678, also referred to as Assessor's Parcel Number 012-164-013-000 (as more particularly described in **Exhibit A** (the "Property"). OWNER/DEVELOPER proposes to develop and construct a three (3) unit rental housing apartment project (the "Project") on the Property, that shall be rented at rents that are affordable to Low income households (the "Regulated Units"). The Project is intended to serve as a community resource by providing decent, safe, and sanitary housing for households which would otherwise be unable to afford such housing.

G. The purpose of this AGREEMENT is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the people of the City of Roseville. The covenants in this AGREEMENT are intended to run with the land and be binding on OWNER/DEVELOPER and OWNER/DEVELOPER's successors in interest for the full term of this AGREEMENT.

NOW, THEREFORE, OWNER/DEVELOPER and the CITY hereby agree as follows:

DEFINITIONS

The following terms have the meanings set forth in herein wherever used in this AGREEMENT or attached exhibits.

1. **"CITY"** means the City of Roseville, a municipal corporation.

2. **"AREA MEDIAN INCOME"** (referred to herein as "AMI") means the median income for the Metropolitan Statistical Area which includes the City of Roseville ("MSA"), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, or such other method of median income calculation applicable to the City of Roseville that HUD may hereafter adopt in connection with said Act. If HUD should cease making such determination, the City may designate another method of calculation of area median income used by any federal or state agency and applicable to the City of Roseville.

3. **"OWNER/DEVELOPER"** means DF Properties, Inc., a California corporation, together with its permitted successors and assigns.

4. **"PROJECT"** means the development, construction and operation of a residential, multi-family rental apartment project on the Property, to be rented at rents that are affordable to Low income households.

5. **"PROPERTY"** means the real property located at 207 Hickory Street, Roseville, California, 95678 identified and described in **Exhibit A**, attached hereto and

incorporated into this AGREEMENT by this reference, and any buildings or improvements now or hereafter situated on such real property.

6. **"QUALIFYING HOUSEHOLD"** means a household in which household income does not exceed the percentage of Area Median Income prescribed for the applicable housing unit by the terms of this AGREEMENT.

7. **"QUALIFYING RENT"** means the maximum monthly rent allowed under **Exhibit B** "adjusted for family size appropriate to the unit" (as such term is defined by Health and Safety Code sections 50052.5 and 50053) including a reasonable allowance for tenant-paid utilities (also known as Utility Allowance). During the period a regulatory agreement governing the allocation and award of any federal tax credits is in effect, Qualifying Rent may be determined in accordance with such regulatory agreement and 26 U.S.C., Section 42, for initial occupancy of tenants.

8. **"REGULATED UNITS"** means three (3) rental dwelling units of the three (3) rental dwelling units on the Property constructed for the Project that shall be rented at rents that are affordable to Low income households and having the following composition: three (3) two-bedroom units.

OWNER/DEVELOPER'S OBLIGATIONS

9. **TERM OF AGREEMENT.** This AGREEMENT shall commence upon the Effective Date and shall remain in full force and effect for fifty-five (55) years after the date OWNER/DEVELOPER obtains a Certificate of Occupancy from CITY for the Project or, in the event the Project has multiple buildings or structures, a Certificate of Occupancy for the last habitable building or structure for the Project. The obligations in this AGREEMENT shall remain effective and fully binding on OWNER/DEVELOPER for this full term regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the CITY in a recorded writing.

10. **LEGAL INTEREST IN PROJECT**. OWNER/DEVELOPER represents that is has legal interest in the Subject Property and that all other persons holding legal or equitable interests in the Subject Property have signed an "Acknowledgement and Consent Certificate", in a form approved by the City Attorney of the CITY, acknowledging and consenting to the terms of this AGREEMENT. All persons holding any legal or equitable interest in the Subject Property shall be bound by this AGREEMENT.

PROJECT OCCUPANCY AND RENTS

11. **OCCUPANCY OF PROJECT.** OWNER/DEVELOPER shall limit, for the full term of this AGREEMENT identified in Section 9, above, the rental of Regulated Units to Qualifying Households according to the schedule contained in **Exhibit B** herein, which is hereby incorporated by reference into this AGREEMENT. The income

levels and other qualifications of applicants shall be certified prior to initial occupancy in conformance with the Final Management Plan identified in Section 18C, below, and the City of Roseville's rules governing income certification, as these rules may be amended from time to time by California law or as required in order to comply with California law. Specifically, OWNER/DEVELOPER covenants and agrees that for the full term of this Agreement it shall reserve for occupancy: three (3) two-bedroom Regulated Units for households whose income does not exceed eighty percent (80%) of AMI.

The Project shall be owned, managed and operated as a single, multi-family residential rental project, which may be comprised of several buildings and structures, each consisting of more than one residential dwelling unit, together with facilities functionally related and subordinate thereto, in accordance with the applicable provisions of the Internal Revenue Code and applicable California law, as the same may be amended from time to time. All of the residential dwelling units in the Project will be similarly constructed and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family, including sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. None of the residential dwelling units shall be utilized, at any time, on a transient basis. Neither the Project, nor any portion thereof, shall ever be used as a hotel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

12. **PROJECT RENTS.** Rents for Regulated Units shall be limited to Qualifying Rents as set forth in **Exhibit B** as the same may be revised from time to time in accordance with this AGREEMENT and applicable federal or state laws and regulations. Rent shall be no greater than considered "affordable rent" for the applicable household pursuant to Section 50053 of the California Health and Safety Code, as amended, or any successor statute thereto. Nothing in this AGREEMENT shall prevent OWNER/DEVELOPER from charging lower rents.

13. **RENTAL INCREASES FOR EXISTING TENANTS ON THE PROPERTY.** Irrespective of when income limits are published under Tax Credit Law, rents for Regulated Units may be adjusted no more frequently than: (a) twelve (12) months following the date of initial occupancy or (b) every twelve (12) months following the last permissible date of recorded rental adjustment. Additionally, in no event shall the amount of annual rent increase exceed the amount of annual rent increase allowed by Tax Credit Law. Rents for Regulated Units may be adjusted annually to coincide with the increases in the Annual Adjustment Factors (AAF) as published by the United States Department of Housing and Urban Development (HUD) for the West Region.

In the event HUD terminates publication of the AAF, rents shall be adjusted annually to coincide with the annual percentage increase for residential rent as shown in the "rent, Residential" component of the Housing component in the Consumer Price Index for all urban consumers in the San Francisco-Oakland area. If OWNER/DEVELOPER does not agree with the adjustment factors provided herein, OWNER/DEVELOPER may, within fifteen (15) calendar days of notification by CITY's Housing Manager ("the HM") of that

year's adjustment, present to the HM information on which it wishes to base its annual rent adjustment. The HM will review this information and decide on which adjustment factor OWNER/DEVELOPER shall base its annual rent increase. The decision of the HM shall be final.

14. **CONDOMINIUM CONVERSION PROHIBITED.** OWNER/DEVELOPER shall not convert Project units, including Regulated Units and/or any unregulated units, to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Project units.

15. **NONDISCRIMINATION.** OWNER/DEVELOPER shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Project units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, gender, gender identity, gender expression, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. OWNER/DEVELOPER shall include a statement in all advertisements, notices, and signs for the availability of Project units for rent to the effect that OWNER/DEVELOPER is an Equal Housing Opportunity Provider. OWNER/DEVELOPER shall further ensure and require that any contractor or subcontractor engaged in work on the Project shall provide equal opportunity for employment without discrimination as to race, sex, marital status, color, religion, sexual orientation, source of income, national origin or ancestry.

16. **MANAGEMENT RESPONSIBILITIES.** OWNER/DEVELOPER is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CITY shall have no responsibility over management of the Property.

17. **MANAGEMENT ENTITY.** The CITY shall have the right to review and approve the management entity chosen by OWNER/DEVELOPER for the Property and, with the prior written consent of the Senior Lenders and the tax credit investor (if applicable), shall have the right to require a change in the management agent for the Project in the event OWNER/DEVELOPER is in default under the AGREEMENT. Any contracting of management services by OWNER/DEVELOPER shall not relieve OWNER/DEVELOPER of its primary responsibilities for proper performance of management duties. The CITY approves of the use of DF Properties, Inc., a California corporation, engaged in the provision of multi-family residential and commercial property management services, as the designated initial management entity for the Project.

18. **DRAFT AND FINAL MANAGEMENT PLANS**.

A. **DRAFT MANAGEMENT PLAN.** OWNER/DEVELOPER shall prepare and submit to CITY a Draft Management Plan for CITY's review and approval. The Draft Management Plan shall be submitted to CITY at least one hundred eighty

(180) calendar days prior to the anticipated date for completion of construction of the Project. The Draft Management Plan shall contain, but is not limited to, specific statement as to (1) the identity, experience and duties regarding operation of the Project of any non- profit, public benefit corporation who is a partner of OWNER/DEVELOPER; (2) marketing policies and strategies; (3) tenancy occupancy rules and regulations; (4) rental procedures and tenant income limitation; (5) eviction procedures; (6) operating policies and guidelines; (7) reserve account policies; (8) maintenance and capital improvement policies; and (9) shall provide as an exhibit thereto a sample form of lease agreement. Upon transfer of the Project of OWNER/DEVELOPER'S interest in the Project, the party to who the Project is transferred shall, as a condition of such transfer, provide CITY with a copy of such party's Management Plan for the Project, which plan shall provide statements as called for herein.

B. **CITY REVIEW OF DRAFT MANAGEMENT PLAN.** Upon submittal of the Draft Management Plan by OWNER/DEVELOPER to CITY the CITY shall review the Draft Management Plan and provide written comments to OWNER/DEVELOPER within ninety (90) calendar days or as soon thereafter as is practicable.

C. **FINAL MANAGEMENT PLAN.** Prior to issuance of any Certificate of Occupancy for the Project, OWNER/DEVELOPER shall submit a Final Management Plan to the CITY for its review and final approval no later than thirty (30) calendar days prior to the anticipated date for completion of construction of the Project.

Notwithstanding the foregoing, the CITY shall have the right to review and approve any proposed amendments to OWNER/DEVELOPER's contract with its management firm, or any new management contracts, during the term of this AGREEMENT; provided, however, that the CITY's approval shall not be required for a renewal of the initial management contract.

19. **MANAGEMENT AGENT**. The Project shall at all times be managed by an experienced Management Agent reasonably acceptable to CITY, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe and sanitary housing. During the monitoring as described in Section 25, CITY will assess Management Agent's ability to operate the Project in a decent, safe and sanitary manner. One factor CITY will use to make its assessment will be a comparison of calls for police and fire services with other rental complexes in Roseville which offer similar services.

OWNER/DEVELOPER shall submit for CITY's approval the identity of any proposed Management Agent. OWNER/DEVELOPER shall also submit such additional information about the background, experience, and financial condition of any proposed Management Agent as is reasonably necessary for CITY to determine whether the proposed Management Agent meets the standards for a qualified Management Agent set forth above.

If the proposed Management Agent meets the standards for a qualified Management Agent set forth above, CITY shall approve the proposed Management Agent by notifying OWNER/DEVELPER in writing. Unless the proposed Management Agent is disapproved by CITY within thirty (30) days of said submission of identity and qualifications of proposed Management Agent, which disapproval shall state reasonable specificity the basis for disapproval it shall be deemed approved, DF Properties, Inc., a California corporation is hereby approved by the CITY as the initial Management Agent.

20. **DISMISSAL OF MANAGEMENT AGENT**. Within fifteen (15) days from OWNER/DEVELOPER'S receipt of any recommendation by CITY staff to dismiss the Management Agent, OWNER/DEVELOPER shall either dismiss the Management Agent or request a public meeting to discuss such recommendation. If, after conducting a requested public meeting, the CITY Council supports said recommendation of CITY staff, OWNER/DEVELOPER shall promptly dismiss the Management Agent and shall appoint as the new Management Agent a person or entity which meets the standards for Management Agent and is approved by CITY as set forth in Section 19.

21. **MAINTENANCE AND SECURITY.** OWNER/DEVELOPER shall at its own cost and expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable, and tenantable living condition for the benefit of Project occupants. OWNER/DEVELOPER shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. OWNER/DEVELOPER shall provide adequate ongoing security equipment and services for Project occupants. OWNER/DEVELOPER shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Management Plan; but OWNER/DEVELOPER's maintenance obligations shall not be limited only to the standards contained in these laws or the Management Plan.

In the event the OWNER/DEVELOPER fails to maintain the Property in accordance with the foregoing standards, and after at least seven (7) calendar days' prior written notice to OWNER/DEVELOPER and the Senior Lenders, the CITY or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in CITY's reasonable discretion (with the prior written consent of the Senior Lenders), and provide for payment thereof. Any amount advanced by CITY to make such repairs, together with the maximum legal interest rate thereon from the date of such shall become an additional obligation of OWNER/DEVELOPER to CITY shall be immediately due and payable to CITY.

22. **UNIT VACANCIES.** OWNER/DEVELOPER shall use its best efforts to fill vacancies in Regulated Units as quickly as possible.

23. **INSPECTION AND RECORDS.** OWNER/DEVELOPER shall maintain records which clearly document OWNER/DEVELOPER's performance of its obligations to operate the Property and the Project under the terms of this AGREEMENT. OWNER/DEVELOPER shall submit any records to the CITY within ten (10) business days of CITY's request. OWNER/DEVELOPER shall permit CITY to enter and inspect

the Property and the Project for compliance with obligations under this AGREEMENT upon twenty-four (24) hours advance notice of such visit by CITY to OWNER/DEVELOPER or OWNER/DEVELOPER's management agent and to tenants of any inspected Project units, subject to the provisions of the lease regarding inspection and entry rights, which provisions must otherwise be consistent with state law.

24. **ANNUAL REPORT.** OWNER/DEVELOPER shall submit an annual report to CITY as required by California Health and Safety Code Section 33418, which shall include at a minimum for each Regulated Unit the rental rate and the income and household size of the occupants. The income information required under this report shall be supplied by the tenant in a certified statement on a form provided by CITY. CITY may request additional information be included in the annual report.

25. **MONITORING/NON-COMPLIANCE/CURE**. OWNER/DEVELOPER'S compliance with the provisions of this AGREEMENT shall be reviewed at least annually, and at such other times as CITY may require, upon thirty (30) days prior written notice from CITY. During any such review, OWNER/DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this AGREEMENT. If, as a result of such review, CITY finds and determines that OWNER/DEVELOPER has not complied in good faith with the terms and conditions of this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER of its findings and of the exact nature of OWNER/DEVELOPER'S non-compliance. OWNER/DEVELOPER shall be given a period of sixty (60) days after delivery of any such notice in which to cure, to the reasonable satisfaction of CITY, any non-compliance. In the event CITY fails to give OWNER/DEVELOPER notice of any non-compliance at or before the annual review, OWNER/DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this AGREEMENT during the year covered by the annual review.

26. **CITY REMEDIES FOR BREACH**. If OWNER/DEVELOPER is unable or otherwise fails to cure any non-compliance within sixty (60) days after CITY delivers notice of non-compliance pursuant to Section 25, CITY may, in addition to any other remedy provided by law or equity, modify or terminate this AGREEMENT, revoke the Project approval, seek liquidated damages in accordance with this AGREEMENT, or take any other action available to it under this AGREEMENT.

In particular, and without limitation by reason of enumeration, OWNER/DEVELOPER acknowledges and agrees that failure to cure any non- compliance under this AGREEMENT, whether by OWNER/DEVELOPER or any successor, shall, at the option of the CITY, constitute a breach and default under this AGREEMENT as to all other property within the Project.

In addition, and without limitation by reason of enumeration, OWNER/DEVLOPER acknowledges and agrees that CITY shall have the right to withhold issuance of all building permits within the Project until such breach is cured.

In the event of any breach/default or violation of any agreement, obligation, or warranty under this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER, with copies to any Senior Lenders, if applicable: (a) the nature of the breach or violation, (b) the action required to cure the breach or violation, and (c) a date, which shall not be less than thirty (30) calendar days from the date of the notice, by which such action to cure must be taken. If OWNER/DEVELOPER fails to cure the breach or violation within the time frame specified in the notice CITY additionally has the right, at its sole election, to:

A. Bring an action for equitable relief seeking the specific performance by OWNER/DEVELOPER of the terms and conditions of this AGREEMENT, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property and the Project, and continue in possession until such time as CITY in its sole judgment determines that OWNER/DEVELOPER is in a position to operate the Property and the Project in compliance with this AGREEMENT;

C. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

D. For violations of OWNER/DEVELOPER's obligations with respect to occupancy restrictions, Project maintenance, and unit vacancies, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount of ONE THOUSAND DOLLARS ($1,000) per day for each Project unit that is not operated in compliance with this AGREEMENT;

E. For violations of OWNER/DEVELOPER's obligations with respect to Project rents, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount equal to the actual amount OWNER/DEVELOPER has collected from any Qualifying Household in excess of the Qualifying Rent;

F. Pursue any other remedy allowed at law or in equity.

CITY's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by CITY of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this AGREEMENT or now or hereafter existing at law or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

The parties agree that the sums and formulas designated herein as liquidated damages represent a reasonable approximation of the damages CITY is likely to suffer from violations of the respective terms. OWNER/DEVELOPER agrees to pay in full any accrued liquidated damages to CITY within ten (10) calendar days of a written demand by CITY for such payment.

27. **FEES, TAXES, AND OTHER LEVIES.** OWNER/DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Project, and shall pay such charges prior to delinquency. However, OWNER/DEVELOPER shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings, and (b) OWNER/DEVELOPER maintains reserves adequate to pay any contested liabilities.

28. **INSURANCE COVERAGE.** OWNER/DEVELOPER shall cause to have in full force and effect during the term of this AGREEMENT continuous insurance coverage as required by any lienholder.

29. **PROPERTY DAMAGE OR DESTRUCTION.** If any building or improvement erected by OWNER/DEVELOPER on the Property is damaged or destroyed, subject to the requirements of the Senior Lenders, OWNER/DEVELOPER shall, at its own cost and expense, repair or restore the Property consistent with the original Plans and Specifications for the Project. Such work shall be commenced within one hundred twenty (120) calendar days after the damage or loss occurs and shall be completed within three hundred and sixty-five (365) calendar days thereafter. Subject to the requirements of the Senior Lenders, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if insurance proceeds are insufficient for such purpose, OWNER/DEVELOPER shall make up the deficiency.

GENERAL PROVISIONS

30. **SUBORDINATION.** Except as expressly set forth herein, this AGREEMENT shall not be subordinated in priority to any other interest in the Property that was not recorded on or prior to the date of recordation of this Agreement, unless the CITY expressly consents, in writing, to the subordination or junior priority of this AGREEMENT. Such consent, if any, shall be within the CITY's sole discretion, and may only be permitted, if at all, for purposes that conform with the circumstances authorized by California Health and Safety Code section 33334.14(a), and to the extent the proposed subordination does not jeopardize the CITY's security interest in the property and is otherwise consistent and compliant with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project.

31. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this AGREEMENT, OWNER/DEVELOPER shall not make or permit any sale, agreement to sell, assignment, conveyance, lease (other than the rental of Project units

to eligible residential tenant occupants), or transfer of the Property or any part thereof, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers"), without the prior written consent of CITY. The limitations on OWNER/DEVELOPER's right of assignment or other transfer contained in this Section 31 shall not apply to any foreclosure, deed in lieu of foreclosure, or other remedial action lawfully taken by any Senior Lender holding a security interest in the Property with priority over the CITY's interests; nor shall they apply to the transfer of limited partner interests in OWNER/DEVELOPER and/or the removal of a general partner or a limited partner pursuant to the terms and conditions of OWNER/DEVELOPER's organizational document.

CITY shall give its consent to a Transfer provided that it determines all of the following conditions are met: (a) OWNER/DEVELOPER is in compliance with this AGREEMENT or the Transfer will cure existing violations of this AGREEMENT; (b) the transferee agrees to assume all obligations of OWNER/DEVELOPER imposed by this AGREEMENT; (c) the transferee demonstrates to CITY's satisfaction that it is capable of owning and/or operating the Property and the Project in full compliance with this AGREEMENT; (d) the terms of the Transfer shall not jeopardize the CITY's security interest in the Property and is otherwise in full compliance with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project; and (e) the Transfer has been approved by CITY's governing body, if such approval is required.

During the term of this AGREEMENT, OWNER/DEVELOPER shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property and/or the Project (except for any financing provided by CITY), without the prior written consent of CITY, which consent may be withheld in CITY's sole discretion. CITY may give its consent to such financing if and only to the extent necessary to maintain or improve the affordability or condition of the Property and/or the Project.

32. **NONLIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS**. No member, official, director, employee, agent or independent contractor of CITY shall be personally liable to OWNER/DEVELOPER or third party beneficiaries for any obligation created under the terms of this AGREEMENT.

33. **INDEMNITY AND WAIVER**. Notwithstanding the insurance coverage required herein, OWNER/DEVELOPER shall indemnify and hold CITY, its members, officials, directors, employees, agents and independent contractors (collectively "Indemnitees"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney's fees) which Indemnitees may incur as a result of (1) OWNER/DEVELOPER's failure to perform any obligations as and when required by this AGREEMENT; (2) any failure of OWNER/DEVELOPER's representations or warranties to be true and complete in any material respect; or (3) any act or omission by OWNER/DEVELOPER or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except to the extent that such

losses are caused solely by the negligence or willful misconduct of Indemnitees. The duty of the OWNER/DEVELOPER to indemnify includes the duty to defend Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. OWNER/DEVELOPER's duty to indemnify Indemnitees shall survive the term of this AGREEMENT.

OWNER/DEVELOPER hereby waives any claims, suits, or actions against the CITY on account of or arising from the Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 *et seq.* ("CHRHA"). Furthermore, the parties hereby acknowledge and agree that, without limitation, any Project entitlements, permits, or approvals have conferred upon the OWNER/DEVELOPER and/or the Project either a direct financial contribution or other form of assistance pursuant to Section 1954.52(b) of the CHRHA.

34. **GOVERNING LAW.** This AGREEMENT shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

35. **AGREEMENT CONTROLS**. In the event that any provisions of this AGREEMENT and any of its exhibits, the terms of the AGREEMENT shall control.

36. **ATTORNEYS' FEES AND COSTS**. In the event that a legal or administrative action is brought to interpret or enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

37. **TIME**. Time is of the essence in this AGREEMENT.

38. **CONSENTS AND APPROVALS**. Except as otherwise expressly provided in this AGREEMENT, any consent or approval required under the AGREEMENT shall not be unreasonably withheld or delayed.

39. **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between OWNER/DEVELOPER and CITY shall be given by first class or certified mail, return receipt requested, postage prepaid or delivered personally, to OWNER/DEVELOPER and CITY as follows, or at such other address as a party may designate by written notice to the other party:

City of Roseville
Housing Manager
316 Vernon Street #150
Roseville, CA 95678

DF Properties, Inc.
Attn: Jeff Ronten
2013 Opportunity Drive, Suite 150
Roseville, CA 95678

40. **BINDING UPON SUCCESSORS**. All provisions of this AGREEMENT shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of OWNER/DEVELOPER and CITY.

and shall run with the land for the full term of this AGREEMENT. Any successor in interest to OWNER/DEVELOPER and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on OWNER/DEVELOPER under this AGREEMENT for the full term of this AGREEMENT. The term "OWNER/DEVELOPER" as used in this AGREEMENT shall include all such assigns, successors-in-interest, and transferees.

41. **RELATIONSHIP OF PARTIES**. The relationship of OWNER/DEVELOPER and CITY for this Project during the term of this AGREEMENT shall not be construed as a joint venture, equity venture, or partnership. CITY neither undertakes nor assumes any responsibility or duty to OWNER/DEVELOPER or to any third party with respect to the operation of the Property or the actions of OWNER/DEVELOPER. Except as CITY may specify in writing, OWNER/DEVELOPER shall have no authority to act as an agent of CITY or to bind CITY to any obligation.

42. **WAIVER.** Any waiver by CITY of any obligation in this AGREEMENT must be in writing. No waiver shall be implied from any delay or failure by CITY to take action on any breach or default of OWNER/DEVELOPER or to pursue any remedy allowed under this AGREEMENT or applicable law. Any extension of time granted to OWNER/DEVELOPER to perform any obligation under this AGREEMENT shall not operate as a waiver or release from any of its obligations under this AGREEMENT. Consent by CITY to any act or omission by OWNER/DEVELOPER shall not be construed as the consent to any other or subsequent act or omission or to waive the requirement for CITY's written consent to future waivers.

43. **OTHER AGREEMENTS.** OWNER/DEVELOPER represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this AGREEMENT. OWNER/DEVELOPER shall not enter into any agreements that are inconsistent with the terms of this AGREEMENT without an express written waiver by CITY.

44. **AMENDMENTS AND MODIFICATIONS**. Any amendments or modifications to this AGREEMENT must be in writing, and shall be effective only if executed by both OWNER/DEVELOPER and CITY, following receipt of all required approvals, and only with the consent of the Senior Lenders.

45. **SEVERABILITY**. Every provision of this AGREEMENT is intended to be severable. If any provision of this AGREEMENT is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

SPECIAL PROVISIONS

46. **ADMINISTRATIVE FEE.** In the event of OWNER/DEVELOPER's breach or violation of any agreement, obligation or warranty under the AGREEMENT or in the event the Property is transferred in violation of Section 31 of this AGREEMENT, and the Property is exempt from real property taxation, OWNER/DEVELOPER shall pay annually, not later than April 15 of each year, a fee equal to seventeen percent (17%) of

the real property tax which would have been paid on the Property if it were subject to real property taxation ("Administrative Fee"). The CITY shall provide the OWNER/DEVELOPER with notice and the right to cure, as set forth in above Section 25, any event which the CITY believes give rise to an obligation to pay the Administrative Fee.

The Administrative Fee shall increase and be adjusted annually by an amount equal to two percent (2%) of each prior year's Administrative Fee, and shall be increased and adjusted further from time to time by the percentage equal to any increase in the Property and/or Project's assessed valuation arising from any sale, transfer or refinancing of the Property and/or Project; provided, however, in the event the Property and/or Project becomes subject to payment of property taxes other than special district taxes, the Administrative Fee shall terminate. The payment of such Administrative Fee shall be in addition to, and not to the exclusion of, the CITY's other remedies contemplated in Section 26 of this AGREEMENT.

47. **REFINANCING REVIEW FEE.** In the event that the Property and/or the Project is a tax credit project and is refinanced during the term of this Agreement, OWNER/DEVELOPER shall provide CITY a prepayment in amount to be determined by CITY, upon request by OWNER/DEVELOPER, for CITY's staff costs in reviewing any refinancing documentation submitted to CITY for CITY's review and approval. Such prepayment shall be submitted by OWNER/DEVELOPER prior to CITY commencing any review. It is estimated that the prepayment will be ten thousand dollars ($10,000.00). OWNER/DEVELOPER shall not be entitled to receive a refund of any such fee in the event that OWNER/DEVELOPER fails to complete such refinancing.

48. **TENANT MONITORING FEE.** Commencing one (1) year after the date of the final Certificate of Occupancy for the Project and annually thereafter, OWNER/DEVELOPER shall pay to CITY, not later than March 31 of each year, a tenant monitoring fee equal to FORTY DOLLARS ($40) for each occupied, rent restricted, apartment unit within the Project, with such fee to be adjusted to reflect the Project's actual occupancy rate. The fee for each unit shall be prorated over the portion of the year that the unit was occupied or leased. A penalty of ten percent (10%) per month shall be assessed against any fee not paid when due.

49. **PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM.** During the term of this AGREEMENT, OWNER/DEVELOPER agrees to accept tenants who qualify under the Housing Choice Voucher ("HCV") program administered by the Roseville Housing Authority (the "Authority") or its successor.

50. **CHECKLIST FOR REGULATED UNITS.** OWNER/DEVELOPER agrees that each prospective tenant, prior to rental of a Regulated Unit, shall be required to complete forms required by **Exhibit C**, or OWNER/DEVELOPER'S equivalent as approved in writing by CITY.

[Signatures Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the Effective Date.

City of Roseville,
a municipal corporation:

By: _____
DOMINICK CASEY
City Manager

ATTEST:

By: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

By: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
MELISSA ANGUIANO
Economic Development Director

DF Properties,
a California corporation,

By: _____
Kenneth Denio
President

AND

By: _____
Jeffrey Ronten
Executive Vice President/CFO

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Kenneth Denio

,

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.

ADRIAN MANUEL DAVID ACOSTA
COMM. #2240448
Notary Public - California
Placer County
My Comm. Expires Apr. 29, 2022

NRO1 NRO1

Signature Adrian Manuel David Acosta

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

.

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Jeffrey Ronten

,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

_____.

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

Lot 11 of Block 21 of "Roseville Heights", as per Map No. 2, filed January 9, 1907, in the office of the Recorder of Placer County.

APN# 012-164-013-000

EXHIBIT B
OCCUPANCY AND RENT RESTRICTIONS

	Two Bedroom	
Maximum Household Income as Percentage of AMI	Number of Units	Initial Qualifying Rent (Gross)
80%	3	$1,813
Non-Rent Restricted On Site Management		N/A
TOTAL	3	

EXHIBIT C
CHECKLIST FOR AFFORDABLE RENTAL UNITS

The following documentation must be present in the Tenant's file (in a form approved by the Housing Manager) for an "affordable renter."

____ Certification of Affordable Rental Unit Eligibility Form

____ Calculation of Tenant Eligibility Form

____ Record of Rental Increases

____ Written, third party verification of all income sources, including:

- ____ Employment
- ____ Self-employment (tax return and profit & loss statement for current year)
- ____ Unemployment
- ____ AFDC (Welfare) Benefits
- ____ Child Support
- ____ Alimony
- ____ Social Security Benefits
- ____ Supplemental Security Income (SSK)
- ____ VA or Military Benefits
- ____ Pensions and/or Annuities
- ____ Retirement Funds
- ____ Savings Accounts (Interest Income)
- ____ Checking Accounts
- ____ Government Grants
- ____ Trust Funds
- ____ Stocks & Bonds (Cash Value)
- ____ Life Insurance (Cash Value)

Name _____ **Complex** _____

Title _____ **Date** _____

CERTIFICATION OF RESIDENT ELIGIBILITY

Re: _____ Apt. # _____
Apartment Complex

I/we have read and answered truthfully, fully frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit (complete sections 1-5 for each household member):

1) Name of Member of the Household	2) Relationship to Head of Household	3) Age	4) Social Security No.	5) Place of Employment (if applicable)

CERTIFICATION OF RESIDENT ELIGIBILITY (cont.)

INCOME COMPUTATION

6) The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is $_____.

Included in the total anticipated income listed above are:

a. All wages and salaries, overtime pay, commissions, fees and other compensation for personal services, before payroll deductions.

Excluded from such anticipated income are:

a. Casual, sporadic or irregular gifts;

b. Amounts which are specifically for or in reimbursement of medical expenses;

c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses;

d. Amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;

e. Hazardous duty pay to a family member in the Armed Forces who is away from home and exposed to hostile fire;

f. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

g. Foster child care payments;

h. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977.

7) This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we

declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

8) I/We will assist the Owner in obtaining any information or documents required to verify the statement made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9) I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____day of _____in the City of _____California.

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

[All persons listed in number 2 above, except children under the age of 18 must sign this form]

CALCULATIONS OF TENANT ELIGIBILITY
FOR AFFORDABLE RENTAL FORM

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME: _____ UNIT # _____

SOURCE	MONTHLY	ANNUAL
Social Security	$ _____	$ _____
Social Security	$ _____	$ _____
Civil Service	$ _____	$ _____
Pension _____	$ _____	$ _____
Interest _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Child Support	$ _____	$ _____
Welfare	$ _____	$ _____
Stocks/Bonds	$ _____	$ _____
Other _____	$ _____	$ _____
Other _____	$ _____	$ _____
TOTAL INCOME	**$ _____**	**$ _____**
	Monthly base rent	$ _____
	Move-in date	_____

BY

TITLE _____

DATE _____

AFFORDABLE TENANT
RECORD OF RENTAL INCREASES

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME _____ APT. NO. _____

MOVE-IN DATE _____ INITIAL BASE RENT $_____

ANNUAL INCOME $_____

DATE OF INCREASE	CURRENT RENT		ANNUAL ADJUSTMENT FACTOR		NEW RENT
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____

CURRENT RENT _____ _____

NEW RENT _____ _____

RESOLUTION NO. 22-057

APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an Affordable Rental Housing Agreement regarding the real property located at 1124 Circuit Drive, Roseville, CA, by and between the City of Roseville and DF Properties, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said Affordable Rental Housing Agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this____day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

NO FEE DOCUMENT
PER GOVT. C. §27383

RECORDING REQUESTED BY
City of Roseville

AND WHEN RECORDED, MAIL TO:
City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

AFFORDABLE RENTAL HOUSING AGREEMENT

(Project: APN: 012-181-006-000
1124 Circuit Drive)

This Affordable Rental Housing Agreement ("AGREEMENT") is made this _____ day of _____, 2022 ("Effective Date"), by and between the City of Roseville, a municipal corporation ("CITY"), and DF Properties, Inc., a California corporation ("OWNER/DEVELOPER").

RECITALS

A. On June 13, 2013, CITY approved the updated Housing Element of the General Plan which applies ten percent (10%) affordability requirement to all new specific plan areas or properties for which zoning is amended to change residential density.

B. The OWNER/DEVELOPER is receiving the benefit of land entitlements either through the Specific Plan and Development Agreement process or by amendment of the zoning of the property to change residential density.

C. On November 2, 2020, CITY approved a Small Lot Subdivision Map (PL20-0098). The conditions of approval require that eighteen (18) units be developed and rented at rental rates affordable to very low and low income households (the "Regulated Units").

D. The conditions of approval of the Project require OWNER/DEVELOPER to enter into an affordable housing rental agreement to the satisfaction of City Attorney of CITY, implementing the affordable housing obligations of OWNER/DEVELOPER.

E. Pursuant to Section 1(e) of the First Amendment of Development Agreement – Sierra Vista Specific Plan, executed by the parties on February 3, 2021 and recorded on April 13, 2021 by the Placer County Recorder as Document 2021-0050636, the parties agreed to transfer OWNER/DEVELOPER's affordable housing obligations to the Infill Area. OWNER/DEVELOPER and CITY enter into this AGREEMENT in order to implement OWNER/DEVELOPER'S affordable housing obligations.

F. OWNER/DEVELOPER has secured the possession of real property located at 1124 Circuit Drive, Roseville, California, 95678, also referred to as Assessor's Parcel Number 012-181-006-000 (as more particularly described in **Exhibit A** (the "Property")). OWNER/DEVELOPER proposes to develop and construct a two (2) unit rental housing apartment project (the "Project") on the Property, that shall be rented at rents that are affordable to Low income households (the "Regulated Units"). The Project is intended to serve as a community resource by providing decent, safe, and sanitary housing for households which would otherwise be unable to afford such housing.

G. The purpose of this AGREEMENT is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the people of the City of Roseville. The covenants in this AGREEMENT are intended to run with the land and be binding on OWNER/DEVELOPER and OWNER/DEVELOPER's successors in interest for the full term of this AGREEMENT.

NOW, THEREFORE, OWNER/DEVELOPER and the CITY hereby agree as follows:

DEFINITIONS

The following terms have the meanings set forth in herein wherever used in this AGREEMENT or attached exhibits.

1. **"CITY"** means the City of Roseville, a municipal corporation.

2. **"AREA MEDIAN INCOME"** (referred to herein as "AMI") means the median income for the Metropolitan Statistical Area which includes the City of Roseville ("MSA"), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, or such other method of median income calculation applicable to the City of Roseville that HUD may hereafter adopt in connection with said Act. If HUD should cease making such determination, the City may designate another method of calculation of area median income used by any federal or state agency and applicable to the City of Roseville.

3. **"OWNER/DEVELOPER"** means DF Properties, Inc., a California corporation, together with its permitted successors and assigns.

4. **"PROJECT"** means the development, construction and operation of a residential, multi-family rental apartment project on the Property, to be rented at rents that are affordable to Low income households.

5. **"PROPERTY"** means the real property located at 1124 Circuit Drive,

Roseville, California, 95678 identified and described in **Exhibit A**, attached hereto and incorporated into this AGREEMENT by this reference, and any buildings or improvements now or hereafter situated on such real property.

6. **"QUALIFYING HOUSEHOLD"** means a household in which household income does not exceed the percentage of Area Median Income prescribed for the applicable housing unit by the terms of this AGREEMENT.

7. **"QUALIFYING RENT"** means the maximum monthly rent allowed under **Exhibit B** "adjusted for family size appropriate to the unit" (as such term is defined by Health and Safety Code sections 50052.5 and 50053) including a reasonable allowance for tenant-paid utilities (also known as Utility Allowance). During the period a regulatory agreement governing the allocation and award of any federal tax credits is in effect, Qualifying Rent may be determined in accordance with such regulatory agreement and 26 U.S.C., Section 42, for initial occupancy of tenants.

8. **"REGULATED UNITS"** means two (2) rental dwelling units of the two (2) rental dwelling units on the Property constructed for the Project, that shall be rented at rents that are affordable to Low income households and having the following composition: two (2) two-bedroom units.

OWNER/DEVELOPER'S OBLIGATIONS

9. **TERM OF AGREEMENT.** This AGREEMENT shall commence upon the Effective Date and shall remain in full force and effect for fifty-five (55) years after the date OWNER/DEVELOPER obtains a Certificate of Occupancy from CITY for the Project or, in the event the Project has multiple buildings or structures, a Certificate of Occupancy for the last habitable building or structure for the Project. The obligations in this AGREEMENT shall remain effective and fully binding on OWNER/DEVELOPER for this full term regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the CITY in a recorded writing.

10. **LEGAL INTEREST IN PROJECT**. OWNER/DEVELOPER represents that is has legal interest in the Subject Property and that all other persons holding legal or equitable interests in the Subject Property have signed an "Acknowledgement and Consent Certificate", in a form approved by the City Attorney of the CITY, acknowledging and consenting to the terms of this AGREEMENT. All persons holding any legal or equitable interest in the Subject Property shall be bound by this AGREEMENT.

PROJECT OCCUPANCY AND RENTS

11. **OCCUPANCY OF PROJECT.** OWNER/DEVELOPER shall limit, for the full term of this AGREEMENT identified in Section 9, above, the rental of Regulated Units to Qualifying Households according to the schedule contained in **Exhibit B** herein, which is hereby incorporated by reference into this AGREEMENT. The income levels and other qualifications of applicants shall be certified prior to initial occupancy in conformance with the Final Management Plan identified in Section 18C, below, and the City of Roseville's rules governing income certification, as these rules may be amended from time to time by California law or as required in order to comply with California law. Specifically, OWNER/DEVELOPER covenants and agrees that for the full term of this Agreement it shall reserve for occupancy: two (2) two-bedroom Regulated Units for households whose income does not exceed eighty percent (80%) of AMI.

The Project shall be owned, managed and operated as a single, multi-family residential rental project, which may be comprised of several buildings and structures, each consisting of more than one residential dwelling unit, together with facilities functionally related and subordinate thereto, in accordance with the applicable provisions of the Internal Revenue Code and applicable California law, as the same may be amended from time to time. All of the residential dwelling units in the Project will be similarly constructed and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family, including sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. None of the residential dwelling units shall be utilized, at any time, on a transient basis. Neither the Project, nor any portion thereof, shall ever be used as a hotel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

12. **PROJECT RENTS.** Rents for Regulated Units shall be limited to Qualifying Rents as set forth in **Exhibit B** as the same may be revised from time to time in accordance with this AGREEMENT and applicable federal or state laws and regulations. Rent shall be no greater than considered "affordable rent" for the applicable household pursuant to Section 50053 of the California Health and Safety Code, as amended, or any successor statute thereto. Nothing in this AGREEMENT shall prevent OWNER/DEVELOPER from charging lower rents.

13. **RENTAL INCREASES FOR EXISTING TENANTS ON THE PROPERTY.** Irrespective of when income limits are published under Tax Credit Law, rents for Regulated Units may be adjusted no more frequently than: (a) twelve (12) months following the date of initial occupancy or (b) every twelve (12) months following the last permissible date of recorded rental adjustment. Additionally, in no event shall the amount of annual rent increase exceed the amount of annual rent increase allowed by Tax Credit Law. Rents for Regulated Units may be adjusted annually to coincide with the increases in the Annual Adjustment Factors (AAF) as published by the United States Department of Housing and Urban Development (HUD) for the West Region.

In the event HUD terminates publication of the AAF, rents shall be adjusted annually to coincide with the annual percentage increase for residential rent as shown in the "rent, Residential" component of the Housing component in the Consumer Price Index for all urban consumers in the San Francisco-Oakland area. If OWNER/DEVELOPER does not agree with the adjustment factors provided herein, OWNER/DEVELOPER may, within fifteen (15) calendar days of notification by CITY's Housing Manager ("the HM") of that year's adjustment, present to the HM information on which it wishes to base its annual rent adjustment. The HM will review this information and decide on which adjustment factor OWNER/DEVELOPER shall base its annual rent increase. The decision of the HM shall be final.

14. **CONDOMINIUM CONVERSION PROHIBITED.** OWNER/DEVELOPER shall not convert Project units, including Regulated Units and/or any unregulated units, to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Project units.

15. **NONDISCRIMINATION.** OWNER/DEVELOPER shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Project units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, gender, gender identity, gender expression, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. OWNER/DEVELOPER shall include a statement in all advertisements, notices, and signs for the availability of Project units for rent to the effect that OWNER/DEVELOPER is an Equal Housing Opportunity Provider. OWNER/DEVELOPER shall further ensure and require that any contractor or subcontractor engaged in work on the Project shall provide equal opportunity for employment without discrimination as to race, sex, marital status, color, religion, sexual orientation, source of income, national origin or ancestry.

16. **MANAGEMENT RESPONSIBILITIES.** OWNER/DEVELOPER is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CITY shall have no responsibility over management of the Property.

17. **MANAGEMENT ENTITY.** The CITY shall have the right to review and approve the management entity chosen by OWNER/DEVELOPER for the Property and, with the prior written consent of the Senior Lenders and the tax credit investor (if applicable), shall have the right to require a change in the management agent for the Project in the event OWNER/DEVELOPER is in default under the AGREEMENT. Any contracting of management services by OWNER/DEVELOPER shall not relieve OWNER/DEVELOPER of its primary responsibilities for proper performance of management duties. The CITY approves of the use of DF Properties, Inc., a California corporation, engaged in the provision of multi-family residential and commercial

property management services, as the designated initial management entity for the Project.

18. **DRAFT AND FINAL MANAGEMENT PLANS**.

A. **DRAFT MANAGEMENT PLAN.** OWNER/DEVELOPER shall prepare and submit to CITY a Draft Management Plan for CITY's review and approval. The Draft Management Plan shall be submitted to CITY at least one hundred eighty (180) calendar days prior to the anticipated date for completion of construction of the Project. The Draft Management Plan shall contain, but is not limited to, specific statement as to (1) the identity, experience and duties regarding operation of the Project of any non- profit, public benefit corporation who is a partner of OWNER/DEVELOPER; (2) marketing policies and strategies; (3) tenancy occupancy rules and regulations; (4) rental procedures and tenant income limitation; (5) eviction procedures; (6) operating policies and guidelines; (7) reserve account policies; (8) maintenance and capital improvement policies; and (9) shall provide as an exhibit thereto a sample form of lease agreement. Upon transfer of the Project of OWNER/DEVELOPER'S interest in the Project, the party to who the Project is transferred shall, as a condition of such transfer, provide CITY with a copy of such party's Management Plan for the Project, which plan shall provide statements as called for herein.

B. **CITY REVIEW OF DRAFT MANAGEMENT PLAN.** Upon submittal of the Draft Management Plan by OWNER/DEVELOPER to CITY the CITY shall review the Draft Management Plan and provide written comments to OWNER/DEVELOPER within ninety (90) calendar days or as soon thereafter as is practicable.

C. **FINAL MANAGEMENT PLAN.** Prior to issuance of any Certificate of Occupancy for the Project, OWNER/DEVELOPER shall submit a Final Management Plan to the CITY for its review and final approval no later than thirty (30) calendar days prior to the anticipated date for completion of construction of the Project.

Notwithstanding the foregoing, the CITY shall have the right to review and approve any proposed amendments to OWNER/DEVELOPER's contract with its management firm, or any new management contracts, during the term of this AGREEMENT; provided, however, that the CITY's approval shall not be required for a renewal of the initial management contract.

19. **MANAGEMENT AGENT**. The Project shall at all times be managed by an experienced Management Agent reasonably acceptable to CITY, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe and sanitary housing. During the monitoring as described in Section 25, CITY will assess Management Agent's ability to operate the Project in a decent, safe and sanitary manner. One factor CITY will use to make its assessment will be a comparison of calls for police and fire services with other rental complexes in Roseville which offer similar services.

OWNER/DEVELOPER shall submit for CITY's approval the identity of any proposed Management Agent. OWNER/DEVELOPER shall also submit such additional information about the background, experience, and financial condition of any proposed Management Agent as is reasonably necessary for CITY to determine whether the proposed Management Agent meets the standards for a qualified Management Agent set forth above.

If the proposed Management Agent meets the standards for a qualified Management Agent set forth above, CITY shall approve the proposed Management Agent by notifying OWNER/DEVELPER in writing. Unless the proposed Management Agent is disapproved by CITY within thirty (30) days of said submission of identity and qualifications of proposed Management Agent, which disapproval shall state reasonable specificity the basis for disapproval it shall be deemed approved, DF Properties, Inc., a California corporation is hereby approved by the CITY as the initial Management Agent.

20. **DISMISSAL OF MANAGEMENT AGENT**. Within fifteen (15) days from OWNER/DEVELOPER'S receipt of any recommendation by CITY staff to dismiss the Management Agent, OWNER/DEVELOPER shall either dismiss the Management Agent or request a public meeting to discuss such recommendation. If, after conducting a requested public meeting, the CITY Council supports said recommendation of CITY staff, OWNER/DEVELOPER shall promptly dismiss the Management Agent and shall appoint as the new Management Agent a person or entity which meets the standards for Management Agent and is approved by CITY as set forth in Section 19.

21. **MAINTENANCE AND SECURITY.** OWNER/DEVELOPER shall at its own cost and expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable, and tenantable living condition for the benefit of Project occupants. OWNER/DEVELOPER shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. OWNER/DEVELOPER shall provide adequate ongoing security equipment and services for Project occupants. OWNER/DEVELOPER shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Management Plan; but OWNER/DEVELOPER's maintenance obligations shall not be limited only to the standards contained in these laws or the Management Plan.

In the event the OWNER/DEVELOPER fails to maintain the Property in accordance with the foregoing standards, and after at least seven (7) calendar days' prior written notice to OWNER/DEVELOPER and the Senior Lenders, the CITY or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in CITY's reasonable discretion (with the prior written consent of the Senior Lenders), and provide for payment thereof. Any amount advanced by CITY to make such repairs, together with the maximum legal interest rate thereon from the date of such shall become an additional obligation of OWNER/DEVELOPER to CITY shall be immediately due and payable to CITY.

22. **UNIT VACANCIES.** OWNER/DEVELOPER shall use its best efforts to fill vacancies in Regulated Units as quickly as possible.

23. **INSPECTION AND RECORDS.** OWNER/DEVELOPER shall maintain records which clearly document OWNER/DEVELOPER's performance of its obligations to operate the Property and the Project under the terms of this AGREEMENT. OWNER/DEVELOPER shall submit any records to the CITY within ten (10) business days of CITY's request. OWNER/DEVELOPER shall permit CITY to enter and inspect the Property and the Project for compliance with obligations under this AGREEMENT upon twenty-four (24) hours advance notice of such visit by CITY to OWNER/DEVELOPER or OWNER/DEVELOPER's management agent and to tenants of any inspected Project units, subject to the provisions of the lease regarding inspection and entry rights, which provisions must otherwise be consistent with state law.

24. **ANNUAL REPORT.** OWNER/DEVELOPER shall submit an annual report to CITY as required by California Health and Safety Code Section 33418, which shall include at a minimum for each Regulated Unit the rental rate and the income and household size of the occupants. The income information required under this report shall be supplied by the tenant in a certified statement on a form provided by CITY. CITY may request additional information be included in the annual report.

25. **MONITORING/NON-COMPLIANCE/CURE**. OWNER/DEVELOPER'S compliance with the provisions of this AGREEMENT shall be reviewed at least annually, and at such other times as CITY may require, upon thirty (30) days prior written notice from CITY. During any such review, OWNER/DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this AGREEMENT. If, as a result of such review, CITY finds and determines that OWNER/DEVELOPER has not complied in good faith with the terms and conditions of this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER of its findings and of the exact nature of OWNER/DEVELOPER'S non-compliance. OWNER/DEVELOPER shall be given a period of sixty (60) days after delivery of any such notice in which to cure, to the reasonable satisfaction of CITY, any non-compliance. In the event CITY fails to give OWNER/DEVELOPER notice of any non-compliance at or before the annual review, OWNER/DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this AGREEMENT during the year covered by the annual review.

26. **CITY REMEDIES FOR BREACH**. If OWNER/DEVELOPER is unable or otherwise fails to cure any non-compliance within sixty (60) days after CITY delivers notice of non-compliance pursuant to Section 25, CITY may, in addition to any other remedy provided by law or equity, modify or terminate this AGREEMENT, revoke the Project approval, seek liquidated damages in accordance with this AGREEMENT, or take any other action available to it under this AGREEMENT.

In particular, and without limitation by reason of enumeration, OWNER/DEVELOPER acknowledges and agrees that failure to cure any non-compliance under this AGREEMENT, whether by OWNER/DEVELOPER or any successor, shall, at the option of the CITY, constitute a breach and default under this AGREEMENT as to all other property within the Project.

In addition, and without limitation by reason of enumeration, OWNER/DEVLOPER acknowledges and agrees that CITY shall have the right to withhold issuance of all building permits within the Project until such breach is cured.

In the event of any breach/default or violation of any agreement, obligation, or warranty under this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER, with copies to any Senior Lenders, if applicable: (a) the nature of the breach or violation, (b) the action required to cure the breach or violation, and (c) a date, which shall not be less than thirty (30) calendar days from the date of the notice, by which such action to cure must be taken. If OWNER/DEVELOPER fails to cure the breach or violation within the time frame specified in the notice CITY additionally has the right, at its sole election, to:

A. Bring an action for equitable relief seeking the specific performance by OWNER/DEVELOPER of the terms and conditions of this AGREEMENT, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property and the Project, and continue in possession until such time as CITY in its sole judgment determines that OWNER/DEVELOPER is in a position to operate the Property and the Project in compliance with this AGREEMENT;

C. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

D. For violations of OWNER/DEVELOPER's obligations with respect to occupancy restrictions, Project maintenance, and unit vacancies, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount of ONE THOUSAND DOLLARS ($1,000) per day for each Project unit that is not operated in compliance with this AGREEMENT;

E. For violations of OWNER/DEVELOPER's obligations with respect to Project rents, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount equal to the actual amount OWNER/DEVELOPER has collected from any Qualifying Household in excess of the Qualifying Rent;

F. Pursue any other remedy allowed at law or in equity.

CITY's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by CITY of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this AGREEMENT or now or hereafter existing at law or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

The parties agree that the sums and formulas designated herein as liquidated damages represent a reasonable approximation of the damages CITY is likely to suffer from violations of the respective terms. OWNER/DEVELOPER agrees to pay in full any accrued liquidated damages to CITY within ten (10) calendar days of a written demand by CITY for such payment.

27. **FEES, TAXES, AND OTHER LEVIES.** OWNER/DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Project, and shall pay such charges prior to delinquency. However, OWNER/DEVELOPER shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings, and (b) OWNER/DEVELOPER maintains reserves adequate to pay any contested liabilities.

28. **INSURANCE COVERAGE.** OWNER/DEVELOPER shall cause to have in full force and effect during the term of this AGREEMENT continuous insurance coverage as required by any lienholder.

29. **PROPERTY DAMAGE OR DESTRUCTION.** If any building or improvement erected by OWNER/DEVELOPER on the Property is damaged or destroyed, subject to the requirements of the Senior Lenders, OWNER/DEVELOPER shall, at its own cost and expense, repair or restore the Property consistent with the original Plans and Specifications for the Project. Such work shall be commenced within one hundred twenty (120) calendar days after the damage or loss occurs and shall be completed within three hundred and sixty-five (365) calendar days thereafter. Subject to the requirements of the Senior Lenders, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if insurance proceeds are insufficient for such purpose, OWNER/DEVELOPER shall make up the deficiency.

GENERAL PROVISIONS

30. **SUBORDINATION.** Except as expressly set forth herein, this AGREEMENT shall not be subordinated in priority to any other interest in the Property that was not recorded on or prior to the date of recordation of this Agreement, unless the CITY expressly consents, in writing, to the subordination or junior priority of this AGREEMENT. Such consent, if any, shall be within the CITY's sole discretion, and may only be permitted, if at all, for purposes that conform with the circumstances authorized by California Health and Safety Code section 33334.14(a), and to the extent the proposed subordination does not jeopardize the CITY's security interest in the property and is otherwise consistent and compliant with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project.

31. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this AGREEMENT, OWNER/DEVELOPER shall not make or permit any sale, agreement to sell, assignment, conveyance, lease (other than the rental of Project units to eligible residential tenant occupants), or transfer of the Property or any part thereof, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers"), without the prior written consent of CITY. The limitations on OWNER/DEVELOPER's right of assignment or other transfer contained in this Section 31 shall not apply to any foreclosure, deed in lieu of foreclosure, or other remedial action lawfully taken by any Senior Lender holding a security interest in the Property with priority over the CITY's interests; nor shall they apply to the transfer of limited partner interests in OWNER/DEVELOPER and/or the removal of a general partner or a limited partner pursuant to the terms and conditions of OWNER/DEVELOPER's organizational document.

CITY shall give its consent to a Transfer provided that it determines all of the following conditions are met: (a) OWNER/DEVELOPER is in compliance with this AGREEMENT or the Transfer will cure existing violations of this AGREEMENT; (b) the transferee agrees to assume all obligations of OWNER/DEVELOPER imposed by this AGREEMENT; (c) the transferee demonstrates to CITY's satisfaction that it is capable of owning and/or operating the Property and the Project in full compliance with this AGREEMENT; (d) the terms of the Transfer shall not jeopardize the CITY's security interest in the Property and is otherwise in full compliance with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project; and (e) the Transfer has been approved by CITY's governing body, if such approval is required.

During the term of this AGREEMENT, OWNER/DEVELOPER shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property and/or the Project (except for any financing provided by CITY), without the prior written consent of CITY, which consent may be withheld in CITY's sole discretion. CITY may give its consent to such financing if and only to the extent necessary to maintain or improve the affordability or condition of the Property and/or the Project.

32. **NONLIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS**. No member, official, director, employee, agent or independent contractor of CITY shall be personally liable to OWNER/DEVELOPER or third party beneficiaries for any obligation created under the terms of this AGREEMENT.

33. **INDEMNITY AND WAIVER**. Notwithstanding the insurance coverage required herein, OWNER/DEVELOPER shall indemnify and hold CITY, its members, officials, directors, employees, agents and independent contractors (collectively "Indemnitees"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney's fees) which Indemnitees may incur as a result of (1) OWNER/DEVELOPER's failure to perform any obligations as and when required by this AGREEMENT; (2) any failure of OWNER/DEVELOPER's representations or warranties to be true and complete in any material respect; or (3) any act or omission by OWNER/DEVELOPER or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except to the extent that such losses are caused solely by the negligence or willful misconduct of Indemnitees. The duty of the OWNER/DEVELOPER to indemnify includes the duty to defend Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. OWNER/DEVELOPER's duty to indemnify Indemnitees shall survive the term of this AGREEMENT.

OWNER/DEVELOPER hereby waives any claims, suits, or actions against the CITY on account of or arising from the Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 *et seq.* ("CHRHA"). Furthermore, the parties hereby acknowledge and agree that, without limitation, any Project entitlements, permits, or approvals have conferred upon the OWNER/DEVELOPER and/or the Project either a direct financial contribution or other form of assistance pursuant to Section 1954.52(b) of the CHRHA.

34. **GOVERNING LAW.** This AGREEMENT shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

35. **AGREEMENT CONTROLS**. In the event that any provisions of this AGREEMENT and any of its exhibits, the terms of the AGREEMENT shall control.

36. **ATTORNEYS' FEES AND COSTS**. In the event that a legal or administrative action is brought to interpret or enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

37. **TIME**. Time is of the essence in this AGREEMENT.

38. **CONSENTS AND APPROVALS**. Except as otherwise expressly provided in this AGREEMENT, any consent or approval required under the AGREEMENT shall not be unreasonably withheld or delayed.

39. **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between OWNER/DEVELOPER and CITY shall be given by first class or certified mail, return receipt requested, postage prepaid or delivered personally, to OWNER/DEVELOPER and CITY as follows, or at such other address as a party may designate by written notice to the other party:

City of Roseville
Housing Manager
316 Vernon Street #150
Roseville, CA 95678

DF Properties, Inc.
Attn: Jeff Ronten
2013 Opportunity Drive, Suite 150
Roseville, CA 95678

40. **BINDING UPON SUCCESSORS**. All provisions of this AGREEMENT shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of OWNER/DEVELOPER and CITY, and shall run with the land for the full term of this AGREEMENT. Any successor in interest to OWNER/DEVELOPER and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on OWNER/DEVELOPER under this AGREEMENT for the full term of this AGREEMENT. The term "OWNER/DEVELOPER" as used in this AGREEMENT shall include all such assigns, successors-in-interest, and transferees.

41. **RELATIONSHIP OF PARTIES**. The relationship of OWNER/DEVELOPER and CITY for this Project during the term of this AGREEMENT shall not be construed as a joint venture, equity venture, or partnership. CITY neither undertakes nor assumes any responsibility or duty to OWNER/DEVELOPER or to any third party with respect to the operation of the Property or the actions of OWNER/DEVELOPER. Except as CITY may specify in writing, OWNER/DEVELOPER shall have no authority to act as an agent of CITY or to bind CITY to any obligation.

42. **WAIVER.** Any waiver by CITY of any obligation in this AGREEMENT must be in writing. No waiver shall be implied from any delay or failure by CITY to take action on any breach or default of OWNER/DEVELOPER or to pursue any remedy allowed under this AGREEMENT or applicable law. Any extension of time granted to OWNER/DEVELOPER to perform any obligation under this AGREEMENT shall not operate as a waiver or release from any of its obligations under this AGREEMENT. Consent by CITY to any act or omission by OWNER/DEVELOPER shall not be construed as the consent to any other or subsequent act or omission or to waive the requirement for CITY's written consent to future waivers.

43. **OTHER AGREEMENTS.** OWNER/DEVELOPER represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this AGREEMENT. OWNER/DEVELOPER shall not enter into any agreements that are inconsistent with the terms of this AGREEMENT without an express written waiver by CITY.

44. **AMENDMENTS AND MODIFICATIONS**. Any amendments or modifications to this AGREEMENT must be in writing, and shall be effective only if executed by both OWNER/DEVELOPER and CITY, following receipt of all required approvals, and only with the consent of the Senior Lenders.

45. **SEVERABILITY**. Every provision of this AGREEMENT is intended to be severable. If any provision of this AGREEMENT is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

SPECIAL PROVISIONS

46. **ADMINISTRATIVE FEE.** In the event of OWNER/DEVELOPER's breach or violation of any agreement, obligation or warranty under the AGREEMENT or in the event the Property is transferred in violation of Section 31 of this AGREEMENT, and the Property is exempt from real property taxation, OWNER/DEVELOPER shall pay annually, not later than April 15 of each year, a fee equal to seventeen percent (17%) of the real property tax which would have been paid on the Property if it were subject to real property taxation ("Administrative Fee"). The CITY shall provide the OWNER/DEVELOPER with notice and the right to cure, as set forth in above Section 25, any event which the CITY believes give rise to an obligation to pay the Administrative Fee.

The Administrative Fee shall increase and be adjusted annually by an amount equal to two percent (2%) of each prior year's Administrative Fee, and shall be increased and adjusted further from time to time by the percentage equal to any increase in the Property and/or Project's assessed valuation arising from any sale, transfer or refinancing of the Property and/or Project; provided, however, in the event the Property and/or Project becomes subject to payment of property taxes other than special district taxes, the Administrative Fee shall terminate. The payment of such Administrative Fee shall be in addition to, and not to the exclusion of, the CITY's other remedies contemplated in Section 26 of this AGREEMENT.

47. **REFINANCING REVIEW FEE.** In the event that the Property and/or the Project is a tax credit project and is refinanced during the term of this Agreement, OWNER/DEVELOPER shall provide CITY a prepayment in amount to be determined by CITY, upon request by OWNER/DEVELOPER, for CITY's staff costs in reviewing any refinancing documentation submitted to CITY for CITY's review and approval. Such prepayment shall be submitted by OWNER/DEVELOPER prior to CITY commencing any review. It is estimated that the prepayment will be ten thousand dollars ($10,000.00). OWNER/DEVELOPER shall not be entitled to receive a refund of any such fee in the event that OWNER/DEVELOPER fails to complete such refinancing.

48. **TENANT MONITORING FEE.** Commencing one (1) year after the date of the final Certificate of Occupancy for the Project and annually thereafter, OWNER/DEVELOPER shall pay to CITY, not later than March 31 of each year, a tenant monitoring fee equal to FORTY DOLLARS ($40) for each occupied, rent restricted, apartment unit within the Project, with such fee to be adjusted to reflect the Project's actual occupancy rate. The fee for each unit shall be prorated over the portion of the year that the unit was occupied or leased. A penalty of ten percent (10%) per month shall be assessed against any fee not paid when due.

49. **PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM.** During the term of this AGREEMENT, OWNER/DEVELOPER agrees to accept tenants who qualify under the Housing Choice Voucher ("HCV") program administered by the Roseville Housing Authority (the "Authority") or its successor.

50. **CHECKLIST FOR REGULATED UNITS.** OWNER/DEVELOPER agrees that each prospective tenant, prior to rental of a Regulated Unit, shall be required to complete forms required by **Exhibit C**, or OWNER/DEVELOPER'S equivalent as approved in writing by CITY.

[Signatures Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the Effective Date.

City of Roseville,
a municipal corporation:

By: _____
DOMINICK CASEY
City Manager

ATTEST:

By: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

By: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
MELISSA ANGUIANO
Economic Development Director

DF Properties,
a California corporation,

By: _____
Kenneth Denio
President

AND

By: _____
Jeffrey Ronten
Executive Vice President/CFO

(notorization required)

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta ,
(here insert name and title of the officer)

personally appeared Kenneth Denio

,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

_____ ,

containing _____ pages, and dated _____ .

The signer(s) capacity or authority is/are as:

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

_____ .

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

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State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Jeffrey Ronten

,

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.

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- ☐ Partner - Limited/General
- ☐ Trustee(s)
- ☐ Other: _____

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

_____.

Additional Information

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Page # _____ Entry # _____

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Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

Lot 16, Block 1, as shown on the map of "Roseville Heights", filed for recorded January 9, 1907 in Book "A" of Maps at page 51, Placer County Recorders Office.

APN# 012-181-006-000

EXHIBIT B
OCCUPANCY AND RENT RESTRICTIONS

	Two Bedroom	
Maximum Household Income as Percentage of AMI	Number of Units	Initial Qualifying Rent (Gross)
80%	2	$1,813
Non-Rent Restricted On Site Management		N/A
TOTAL	2	

EXHIBIT C
CHECKLIST FOR AFFORDABLE RENTAL UNITS

The following documentation must be present in the Tenant's file (in a form approved by the Housing Manager) for an "affordable renter."

____ Certification of Affordable Rental Unit Eligibility Form

____ Calculation of Tenant Eligibility Form

____ Record of Rental Increases

____ Written, third party verification of all income sources, including:

- ____ Employment
- ____ Self-employment (tax return and profit & loss statement for current year)
- ____ Unemployment
- ____ AFDC (Welfare) Benefits
- ____ Child Support
- ____ Alimony
- ____ Social Security Benefits
- ____ Supplemental Security Income (SSK)
- ____ VA or Military Benefits
- ____ Pensions and/or Annuities
- ____ Retirement Funds
- ____ Savings Accounts (Interest Income)
- ____ Checking Accounts
- ____ Government Grants
- ____ Trust Funds
- ____ Stocks & Bonds (Cash Value)
- ____ Life Insurance (Cash Value)

Name _____ **Complex** _____

Title _____ **Date** _____

CERTIFICATION OF RESIDENT ELIGIBILITY

Re: _____ Apt. # _____
Apartment Complex

I/we have read and answered truthfully, fully frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit (complete sections 1-5 for each household member):

1) Name of Member of the Household	2) Relationship to Head of Household	3) Age	4) Social Security No.	5) Place of Employment (if applicable)

CERTIFICATION OF RESIDENT ELIGIBILITY (cont.)

INCOME COMPUTATION

6) The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is $_____.

Included in the total anticipated income listed above are:

a. All wages and salaries, overtime pay, commissions, fees and other compensation for personal services, before payroll deductions.

Excluded from such anticipated income are:

a. Casual, sporadic or irregular gifts;

b. Amounts which are specifically for or in reimbursement of medical expenses;

c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses;

d. Amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;

e. Hazardous duty pay to a family member in the Armed Forces who is away from home and exposed to hostile fire;

f. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

g. Foster child care payments;

h. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977.

7) This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we

declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

8) I/We will assist the Owner in obtaining any information or documents required to verify the statement made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9) I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____day of _____in the City of _____California.

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

[All persons listed in number 2 above, except children under the age of 18 must sign this form]

CALCULATIONS OF TENANT ELIGIBILITY
FOR AFFORDABLE RENTAL FORM

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME: _____ UNIT # _____

SOURCE	MONTHLY	ANNUAL
Social Security	$ _____	$ _____
Social Security	$ _____	$ _____
Civil Service	$ _____	$ _____
Pension _____	$ _____	$ _____
Interest _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Child Support	$ _____	$ _____
Welfare	$ _____	$ _____
Stocks/Bonds	$ _____	$ _____
Other _____	$ _____	$ _____
Other _____	$ _____	$ _____
TOTAL INCOME	**$ _____**	**$ _____**
	Monthly base rent	$ _____
	Move-in date	_____

BY

TITLE _____

DATE _____

AFFORDABLE TENANT
RECORD OF RENTAL INCREASES

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME _____ APT. NO. _____

MOVE-IN DATE _____ INITIAL BASE RENT $_____

ANNUAL INCOME $_____

DATE OF INCREASE	CURRENT RENT		ANNUAL ADJUSTMENT FACTOR		NEW RENT
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____

CURRENT RENT _____ _____

NEW RENT _____ _____

RESOLUTION NO. 22-058

APPROVING AN AFFORDABLE RENTAL HOUSING AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DF PROPERTIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an Affordable Rental Housing Agreement regarding the real property located at 141-145 Duranta Street, Roseville, CA, by and between the City of Roseville and DF Properties, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said Affordable Rental Housing Agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this____day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

NO FEE DOCUMENT
PER GOVT. C. §27383

RECORDING REQUESTED BY
City of Roseville

AND WHEN RECORDED, MAIL TO:
City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

AFFORDABLE RENTAL HOUSING AGREEMENT

(Project: APN: 012-142-004-000
141-145 Duranta Street)

This Affordable Rental Housing Agreement ("AGREEMENT") is made this _____ day of _____, 2022 ("Effective Date"), by and between the City of Roseville, a municipal corporation ("CITY"), and DF Properties, Inc., a California corporation ("OWNER/DEVELOPER").

RECITALS

A. On June 13, 2013, CITY approved the updated Housing Element of the General Plan which applies ten percent (10%) affordability requirement to all new specific plan areas or properties for which zoning is amended to change residential density.

B. The OWNER/DEVELOPER is receiving the benefit of land entitlements through the Specific Plan and Development Agreement process or by amendment of the zoning of the property to change residential density.

C. On November 2, 2020, CITY approved a Small Lot Subdivision Map (PL20-0098). The conditions of approval require that eighteen (18) units be developed and rented at rental rates affordable to very low and low income households (the "Regulated Units").

D. The conditions of approval require OWNER/DEVELOPER to enter into an affordable housing rental agreement to the satisfaction of City Attorney of CITY, implementing the affordable housing obligations of OWNER/DEVELOPER.

E. Pursuant to Section 1(e) of the First Amendment of Development Agreement – Sierra Vista Specific Plan, executed by the parties on February 3, 2021 and recorded on April 13, 2021 by the Placer County Recorder as Document 2021-0050636, the parties agreed to transfer OWNER/DEVELOPER's affordable housing obligations to the Infill Area. OWNER/DEVELOPER and CITY enter into this AGREEMENT in order to implement OWNER/DEVELOPER'S affordable housing obligations.

F. OWNER/DEVELOPER has secured the possession of real property located at 141-145 Duranta Street, Roseville, California, 95678, also referred to as Assessor's Parcel Number 012-142-004-000 (as more particularly described in **Exhibit A** (the "Property"). OWNER/DEVELOPER proposes to develop and construct a Seven (7) unit rental housing apartment project (the "Project") on the Property, that shall be rented at rents that are affordable to Very Low income households (the "Regulated Units"). The Project is intended to serve as a community resource by providing decent, safe, and sanitary housing for households which would otherwise be unable to afford such housing.

G. The purpose of this AGREEMENT is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the people of the City of Roseville. The covenants in this AGREEMENT are intended to run with the land and be binding on OWNER/DEVELOPER and OWNER/DEVELOPER's successors in interest for the full term of this AGREEMENT.

NOW, THEREFORE, OWNER/DEVELOPER and the CITY hereby agree as follows:

DEFINITIONS

The following terms have the meanings set forth in herein wherever used in this AGREEMENT or attached exhibits.

1. **"CITY"** means the City of Roseville, a municipal corporation.

2. **"AREA MEDIAN INCOME"** (referred to herein as "AMI") means the median income for the Metropolitan Statistical Area which includes the City of Roseville ("MSA"), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, or such other method of median income calculation applicable to the City of Roseville that HUD may hereafter adopt in connection with said Act. If HUD should cease making such determination, the City may designate another method of calculation of area median income used by any federal or state agency and applicable to the City of Roseville.

3. **"OWNER/DEVELOPER"** means DF Properties, Inc., a California corporation, together with its permitted successors and assigns.

4. **"PROJECT"** means the development, construction and operation of a residential, multi-family rental apartment project on the Property, to be rented at rents that are affordable to Very Low income households.

5. **"PROPERTY"** means the real property located at 141-145 Duranta Street, Roseville, California, 95678 identified and described in **Exhibit A**, attached hereto and incorporated into this AGREEMENT by this reference, and any buildings or improvements now or hereafter situated on such real property.

6. **"QUALIFYING HOUSEHOLD"** means a household in which household income does not exceed the percentage of Area Median Income prescribed for the applicable housing unit by the terms of this AGREEMENT.

7. **"QUALIFYING RENT"** means the maximum monthly rent allowed under **Exhibit B** "adjusted for family size appropriate to the unit" (as such term is defined by Health and Safety Code sections 50052.5 and 50053) including a reasonable allowance for tenant-paid utilities (also known as Utility Allowance). During the period a regulatory agreement governing the allocation and award of any federal tax credits is in effect, Qualifying Rent may be determined in accordance with such regulatory agreement and 26 U.S.C., Section 42, for initial occupancy of tenants.

8. **"REGULATED UNITS"** means seven (7) rental dwelling units of the seven (7) rental dwelling units on the Property constructed for the Project, that shall be rented at rents that are affordable to Very Low income households and having the following composition: six (6) studio units and one (1) one-bedroom unit.

OWNER/DEVELOPER'S OBLIGATIONS

9. **TERM OF AGREEMENT.** This AGREEMENT shall commence upon the Effective Date and shall remain in full force and effect for fifty-five (55) years after the date OWNER/DEVELOPER obtains a Certificate of Occupancy from CITY for the Project or, in the event the Project has multiple buildings or structures, a Certificate of Occupancy for the last habitable building or structure for the Project. The obligations in this AGREEMENT shall remain effective and fully binding on OWNER/DEVELOPER for this full term regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the CITY in a recorded writing.

10. **LEGAL INTEREST IN PROJECT**. OWNER/DEVELOPER represents that is has legal interest in the Subject Property and that all other persons holding legal or equitable interests in the Subject Property have signed an "Acknowledgement and Consent Certificate", in a form approved by the City Attorney of the CITY, acknowledging and consenting to the terms of this AGREEMENT. All persons holding any legal or equitable interest in the Subject Property shall be bound by this AGREEMENT.

PROJECT OCCUPANCY AND RENTS

11. **OCCUPANCY OF PROJECT.** OWNER/DEVELOPER shall limit, for the full term of this AGREEMENT identified in Section 9, above, the rental of Regulated Units to Qualifying Households according to the schedule contained in **Exhibit B** herein, which is hereby incorporated by reference into this AGREEMENT. The income levels and other qualifications of applicants shall be certified prior to initial occupancy in conformance with the Final Management Plan identified in Section 18C, below, and the City of Roseville's rules governing income certification, as these rules may be amended from time to time by California law or as required in order to comply with California law. Specifically, OWNER/DEVELOPER covenants and agrees that for the full term of this Agreement it shall reserve for occupancy: six (6) studios and one (1) one-bedroom Regulated Units for households whose income does not exceed fifty percent (50%) of AMI.

The Project shall be owned, managed and operated as a single, multi-family residential rental project, which may be comprised of several buildings and structures, each consisting of more than one residential dwelling unit, together with facilities functionally related and subordinate thereto, in accordance with the applicable provisions of the Internal Revenue Code and applicable California law, as the same may be amended from time to time. All of the residential dwelling units in the Project will be similarly constructed and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family, including sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. None of the residential dwelling units shall be utilized, at any time, on a transient basis. Neither the Project, nor any portion thereof, shall ever be used as a hotel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

12. **PROJECT RENTS.** Rents for Regulated Units shall be limited to Qualifying Rents as set forth in **Exhibit B** as the same may be revised from time to time in accordance with this AGREEMENT and applicable federal or state laws and regulations. Rent shall be no greater than considered "affordable rent" for the applicable household pursuant to Section 50053 of the California Health and Safety Code, as amended, or any successor statute thereto. Nothing in this AGREEMENT shall prevent OWNER/DEVELOPER from charging lower rents.

13. **RENTAL INCREASES FOR EXISTING TENANTS ON THE PROPERTY.** Irrespective of when income limits are published under Tax Credit Law, rents for Regulated Units may be adjusted no more frequently than: (a) twelve (12) months following the date of initial occupancy or (b) every twelve (12) months following the last permissible date of recorded rental adjustment. Additionally, in no event shall the amount of annual rent increase exceed the amount of annual rent increase allowed by Tax Credit Law. Rents for Regulated Units may be adjusted annually to coincide with the increases in the Annual Adjustment Factors (AAF) as published by the United States Department of Housing and Urban Development (HUD) for the West Region.

In the event HUD terminates publication of the AAF, rents shall be adjusted annually to coincide with the annual percentage increase for residential rent as shown in the "rent, Residential" component of the Housing component in the Consumer Price Index for all urban consumers in the San Francisco-Oakland area. If OWNER/DEVELOPER does not agree with the adjustment factors provided herein, OWNER/DEVELOPER may, within fifteen (15) calendar days of notification by CITY's Housing Manager ("the HM") of that year's adjustment, present to the HM information on which it wishes to base its annual rent adjustment. The HM will review this information and decide on which adjustment factor OWNER/DEVELOPER shall base its annual rent increase. The decision of the HM shall be final.

14. **CONDOMINIUM CONVERSION PROHIBITED.** OWNER/DEVELOPER shall not convert Project units, including Regulated Units and/or any unregulated units, to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Project units.

15. **NONDISCRIMINATION.** OWNER/DEVELOPER shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Project units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, gender, gender identity, gender expression, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. OWNER/DEVELOPER shall include a statement in all advertisements, notices, and signs for the availability of Project units for rent to the effect that OWNER/DEVELOPER is an Equal Housing Opportunity Provider. OWNER/DEVELOPER shall further ensure and require that any contractor or subcontractor engaged in work on the Project shall provide equal opportunity for employment without discrimination as to race, sex, marital status, color, religion, sexual orientation, source of income, national origin or ancestry.

16. **MANAGEMENT RESPONSIBILITIES.** OWNER/DEVELOPER is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CITY shall have no responsibility over management of the Property.

17. **MANAGEMENT ENTITY.** The CITY shall have the right to review and approve the management entity chosen by OWNER/DEVELOPER for the Property and, with the prior written consent of the Senior Lenders and the tax credit investor (if applicable), shall have the right to require a change in the management agent for the Project in the event OWNER/DEVELOPER is in default under the AGREEMENT. Any contracting of management services by OWNER/DEVELOPER shall not relieve OWNER/DEVELOPER of its primary responsibilities for proper performance of management duties. The CITY approves of the use of DF Properties, Inc., a California corporation, engaged in the provision of multi-family residential and commercial

property management services, as the designated initial management entity for the Project.

18. **DRAFT AND FINAL MANAGEMENT PLANS.**

A. **DRAFT MANAGEMENT PLAN.** OWNER/DEVELOPER shall prepare and submit to CITY a Draft Management Plan for CITY's review and approval. The Draft Management Plan shall be submitted to CITY at least one hundred eighty (180) calendar days prior to the anticipated date for completion of construction of the Project. The Draft Management Plan shall contain, but is not limited to, specific statement as to (1) the identity, experience and duties regarding operation of the Project of any non- profit, public benefit corporation who is a partner of OWNER/DEVELOPER; (2) marketing policies and strategies; (3) tenancy occupancy rules and regulations; (4) rental procedures and tenant income limitation; (5) eviction procedures; (6) operating policies and guidelines; (7) reserve account policies; (8) maintenance and capital improvement policies; and (9) shall provide as an exhibit thereto a sample form of lease agreement. Upon transfer of the Project of OWNER/DEVELOPER'S interest in the Project, the party to who the Project is transferred shall, as a condition of such transfer, provide CITY with a copy of such party's Management Plan for the Project, which plan shall provide statements as called for herein.

B. **CITY REVIEW OF DRAFT MANAGEMENT PLAN.** Upon submittal of the Draft Management Plan by OWNER/DEVELOPER to CITY the CITY shall review the Draft Management Plan and provide written comments to OWNER/DEVELOPER within ninety (90) calendar days or as soon thereafter as is practicable.

C. **FINAL MANAGEMENT PLAN.** Prior to issuance of any Certificate of Occupancy for the Project, OWNER/DEVELOPER shall submit a Final Management Plan to the CITY for its review and final approval no later than thirty (30) calendar days prior to the anticipated date for completion of construction of the Project.

Notwithstanding the foregoing, the CITY shall have the right to review and approve any proposed amendments to OWNER/DEVELOPER's contract with its management firm, or any new management contracts, during the term of this AGREEMENT; provided, however, that the CITY's approval shall not be required for a renewal of the initial management contract.

19. **MANAGEMENT AGENT**. The Project shall at all times be managed by an experienced Management Agent reasonably acceptable to CITY, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe and sanitary housing. During the monitoring as described in Section 25, CITY will assess Management Agent's ability to operate the Project in a decent, safe and sanitary manner. One factor CITY will use to make its assessment will be a comparison of calls for police and fire services with other rental complexes in Roseville which offer similar services.

OWNER/DEVELOPER shall submit for CITY's approval the identity of any proposed Management Agent. OWNER/DEVELOPER shall also submit such additional information about the background, experience, and financial condition of any proposed Management Agent as is reasonably necessary for CITY to determine whether the proposed Management Agent meets the standards for a qualified Management Agent set forth above.

If the proposed Management Agent meets the standards for a qualified Management Agent set forth above, CITY shall approve the proposed Management Agent by notifying OWNER/DEVELPER in writing. Unless the proposed Management Agent is disapproved by CITY within thirty (30) days of said submission of identity and qualifications of proposed Management Agent, which disapproval shall state reasonable specificity the basis for disapproval it shall be deemed approved, DF Properties, Inc., a California corporation is hereby approved by the CITY as the initial Management Agent.

20. **DISMISSAL OF MANAGEMENT AGENT**. Within fifteen (15) days from OWNER/DEVELOPER'S receipt of any recommendation by CITY staff to dismiss the Management Agent, OWNER/DEVELOPER shall either dismiss the Management Agent or request a public meeting to discuss such recommendation. If, after conducting a requested public meeting, the CITY Council supports said recommendation of CITY staff, OWNER/DEVELOPER shall promptly dismiss the Management Agent and shall appoint as the new Management Agent a person or entity which meets the standards for Management Agent and is approved by CITY as set forth in Section 19.

21. **MAINTENANCE AND SECURITY.** OWNER/DEVELOPER shall at its own cost and expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable, and tenantable living condition for the benefit of Project occupants. OWNER/DEVELOPER shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. OWNER/DEVELOPER shall provide adequate ongoing security equipment and services for Project occupants. OWNER/DEVELOPER shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Management Plan; but OWNER/DEVELOPER's maintenance obligations shall not be limited only to the standards contained in these laws or the Management Plan.

In the event the OWNER/DEVELOPER fails to maintain the Property in accordance with the foregoing standards, and after at least seven (7) calendar days' prior written notice to OWNER/DEVELOPER and the Senior Lenders, the CITY or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in CITY's reasonable discretion (with the prior written consent of the Senior Lenders), and provide for payment thereof. Any amount advanced by CITY to make such repairs, together with the maximum legal interest rate thereon from the date of such shall become an additional obligation of OWNER/DEVELOPER to CITY shall be immediately due and payable to CITY.

22. **UNIT VACANCIES.** OWNER/DEVELOPER shall use its best efforts to fill vacancies in Regulated Units as quickly as possible.

23. **INSPECTION AND RECORDS.** OWNER/DEVELOPER shall maintain records which clearly document OWNER/DEVELOPER's performance of its obligations to operate the Property and the Project under the terms of this AGREEMENT. OWNER/DEVELOPER shall submit any records to the CITY within ten (10) business days of CITY's request. OWNER/DEVELOPER shall permit CITY to enter and inspect the Property and the Project for compliance with obligations under this AGREEMENT upon twenty-four (24) hours advance notice of such visit by CITY to OWNER/DEVELOPER or OWNER/DEVELOPER's management agent and to tenants of any inspected Project units, subject to the provisions of the lease regarding inspection and entry rights, which provisions must otherwise be consistent with state law.

24. **ANNUAL REPORT.** OWNER/DEVELOPER shall submit an annual report to CITY as required by California Health and Safety Code Section 33418, which shall include at a minimum for each Regulated Unit the rental rate and the income and household size of the occupants. The income information required under this report shall be supplied by the tenant in a certified statement on a form provided by CITY. CITY may request additional information be included in the annual report.

25. **MONITORING/NON-COMPLIANCE/CURE**. OWNER/DEVELOPER'S compliance with the provisions of this AGREEMENT shall be reviewed at least annually, and at such other times as CITY may require, upon thirty (30) days prior written notice from CITY. During any such review, OWNER/DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this AGREEMENT. If, as a result of such review, CITY finds and determines that OWNER/DEVELOPER has not complied in good faith with the terms and conditions of this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER of its findings and of the exact nature of OWNER/DEVELOPER'S non-compliance. OWNER/DEVELOPER shall be given a period of sixty (60) days after delivery of any such notice in which to cure, to the reasonable satisfaction of CITY, any non-compliance. In the event CITY fails to give OWNER/DEVELOPER notice of any non-compliance at or before the annual review, OWNER/DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this AGREEMENT during the year covered by the annual review.

26. **CITY REMEDIES FOR BREACH**. If OWNER/DEVELOPER is unable or otherwise fails to cure any non-compliance within sixty (60) days after CITY delivers notice of non-compliance pursuant to Section 25, CITY may, in addition to any other remedy provided by law or equity, modify or terminate this AGREEMENT, revoke the Project approval, seek liquidated damages in accordance with this AGREEMENT, or take any other action available to it under this AGREEMENT.

In particular, and without limitation by reason of enumeration, OWNER/DEVELOPER acknowledges and agrees that failure to cure any non-compliance under this AGREEMENT, whether by OWNER/DEVELOPER or any successor, shall, at the option of the CITY, constitute a breach and default under this AGREEMENT as to all other property within the Project.

In addition, and without limitation by reason of enumeration, OWNER/DEVLOPER acknowledges and agrees that CITY shall have the right to withhold issuance of all building permits within the Project until such breach is cured.

In the event of any breach/default or violation of any agreement, obligation, or warranty under this AGREEMENT, CITY shall give written notice to OWNER/DEVELOPER, with copies to any Senior Lenders, if applicable: (a) the nature of the breach or violation, (b) the action required to cure the breach or violation, and (c) a date, which shall not be less than thirty (30) calendar days from the date of the notice, by which such action to cure must be taken. If OWNER/DEVELOPER fails to cure the breach or violation within the time frame specified in the notice CITY additionally has the right, at its sole election, to:

A. Bring an action for equitable relief seeking the specific performance by OWNER/DEVELOPER of the terms and conditions of this AGREEMENT, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property and the Project, and continue in possession until such time as CITY in its sole judgment determines that OWNER/DEVELOPER is in a position to operate the Property and the Project in compliance with this AGREEMENT;

C. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

D. For violations of OWNER/DEVELOPER's obligations with respect to occupancy restrictions, Project maintenance, and unit vacancies, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount of ONE THOUSAND DOLLARS ($1,000) per day for each Project unit that is not operated in compliance with this AGREEMENT;

E. For violations of OWNER/DEVELOPER's obligations with respect to Project rents, impose as liquidated damages a charge upon OWNER/DEVELOPER in an amount equal to the actual amount OWNER/DEVELOPER has collected from any Qualifying Household in excess of the Qualifying Rent;

F. Pursue any other remedy allowed at law or in equity.

CITY's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by CITY of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this AGREEMENT or now or hereafter existing at law or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

The parties agree that the sums and formulas designated herein as liquidated damages represent a reasonable approximation of the damages CITY is likely to suffer from violations of the respective terms. OWNER/DEVELOPER agrees to pay in full any accrued liquidated damages to CITY within ten (10) calendar days of a written demand by CITY for such payment.

27. **FEES, TAXES, AND OTHER LEVIES.** OWNER/DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Project, and shall pay such charges prior to delinquency. However, OWNER/DEVELOPER shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings, and (b) OWNER/DEVELOPER maintains reserves adequate to pay any contested liabilities.

28. **INSURANCE COVERAGE.** OWNER/DEVELOPER shall cause to have in full force and effect during the term of this AGREEMENT continuous insurance coverage as required by any lienholder.

29. **PROPERTY DAMAGE OR DESTRUCTION.** If any building or improvement erected by OWNER/DEVELOPER on the Property is damaged or destroyed, subject to the requirements of the Senior Lenders, OWNER/DEVELOPER shall, at its own cost and expense, repair or restore the Property consistent with the original Plans and Specifications for the Project. Such work shall be commenced within one hundred twenty (120) calendar days after the damage or loss occurs and shall be completed within three hundred and sixty-five (365) calendar days thereafter. Subject to the requirements of the Senior Lenders, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if insurance proceeds are insufficient for such purpose, OWNER/DEVELOPER shall make up the deficiency.

GENERAL PROVISIONS

30. **SUBORDINATION.** Except as expressly set forth herein, this AGREEMENT shall not be subordinated in priority to any other interest in the Property that was not recorded on or prior to the date of recordation of this Agreement, unless the CITY expressly consents, in writing, to the subordination or junior priority of this AGREEMENT. Such consent, if any, shall be within the CITY's sole discretion, and may only be permitted, if at all, for purposes that conform with the circumstances authorized by California Health and Safety Code section 33334.14(a), and to the extent the proposed subordination does not jeopardize the CITY's security interest in the property and is otherwise consistent and compliant with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project.

31. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this AGREEMENT, OWNER/DEVELOPER shall not make or permit any sale, agreement to sell, assignment, conveyance, lease (other than the rental of Project units to eligible residential tenant occupants), or transfer of the Property or any part thereof, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers"), without the prior written consent of CITY. The limitations on OWNER/DEVELOPER's right of assignment or other transfer contained in this Section 31 shall not apply to any foreclosure, deed in lieu of foreclosure, or other remedial action lawfully taken by any Senior Lender holding a security interest in the Property with priority over the CITY's interests; nor shall they apply to the transfer of limited partner interests in OWNER/DEVELOPER and/or the removal of a general partner or a limited partner pursuant to the terms and conditions of OWNER/DEVELOPER's organizational document.

CITY shall give its consent to a Transfer provided that it determines all of the following conditions are met: (a) OWNER/DEVELOPER is in compliance with this AGREEMENT or the Transfer will cure existing violations of this AGREEMENT; (b) the transferee agrees to assume all obligations of OWNER/DEVELOPER imposed by this AGREEMENT; (c) the transferee demonstrates to CITY's satisfaction that it is capable of owning and/or operating the Property and the Project in full compliance with this AGREEMENT; (d) the terms of the Transfer shall not jeopardize the CITY's security interest in the Property and is otherwise in full compliance with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project; and (e) the Transfer has been approved by CITY's governing body, if such approval is required.

During the term of this AGREEMENT, OWNER/DEVELOPER shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property and/or the Project (except for any financing provided by CITY), without the prior written consent of CITY, which consent may be withheld in CITY's sole discretion. CITY may give its consent to such financing if and only to the extent necessary to maintain or improve the affordability or condition of the Property and/or the Project.

32. **NONLIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS**. No member, official, director, employee, agent or independent contractor of CITY shall be personally liable to OWNER/DEVELOPER or third party beneficiaries for any obligation created under the terms of this AGREEMENT.

33. **INDEMNITY AND WAIVER**. Notwithstanding the insurance coverage required herein, OWNER/DEVELOPER shall indemnify and hold CITY, its members, officials, directors, employees, agents and independent contractors (collectively "Indemnitees"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney's fees) which Indemnitees may incur as a result of (1) OWNER/DEVELOPER's failure to perform any obligations as and when required by this AGREEMENT; (2) any failure of OWNER/DEVELOPER's representations or warranties to be true and complete in any material respect; or (3) any act or omission by OWNER/DEVELOPER or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except to the extent that such losses are caused solely by the negligence or willful misconduct of Indemnitees. The duty of the OWNER/DEVELOPER to indemnify includes the duty to defend Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. OWNER/DEVELOPER's duty to indemnify Indemnitees shall survive the term of this AGREEMENT.

OWNER/DEVELOPER hereby waives any claims, suits, or actions against the CITY on account of or arising from the Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 *et seq.* ("CHRHA"). Furthermore, the parties hereby acknowledge and agree that, without limitation, any Project entitlements, permits, or approvals have conferred upon the OWNER/DEVELOPER and/or the Project either a direct financial contribution or other form of assistance pursuant to Section 1954.52(b) of the CHRHA.

34. **GOVERNING LAW.** This AGREEMENT shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

35. **AGREEMENT CONTROLS**. In the event that any provisions of this AGREEMENT and any of its exhibits, the terms of the AGREEMENT shall control.

36. **ATTORNEYS' FEES AND COSTS**. In the event that a legal or administrative action is brought to interpret or enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

37. **TIME**. Time is of the essence in this AGREEMENT.

38. **CONSENTS AND APPROVALS**. Except as otherwise expressly provided in this AGREEMENT, any consent or approval required under the AGREEMENT shall not be unreasonably withheld or delayed.

39. **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between OWNER/DEVELOPER and CITY shall be given by first class or certified mail, return receipt requested, postage prepaid or delivered personally, to OWNER/DEVELOPER and CITY as follows, or at such other address as a party may designate by written notice to the other party:

City of Roseville
Housing Manager
316 Vernon Street #150
Roseville, CA 95678

DF Properties, Inc.
Attn: Jeff Ronten
2013 Opportunity Drive, Suite 150
Roseville, CA 95678

40. **BINDING UPON SUCCESSORS**. All provisions of this AGREEMENT shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of OWNER/DEVELOPER and CITY, and shall run with the land for the full term of this AGREEMENT. Any successor in interest to OWNER/DEVELOPER and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on OWNER/DEVELOPER under this AGREEMENT for the full term of this AGREEMENT. The term "OWNER/DEVELOPER" as used in this AGREEMENT shall include all such assigns, successors-in-interest, and transferees.

41. **RELATIONSHIP OF PARTIES**. The relationship of OWNER/DEVELOPER and CITY for this Project during the term of this AGREEMENT shall not be construed as a joint venture, equity venture, or partnership. CITY neither undertakes nor assumes any responsibility or duty to OWNER/DEVELOPER or to any third party with respect to the operation of the Property or the actions of OWNER/DEVELOPER. Except as CITY may specify in writing, OWNER/DEVELOPER shall have no authority to act as an agent of CITY or to bind CITY to any obligation.

42. **WAIVER.** Any waiver by CITY of any obligation in this AGREEMENT must be in writing. No waiver shall be implied from any delay or failure by CITY to take action on any breach or default of OWNER/DEVELOPER or to pursue any remedy allowed under this AGREEMENT or applicable law. Any extension of time granted to OWNER/DEVELOPER to perform any obligation under this AGREEMENT shall not operate as a waiver or release from any of its obligations under this AGREEMENT. Consent by CITY to any act or omission by OWNER/DEVELOPER shall not be construed as the consent to any other or subsequent act or omission or to waive the requirement for CITY's written consent to future waivers.

43. **OTHER AGREEMENTS.** OWNER/DEVELOPER represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this AGREEMENT. OWNER/DEVELOPER shall not enter into any agreements that are inconsistent with the terms of this AGREEMENT without an express written waiver by CITY.

44. **AMENDMENTS AND MODIFICATIONS**. Any amendments or modifications to this AGREEMENT must be in writing, and shall be effective only if executed by both OWNER/DEVELOPER and CITY, following receipt of all required approvals, and only with the consent of the Senior Lenders.

45. **SEVERABILITY**. Every provision of this AGREEMENT is intended to be severable. If any provision of this AGREEMENT is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

SPECIAL PROVISIONS

46. **ADMINISTRATIVE FEE.** In the event of OWNER/DEVELOPER's breach or violation of any agreement, obligation or warranty under the AGREEMENT or in the event the Property is transferred in violation of Section 31 of this AGREEMENT, and the Property is exempt from real property taxation, OWNER/DEVELOPER shall pay annually, not later than April 15 of each year, a fee equal to seventeen percent (17%) of the real property tax which would have been paid on the Property if it were subject to real property taxation ("Administrative Fee"). The CITY shall provide the OWNER/DEVELOPER with notice and the right to cure, as set forth in above Section 25, any event which the CITY believes give rise to an obligation to pay the Administrative Fee.

The Administrative Fee shall increase and be adjusted annually by an amount equal to two percent (2%) of each prior year's Administrative Fee, and shall be increased and adjusted further from time to time by the percentage equal to any increase in the Property and/or Project's assessed valuation arising from any sale, transfer or refinancing of the Property and/or Project; provided, however, in the event the Property and/or Project becomes subject to payment of property taxes other than special district taxes, the Administrative Fee shall terminate. The payment of such Administrative Fee shall be in addition to, and not to the exclusion of, the CITY's other remedies contemplated in Section 26 of this AGREEMENT.

47. **REFINANCING REVIEW FEE.** In the event that the Property and/or the Project is a tax credit project and is refinanced during the term of this Agreement, OWNER/DEVELOPER shall provide CITY a prepayment in amount to be determined by CITY, upon request by OWNER/DEVELOPER, for CITY's staff costs in reviewing any refinancing documentation submitted to CITY for CITY's review and approval. Such prepayment shall be submitted by OWNER/DEVELOPER prior to CITY commencing any review. It is estimated that the prepayment will be ten thousand dollars ($10,000.00). OWNER/DEVELOPER shall not be entitled to receive a refund of any such fee in the event that OWNER/DEVELOPER fails to complete such refinancing.

48. **TENANT MONITORING FEE.** Commencing one (1) year after the date of the final Certificate of Occupancy for the Project and annually thereafter, OWNER/DEVELOPER shall pay to CITY, not later than March 31 of each year, a tenant monitoring fee equal to FORTY DOLLARS ($40) for each occupied, rent restricted, apartment unit within the Project, with such fee to be adjusted to reflect the Project's actual occupancy rate. The fee for each unit shall be prorated over the portion of the year that the unit was occupied or leased. A penalty of ten percent (10%) per month shall be assessed against any fee not paid when due.

49. **PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM.** During the term of this AGREEMENT, OWNER/DEVELOPER agrees to accept tenants who qualify under the Housing Choice Voucher ("HCV") program administered by the Roseville Housing Authority (the "Authority") or its successor.

50. **CHECKLIST FOR REGULATED UNITS.** OWNER/DEVELOPER agrees that each prospective tenant, prior to rental of a Regulated Unit, shall be required to complete forms required by **Exhibit C**, or OWNER/DEVELOPER'S equivalent as approved in writing by CITY.

[Signatures Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the Effective Date.

City of Roseville,
a municipal corporation:

By: _____
DOMINICK CASEY
City Manager

ATTEST:

By: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

By: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
MELISSA ANGUIANO
Economic Development Director

DF Properties,
a California corporation,

By: _____
Kenneth Denio
President

AND

By: _____
Jeffrey Ronten
Executive Vice President/CFO

(notorization required)

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Kenneth Denio

,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

_____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

- ☐ Individual(s)
- ☐ Attorney-in-Fact
- ☐ Corporate Officer(s) _____ Title(s)

_____

- ☐ Guardian/Conservator
- ☐ Partner - Limited/General
- ☐ Trustee(s)
- ☐ Other: _____

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

_____.

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On January 24th 2022 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Jeffrey Ronten

,

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.

NRO1 ADRIAN MANUEL DAVID ACOSTA COMM. #2240448 Notary Public - California Placer County My Comm. Expires Apr. 29, 2022 NRO1

Signature Adrian Manuel David Acosta

(Seal)

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containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

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

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

Lot 23 and the Southeasterly 10 feet of Lot 24 further described as: A Strip 10 feet wide, parallel with and adjacent to the line common to Lots 23 and 24, all in Block 28, as said Lots and Block are laid down and so designated upon that certain Map entitled "MAP NO. 2 OF ROSEVILLE HEIGHTS, PLACER COUNTY, CALIFORNIA 1906", filed January 9, 1907, in the Office of the County Recorder of said Placer County.

APN: 012-142-004-000

EXHIBIT B
OCCUPANCY AND RENT RESTRICTIONS

	Studio		One Bedroom	
Maximum Household Income as Percentage of AMI	Number of Units	Initial Qualifying Rent (Gross)	Number of Units	Initial Qualifying Rent (Gross)
50%	6	$963	1	$1,133
Non-Rent Restricted	N/A		N/A	
TOTAL	6		1	

EXHIBIT C
CHECKLIST FOR AFFORDABLE RENTAL UNITS

The following documentation must be present in the Tenant's file (in a form approved by the Housing Manager) for an "affordable renter."

____ Certification of Affordable Rental Unit Eligibility Form

____ Calculation of Tenant Eligibility Form

____ Record of Rental Increases

____ Written, third party verification of all income sources, including:

- ____ Employment
- ____ Self-employment (tax return and profit & loss statement for current year)
- ____ Unemployment
- ____ AFDC (Welfare) Benefits
- ____ Child Support
- ____ Alimony
- ____ Social Security Benefits
- ____ Supplemental Security Income (SSK)
- ____ VA or Military Benefits
- ____ Pensions and/or Annuities
- ____ Retirement Funds
- ____ Savings Accounts (Interest Income)
- ____ Checking Accounts
- ____ Government Grants
- ____ Trust Funds
- ____ Stocks & Bonds (Cash Value)
- ____ Life Insurance (Cash Value)

Name _____ **Complex** _____

Title _____ **Date** _____

CERTIFICATION OF RESIDENT ELIGIBILITY

Re: _____ Apt. # _____
Apartment Complex

I/we have read and answered truthfully, fully frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit (complete sections 1-5 for each household member):

1) Name of Member of the Household	2) Relationship to Head of Household	3) Age	4) Social Security No.	5) Place of Employment (if applicable)

CERTIFICATION OF RESIDENT ELIGIBILITY (cont.)

INCOME COMPUTATION

6) The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is $_____.

Included in the total anticipated income listed above are:

a. All wages and salaries, overtime pay, commissions, fees and other compensation for personal services, before payroll deductions.

Excluded from such anticipated income are:

a. Casual, sporadic or irregular gifts;

b. Amounts which are specifically for or in reimbursement of medical expenses;

c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses;

d. Amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;

e. Hazardous duty pay to a family member in the Armed Forces who is away from home and exposed to hostile fire;

f. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

g. Foster child care payments;

h. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977.

7) This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we

declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

8) I/We will assist the Owner in obtaining any information or documents required to verify the statement made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9) I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____day of _____in the City of _____California.

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

_____
Applicant

[All persons listed in number 2 above, except children under the age of 18 must sign this form]

CALCULATIONS OF TENANT ELIGIBILITY
FOR AFFORDABLE RENTAL FORM

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME: _____ UNIT # _____

SOURCE	MONTHLY	ANNUAL
Social Security	$ _____	$ _____
Social Security	$ _____	$ _____
Civil Service	$ _____	$ _____
Pension _____	$ _____	$ _____
Interest _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Wages _____	$ _____	$ _____
Tips _____	$ _____	$ _____
Child Support	$ _____	$ _____
Welfare	$ _____	$ _____
Stocks/Bonds	$ _____	$ _____
Other _____	$ _____	$ _____
Other _____	$ _____	$ _____
TOTAL INCOME	**$ _____**	**$ _____**
	Monthly base rent	$ _____
	Move-in date	_____

BY

TITLE _____

DATE _____

AFFORDABLE TENANT
RECORD OF RENTAL INCREASES

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME _____ APT. NO. _____

MOVE-IN DATE _____ INITIAL BASE RENT $_____

ANNUAL INCOME $_____

DATE OF INCREASE	CURRENT RENT		ANNUAL ADJUSTMENT FACTOR		NEW RENT
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____
_____	$_____	X	1._____	=	$_____

CURRENT RENT _____ _____

NEW RENT _____ _____

COUNCIL COMMUNICATION

CC #: 1945
File #: 0200

Title:	Financial Advisory Services - Professional Services Agreement
Contact:	Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.3.

RECOMMENDATION TO COUNCIL

Staff recommends City Council adopt a resolution authorizing the City Manager to execute a professional services agreement with Hilltop Securities, Inc. for financial advisory services.

BACKGROUND

From time to time, the City has a need for financial advisory services related to issuing bonds that are highly technical and require the services of a financial advisor with specialized expertise. Each bond transaction can be complex and requires a specialized skillset to help the City mitigate risk, make informed decisions and achieve the lowest overall cost of capital. In addition the City also has the need for a wide variety of financial advisor expertise and advice in the many financial functions the City is involved with on a daily basis. The City issued a Request for Proposals (RFP) for Municipal Advisory Services in October 2021 and received several proposals in response. After City staff reviewed the proposals and interviewed the highest ranking proposers, staff recommends contracting with Hilltop Securities, Inc. for municipal advisor services. Hilltop Securities is the City's current municipal advisor and, after going through the RFP process, City staff agree that they remain the best fit for the City based on the RFP criteria.

FISCAL IMPACT

The total not-to-exceed amount of the agreement is $675,000 through February 28, 2025. The professional services agreement has two components. The first component is an annual retainer of $75,000 for providing general financial advisory services. The budget for the retainer is included in the Finance Department's approved FY2021-22 General Fund budget, and will be included in future fiscal year proposed budgets. The second component is for providing specific financial advisory services rendered in the process of issuing a series of bonds. The agreement is for a flat fee of $25,000 per bond issuance. These expenses are a component of typical "bond issuance costs". Payment of bond issuance costs are typically contingent upon issuance of bonds and are routinely paid from bond proceeds, thus they are not an expense to the General Fund. The total dollar value of this component of the agreement will be dependent upon the number of

bond issuances during each fiscal year.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) only applies to projects which have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. (CEQA Guidelines §15061(b)(3)).

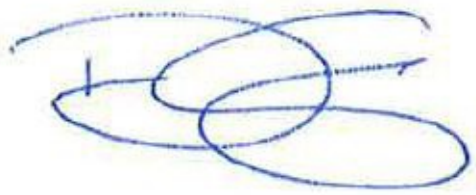
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal A - Remain fiscally responsible in a changing world
Goal F - Invest in well-planned infrastructure and growth

Respectfully Submitted,

Jeannine Thrash, Management Analyst

Dennis Kauffman, Assistant City Manager/Chief Financial Officer



_____
Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution 22-052

Professional Services Agreement-Financial Advisory Services

RESOLUTION NO. 22-052

APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND HILLTOP SECURITIES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a professional services agreement for financial advisory services, by and between the City of Roseville and Hilltop Securities, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said professional services agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this____day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

PROFESSIONAL SERVICES AGREEMENT

Financial Advisory Services

THIS AGREEMENT is made and entered into this ___ day of _____, 20__, by and between the City of Roseville, a municipal corporation ("CITY"), and Hilltop Securities Inc., a Delaware corporation ("CONSULTANT"); and

W I T N E S S E T H:

WHEREAS, CITY issued Request for Proposal #10-023 for professional services to serve as municipal advisor for the City of Roseville; and

WHEREAS, CONSULTANT has prepared a response to the Request for Proposal dated December 2, 2021, which describes the scope of services to be performed by CONSULTANT, the budget for the work, and the schedule for performance of the work; and

WHEREAS, CONSULTANT is qualified and experienced to provide such professional services.

NOW, THEREFORE, the parties agree as follows:

1. Term. The term of this Agreement shall commence upon execution and expire on February 28, 2025. The City Manager may, in his or her discretion, elect to extend the Agreement in one (1) year increments for up to an additional two (2) years by giving CONSULTANT thirty (30) days advance written notice of each optional one (1) year renewal. Such extensions shall be memorialized by a written amendment to this Agreement.

2. Services. CONSULTANT shall perform, at the direction of CITY, the scope of services as described in EXHIBIT "A," attached hereto and incorporated herein by this reference.

3. Compensation. For its services provided hereunder, CONSULTANT shall be compensated on a time and expense basis in accordance with the hourly rates as described in EXHIBIT "B," attached hereto and incorporated herein by this reference. Any proposed increase in the effective rates for future services must be preceded by at least a 90-day written notice to the contracting department. Total compensation shall not exceed two hundred twenty-five thousand dollars per year ($225,000) for an overall total compensation for the initial term not to exceed six hundred seventy-five thousand dollars ($675,000). Total compensation for optional renewal years of this Agreement shall not exceed two hundred twenty five thousand dollars per year ($225,000). Adjustment to the total compensation per year shall require a written amendment to this Agreement, subject to approval by the City Council.

CONSULTANT shall submit one monthly invoice for its services. Such invoices shall be delineated by task, the person performing the services, and the hourly rate, which shall be stated in time increments of not greater than one tenth (1/10) hours. CITY shall pay invoices within thirty (30) days after receipt, if the services specified in the invoice have been satisfactorily completed.

4. Indemnification. To the fullest extent allowed by law, CONSULTANT shall defend, indemnify, and save and hold harmless CITY, its officers, agents, employees and volunteers from any claims, suits or actions of every name, kind and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the public), or damage to property, resulting from or arising out of CONSULTANT's willful

misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Agreement, except those matters arising from CITY's sole negligence or willful misconduct. The parties intend that this provision shall be broadly construed.

CONSULTANT agrees to defend and indemnify CITY if, despite the parties intent and practice, any venue, agency, or court with competent jurisdiction determines that CONSULTANT and/or any of its agents, officers, employees, volunteers, independent contractors, or subcontractors, are characterized as employee(s) of CITY.

CONSULTANT's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnity obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

5. Insurance. CONSULTANT agrees to continuously maintain, in full force and effect, the following minimum policies of insurance during the term of this Agreement.

COVERAGE	LIMITS OF LIABILITY
Workers' Compensation	Statutory
Commercial General Liability	$1,000,000 each occurrence $2,000,000 aggregate Personal Injury: $1,000,000 each occurrence $2,000,000 aggregate
Automobile Liability	$1,000,000 combined single limit
Professional Liability (errors and omissions)	$1,000,000 per claim $2,000,000 aggregate

a. Form. CONSULTANT shall submit a certificate evidencing such

coverage for the period covered by this Agreement in a form satisfactory to Risk Management and the City Attorney, prior to undertaking any work hereunder. Any insurance written on a claims made basis is subject to the approval of Risk Management and the City Attorney.

b. Additional Insureds. CONSULTANT shall also provide a separate endorsement form or section of the policy showing CITY, its officers, agents, employees and volunteers as additional insureds for each type of coverage, except for Workers' Compensation and Professional Liability. Such insurance shall specifically cover the contractual liability of CONSULTANT. The additional insured coverage under the CONSULTANT's policy shall be primary and noncontributory, as evidenced by a separate endorsement or section of the policy, and shall not seek contribution from CITY's insurance or self-insurance. In addition, the additional insured coverage shall be at least as broad as the Insurance Services Office ("ISO") CG 20 01 Endorsement. Any available insurance proceeds in excess of the specified minimum insurance coverage requirements and limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the full coverage and maximum limits of any insurance proceeds available to the named insureds, whichever is greater.

c. Cancellation/Modification. CONSULTANT shall provide ten (10) days written notice to CITY prior to cancellation or modification of any insurance required by this Agreement.

d. Umbrella/Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and excess insurance. Any excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply

on a primary and noncontributory basis for the benefit of CITY (if agreed to in a written contract) before CITY's own insurance shall be called upon to protect it as a named insured.

e. Subcontractors. CONSULTANT agrees to include in its contracts with all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Furthermore, CONSULTANT shall require its subcontractors to agree to be bound to CONSULTANT and CITY in the same manner and to the same extent as CONSULTANT is bound to CITY under this Agreement. Additionally, CONSULTANT shall obligate its subcontractors to comply with these same provisions with respect to any tertiary subcontractor, regardless of tier. A copy of CITY's indemnity and insurance provisions will be furnished to the subcontractor or tertiary subcontractor upon request.

f. Self-Insured Retentions. All self-insured retentions ("SIR") must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or CITY. CITY reserves the right to obtain a full certified copy of any insurance policy and endorsements. The failure to exercise this right shall not constitute a waiver of such right.

g. Waiver of Subrogation. CONSULTANT hereby agrees to waive subrogation which any insurer of CONSULTANT may acquire from CONSULTANT by virtue of the payment of any loss under a Workers Compensation, Commercial General Liability or Automobile Liability policy. All Workers Compensation, Commercial General Liability and Automobile Liability policies shall be endorsed with a waiver of subrogation in favor of CITY,

its officers, agents, employees and volunteers for all worked performed by CONSULTANT, its employees, agents and subcontractors.

h. Liability/Remedies. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve CONSULTANT of liability in excess of such coverage, nor shall it preclude CITY from taking such other actions as are available to it under any other provisions of this Agreement or law.

6. Records. CONSULTANT and its subcontractors shall maintain all files and records relating to the services performed hereunder during the term of this Agreement and for a period of not less than one (1) year after the date of termination or expiration. Provided, however, that in the event of litigation or settlement of claims arising from the performance of this Agreement, CONSULTANT and its subcontractors shall maintain all files and records until such litigation, appeals or claims are resolved. Duly authorized representatives of CITY shall have right of access during normal business hours and after reasonable notice to CONSULTANT's and subcontractors' files and records relating to the services performed hereunder, and may review and copy the files and records at appropriate stages during performance of the services and during the one (1) year period following termination or expiration of this Agreement. CONSULTANT shall include this provisions in its contracts with all subcontractors.

7. Time is of the Essence. Time is of the essence of this Agreement.

8. Prevailing Wages. When applicable, for purposes of this Agreement, CONSULTANT and its subcontractors shall comply with all applicable prevailing wage laws, e.g., but not limited to, California Labor Code Sections 1770 et seq. In accordance with said Section 1775, CONSULTANT shall forfeit as a penalty to the City two hundred dollars ($200)

for each calendar day or portion thereof for each worker paid less than the prevailing rates for such work or craft in which such worker is employed for any work done on-site under the Agreement by CONSULTANT or by any subcontractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage shall be paid to each worker by CONSULTANT or the applicable subcontractor.

Pursuant to the provisions of California Labor Code Section 1773, the contracting department has identified the source, stated below, of the general prevailing rate of wages applicable to the site to be done, for straight time, overtime, and holiday work. The holiday wage rate listed shall be applicable to all holidays recognized in the collective bargaining agreement of the particular craft, classification or type of worker concerned. These wage rates may be obtained from the State Department of Industrial Relations and/or the following website address: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

Pursuant to Labor Code Section 1773.2, general prevailing wage rates set forth above, which forms a part of this Agreement, shall be posted by CONSULTANT at a prominent place at the work site. Prevailing wage rates to be posted at the work site will be furnished by the contracting department. The possibility of wage increases is one of the elements to be considered by CONSULTANT in determining its proposal, and will not under any circumstances be considered as the basis of a claim against CITY or the Agreement.

9. Compliance with Laws. CONSULTANT shall comply with all federal, state and local laws, ordinances and policies as may be applicable to the performance of services under this Agreement.

10. Ability to Perform. CONSULTANT agrees and represents that it has the time, ability and professional expertise to perform the services required under this Agreement.

11. Governing Agreement. In the event of any conflict between this Agreement and its EXHIBITS, the provisions of this Agreement shall govern. In the event of any conflict between any of the EXHIBITS, the provisions of the first in order of attachment shall govern.

12. Assignment. CONSULTANT is employed to perform unique personal services. CONSULTANT shall not assign this Agreement without the prior written consent of CITY. CONSULTANT shall not employ or otherwise incur any obligation to pay other specialists or experts for services in connection with this Agreement, without prior written consent of CITY.

13. Independent Contractor. CONSULTANT, inclusive of its agents, officers, employees, volunteers, independent contractors, and subcontractors, shall act as an independent contractor, and covenants and agrees that it will conduct itself consistent with such status, that it will neither hold itself out as, nor claim to be, an officer or employee of CITY by reason of this Agreement.

CONSULTANT and CITY agree that: (a) CONSULTANT is free from the control and direction of CITY in connection with the performance of the work; (b) CONSULTANT is providing services directly to CITY; (c) CONSULTANT has and will maintain at all relevant times a business license; (d) CONSULTANT maintains a business location that is separate from CITY; (e) CONSULTANT is customarily engaged in an independently established business of the same nature as that involved in the work performed hereunder; (f) CONSULTANT actually

contracts with other businesses to provide the same or similar services and maintains a clientele without restrictions from CITY; (g) CONSULTANT advertises and holds itself out to the public as available to provide the same or similar services; (h) CONSULTANT provides its own tools, vehicles, and equipment to perform the services; (i) CONSULTANT has negotiated its own rates; (j) CONSULTANT set its own hours and location of work in accomplishing CITY's on-call needs; and (k) CONSULTANT has the right to control the manner and means of accomplishing the result desired and exercises its own expert independent judgement.

14. Representations and Warranties. CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working for CONSULTANT, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY shall have the right to terminate as void this Agreement, without liability, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

15. Successors in Interest. This Agreement shall be binding upon the heirs, successors, executors, administrators and assigns of the respective parties hereto.

16. Copyright, Ownership and Use of Materials. All tangible material ("Material") created or delivered pursuant to this Agreement is considered a work made for hire under the Copyright Act. To the extent such Material does not qualify as a work made for hire, CONSULTANT hereby assigns to CITY all right, title, and interest, including but not limited to all copyrights, in all Material created by CONSULTANT in its performance under this

Agreement. Material constitutes the scope of work outlined in Exhibit A and attached hereto, and all written and other tangible expressions, including but not limited to, drawings (including computer aided drawings), papers, documents, reports, surveys, renderings, exhibits, sketches, maps, models, prints, paintings or photographs, in any and all media or formats in which such materials have been created or are maintained. All Material furnished by CONSULTANT is, and shall remain, the property of CITY.

CONSULTANT shall execute any documents necessary to effectuate such assignment. In the event that CONSULTANT uses, employs, designates, or retains any person or entity who is not an employee of CONSULTANT, to perform any work required of it pursuant to this Agreement, CONSULTANT shall require said person or entity to execute an agreement containing the preceding paragraph.

17. Termination of Agreement. The City may terminate this Agreement without cause by giving CONSULTANT ten (10) days advance written notice from the City Manager. CONSULTANT may terminate this Agreement without cause by giving CITY thirty (30) days advance written notice. In the event of termination through no fault of CONSULTANT, CITY shall compensate CONSULTANT for services performed as of the date of termination, upon the release to CITY of all Material hereunder, in any and all media or formats in which such materials have been created or are maintained. CITY retains the right to receive and use any MATERIAL, notwithstanding any termination or any dispute regarding the amount to be paid.

18. Attorney's Fees; Venue; Governing Law. If either party commences any legal action against the other party arising out of this Agreement or the performance hereof, the prevailing party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorney's

fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

19. Modification. This Agreement and each provision contained herein may be waived, amended, supplemented or eliminated only by mutual written agreement of the parties.

20. Severability. If any of the provisions contained in this Agreement are for any reason held invalid or unenforceable, such holding shall not affect the remaining provisions or the validity and enforceability of the Agreement as a whole.

21. Notices. Any notices to parties required by this Agreement shall be delivered personally or mailed, U.S. first class postage prepaid, addressed as follows:

CITY OF ROSEVILLE	CONSULTANT
Dennis Kauffman Assistant City Manager/ Chief Financial Officer 311 Vernon Street Roseville, CA 95678	Terry L. Maas Regional Managing Director 16000 Ventura Boulevard, Suite 1100 Encino, CA 91436

Either party may amend its address for notice by giving notice to the other party in writing.

22. Integrated Agreement. This is an integrated agreement and contains all of the terms, considerations, understanding and promises of the parties. It shall be read as a whole.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ___ day of _____, 20__, and CONSULTANT has caused this Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation

BY: _____
DOMINICK CASEY
City Manager

ATTEST:

BY: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

BY: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
DENNIS KAUFFMAN
Assistant City Manager/
Chief Financial Officer

HILLTOP SECURITIES INC., a
Delaware corporation

BY: _____
its: REGIONAL MANAGING DIRECTOR

and

BY: _____
its: _____

CERTIFICATE OF CORPORATE SECRETARY

I, Brian Wittneben, Secretary of Hilltop Securities Inc., a Delaware corporation (the "Company"), do hereby certify as follows:

Based upon authority granted at a meeting of the Board of Directors of the Company held on January 21, 2021, the following named person is duly authorized to (i) act on behalf of the Company in connection with a certain Professional Services Agreement for Financial Advisory Services (the "Agreement"), by and between Hilltop Securities Inc. and the City of Roseville, California and (ii) to execute any necessary documentation in connection with the Agreement.

Name	***Title***
Terry Maas	Regional Managing Director

EXECUTED as of this 2nd day of February, 2022.

Brian L. Wittneben, Secretary

EXHIBIT "A"

Proposal to Serve as Municipal Advisor RFP# 10-023

City of Roseville

December 2, 2021

City of Roseville, CA

December 2, 2021 at 3:00 PM PT
Proposal to Serve as Municipal Advisor
No. 10-023

HilltopSecurities
A Hilltop Holdings Company.

CONTACT:

Terry L. Maas, Regional Managing Director
Terry.Maas@hilltopsecurities.com

16000 Ventura Blvd., Suite 1100
Encino, California 91436

Phone: 602.224.7115

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HilltopSecurities
A Hilltop Holdings Company
16000 Ventura Blvd., Suite 1100
Encino, California 91436
602.224.7115 - Office
310.780.6970 - Cell

Terry Maas
Regional Managing Director
Terry.Maas@hilltopsecurities.com

December 2, 2021

Submitted via email: cityclerkroseville@roseville.ca.us
City of Roseville
Attn: City Clerk Department
311 Vernon Street
Roseville, CA 95678

Ladies and Gentlemen:

On behalf of Hilltop Securities Inc. ("HilltopSecurities"), we appreciate the opportunity to submit our firm's credentials and proposal to serve as financial advisor to the City of Roseville (the "City"). As a leading financial advisor for public sector and higher education issuers nationwide, we feel distinctly qualified to provide financial advisory services to the City. We believe that no firm offers the same compelling combination of experience, expertise, services available and local presence.

Top-Ranked Financial Advisor

HilltopSecurities has been a trusted leader in public finance throughout its rich history and consistently ranks among the top financial advisory firms in the country. In fact, since our founding, we have played a pivotal role in shaping the landscape of public finance, having pioneered the fiduciary role of the Financial Advisor. Statistics speaking to HilltopSecurities' market presence include:

- **#2 ranked financial advisory firm in the nation** for number of bond and note issues completed with 4,062 transactions representing a par amount of $175.84 billion (*Five-year period ending October 31, 2021, Ipreo MuniAnalytics*)
- **#1 ranked financial advisory firm for city** bond and note issues completed with 2,443 issues totaling $47.99 billion (*Five-year period ending October 31, 2021, Ipreo MuniAnalytics*)

Experience with Cities

As a top ranked financial advisor for cities nationally, HilltopSecurities has worked with numerous cities and towns across the country. HilltopSecurities has had the privilege to work with the following comparable clients: City of Nashville, Tennessee, City of Atlanta, Georgia, City of Dallas, Texas, City & County of Denver, Colorado and the District of Columbia, among others.

Team Concept

HilltopSecurities implements the "team concept" to provide the best possible service to our clients. Under this concept, a variety of professionals within the firm with specialized expertise work together to meet the City's needs. Applying this philosophy to the City's engagement, HilltopSecurities assembled a multi-disciplinary team of financing professionals, including Mr. Terry Mass and Mr. William Bermudez, who are fully capable of meeting the City's financing needs. By assigning such senior staff to an engagement for the City, we ensure that such personnel are available at all times to assist it in achieving its financial objectives on a timely basis.

Broker/Dealer Advantage – Extensive Market Knowledge and Regulatory Oversight

We believe maintaining a trading and underwriting desk is essential to properly advising clients about market conditions and our underwriters invest as much in working with financial advisory clients as they do when working with underwriting clients. On average, our desk participates in over 21 deals a week. These capabilities provide a substantial advantage

to the City by ensuring that all of the City's financing options are evaluated based on current market conditions, and that its securities are priced and sold at fair market levels.

Furthermore, as a broker/dealer, HilltopSecurities is subject to the rules and regulations of various governmental bodies, such as the U.S. Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") and adheres to the rules of the Municipal Securities Rule Making Board ("MSRB"), among others.

By my signature below, I affirm that I am an authorized representative of the firm with authority to bind the firm and answer any questions or provide clarification concerning HilltopSecurities proposal to the City. My contact information is provided within this cover letter.

As required by the RFP, HilltopSecurities states that the firm will perform the services and adhere to the requirements described in the RFP, including any addenda.

On behalf of HilltopSecurities, I genuinely appreciate the opportunity to present the firm's credentials to provide financial advisory services to the City. Should you have any questions or desire additional information, please do not hesitate to contact me.

Sincerely yours,

Terry L. Maas
Regional Managing Director

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Tab A: Firm's Qualifications

Your firm must be registered with the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB").

HilltopSecurities is registered with both the MSRB and SEC and in full compliance with the requirements associated with such registration (MSRB ID: A1290; Dealer SEC ID: 8-45123; Municipal Advisor SEC ID: 867-00632, CRD Number: 6220).

Describe your firm and provide a statement of your firm's qualifications for performing the requested services.

History of the Firm

First Southwest Company, LLC ("FirstSouthwest"), founded in 1946, was originally dedicated to serving the financing needs of local municipalities and over the years grew into a national firm with expertise in every sector of public finance. We will be celebrating 75 years of service later this year!

Hilltop Securities Inc. ("HilltopSecurities"), formerly known as Southwest Securities, Inc., was founded in 1972 and was one of the first broker-dealers to enter the fully disclosed securities clearing business, becoming the "back office" for a number of other brokerage houses. In addition to developing clearing as a core business, the firm made strategic acquisitions and added complementary lines of business, entering the public finance and municipal underwriting business in 1987.

In 2015, HilltopSecurities and FirstSouthwest became common control affiliates under Hilltop Holdings Inc., a Texas-based diversified financial holding company specializing in banking, mortgage origination, financial advisory and insurance through its wholly owned subsidiaries.

On January 22, 2016, HilltopSecurities and FirstSouthwest merged to create a new, stronger firm with complementary business lines and a shared history representing more than a century of industry experience.

Overview of public finance practice

HilltopSecurities is an investment banking firm focused on the provision of financial advisory and related services to public and non-profit entities nationwide. We are confident that our decades of experience providing financial advisory services to public sector entities and non-profit organizations regarding the issuance of tax-exempt and taxable debt, along with our extensive analytical and human resources will provide the full scope of financial advisory services sought by the City of Roseville (the "City").

Integrity

HilltopSecurities is known for its integrity – a reputation molded by strict adherence to regulation. As one of only a few financial advisory firms that is a registered broker-dealer, HilltopSecurities adheres to the rules of the Municipal Securities Rulemaking Board ("MSRB") and the regulations of the Financial Industry Regulatory Authority ("FINRA") and Securities and Exchange Commission ("SEC"). Our stringent compliance to regulation reinforces the high standards to which we adhere in all of our roles and relationships, creating an atmosphere of trust for our clients. Reflecting our commitment to regulation, all employees of HilltopSecurities working with financial advisory clients are expected to hold a Series 50 License as a Municipal Advisor Representative.

Financial Advisory Experience

For the five-year period ending October 31, 2021, Ipreo MuniAnalytics ranked HilltopSecurities as the number-two financial advisor in the nation based on number of issues with a total of 4,062 transactions representing in excess of $175.84 billion in par.

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Our success in assisting clients in the achievement of their financial objectives and personalized service is reflected in the number of transactions we have been privileged to serve our clients. The following table demonstrates our level of participation in the municipal market as a financial advisor to the public and non-for-profit sectors for the past decade.

Decade as Financial Advisor
National Experience
Hilltop Securities Inc.

HilltopSecurities' National Financial Advisory Experience				
Year	**Issues**	**Rank**	**($ bil)**	**Issuers**
2020	816	2	$36.98	492
2019	804	2	$33.95	468
2018	691	2	$28.32	411
2017	948	1	$44.22	563
2016	1,045	2	$41.03	669
2015	1,016	2	$39.16	621
2014	1,013	1	$37.56	650
2013	1,025	1	$29.95	662
2012	1,093	1	$35.00	697
2011	953	1	$26.82	616
TOTAL	**9,404 Issues**		**$353 billion**	

Source: Ipreo MuniAnalytics
The table above includes issues from both First Southwest Company, LLC and Southwest Securities, Inc. The two firms merged on January 22, 2016.

Full Service Approach and Capabilities

At HilltopSecurities, we organize our Public Finance Department by industry, region, and product, giving us a focus group for nearly every type of public entity. Ancillary services further support our financial advisory practice: capital markets, asset management, structured finance, and pension and OPEB advisory among others.

All areas of our firm will support our Advisory Team as necessary when providing financial advisory services to the City.

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Expertise across Sectors & Types

HilltopSecurities has served as financial advisor to municipal issuers on virtually all types of municipal financings. As financial advisor, the scope of services we offer is entirely comprehensive, constantly evolving, easily adaptable, and truly unmatched by that of other firms.

We provide analysis of the costs/benefits of different pricing and structuring options, including fixed rate versus variable rate; taxable versus tax-exempt versus AMT or a combination thereof; private placement versus letter of credit backed; callable versus non-callable; par versus premium or discount; pooled financings versus stand-alone, among countless other considerations.

Access to Underwriting Desk

Our underwriting and trading desk routinely provides recommendations based on its active market involvement and extensive institutional investor relationships. These capabilities provide an enormous advantage to our clients, and further differentiate HilltopSecurities from other municipal advisory firms that do not have actual market involvement.

HilltopSecurities' s underwriting staff is involved with pricing an average of 21 deals per week as municipal advisor or underwriter. Our underwriting professionals work in partnership with our financial advisory professionals, allowing the firm to ensure that our financial advisory clients receive the appropriate pricing on the day of the bond sale. We believe that the discipline of maintaining an active broker/dealer operation benefits our clients in numerous ways:

- The firm is an active participant in the marketplace every day
- Risking our own capital gives us additional perspective into the nuances of the underwriting process and lends us valuable credibility with the underwriting community
- Other broker/dealers know that we are willing and able to provide the same functions we ask of them. We are speaking on a daily basis to many of the same institutional investors as the underwriters.
- In comparison, financial advisors without an underwriting desk do not have access to the same level of timely market data and must obtain pricing information from third-party underwriters or via other indirect means.
- Often, financial advisory firms that do not operate their own underwriting desks request market data from HilltopSecurities, regardless of whether we have a vested interest in the transaction for which they are requesting information.

Note: HilltopSecurities does not engage in underwriting activities on any transaction for which it serves as financial advisor.

Identify the services which would be completed by your firm's staff and those that would be provided by sub-consultants or sub-contractors, if any. Identify any sub-consultants or subcontractors you propose to utilize to supplement your firm's staff.

HilltopSecurities proposes to provide all financial advisory services required of it under this engagement without use of any sub-consultants or sub-contractors.

Include the firm's organizational chart, including its constituent parts, and size variation of staffing levels in the past five (5) years.

HilltopSecurities is a Delaware corporation that was formed on April 24, 1972. HilltopSecurities is a wholly-owned subsidiary of Hilltop Securities Holdings LLC, which is wholly-owned by Hilltop Holdings Inc., a publicly traded company.

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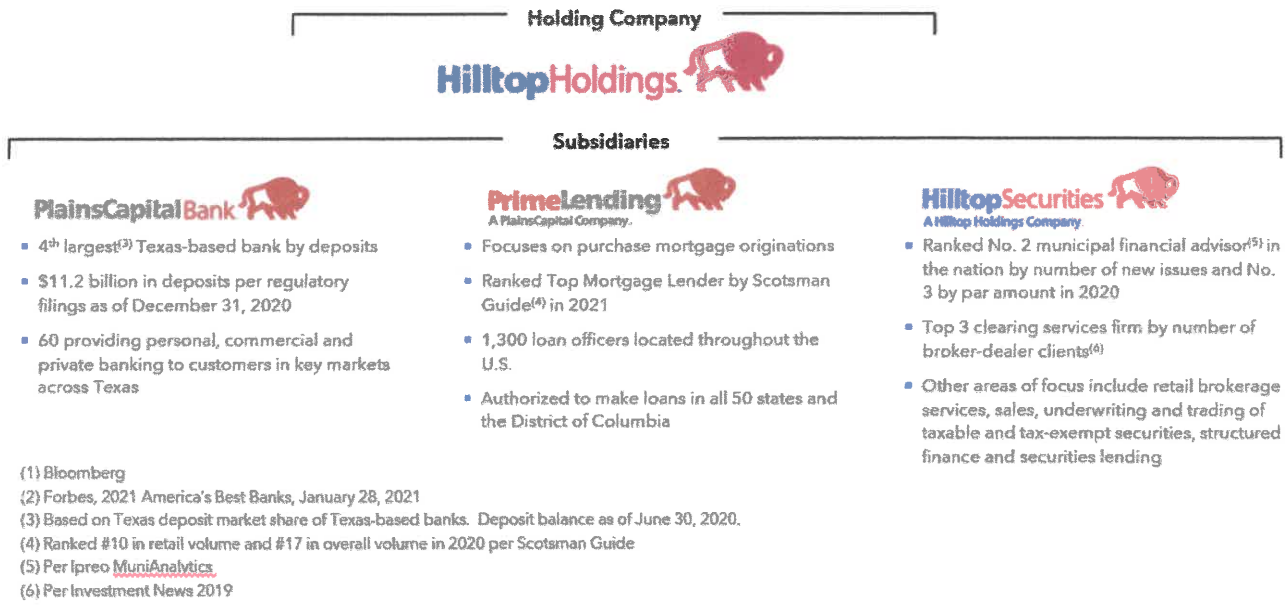

The firm's overall employee count has decreased less than 10% from the date of our merger in 2016 to the current date due in large part to a consolidation of administrative and support functions. There are no plans to decrease staffing in the foreseeable future.

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Tab C: Qualifications of Team

Provide a brief summary of the role, qualifications and experience of each team member and designated project manager/lead assigned to this project, including length of service with the firm and the qualifications/experience of any sub-consultant or sub-contractor staff on your project team. A project team organizational diagram and brief resume of each team member and the designated project manager/lead for each applicable category shall be included. The geographic location of the firm and key personnel shall also be identified. Any proposed sub-consultants or sub-contractors shall be listed. Include sub-consultant's and sub-contractor's assigned task(s) and experience. Full resumes may be included in the appendix. Include relevant experience of the individuals to be assigned to the issuer, identification of the individual in charge of day-to-day management, and the percentage of time committed for each individual on the account.

Key Personnel Assigned. The Firm's approach to providing financial advisory services centers on (a) assembling a team of professionals that have the ideal combination of expertise, skill, and creativity to address the financing needs of a client, (b) providing detailed analysis and continuous technical support during the planning process and throughout a transaction and (c) providing continuous and ongoing support in between transactions. Dedicated to this approach HilltopSecurities offers the City a staff of highly experienced, skilled and creative professionals. Because of the dedication, experience and competence of our proposed team, HilltopSecurities assures timely and responsive service.

Mr. Maas will serve as the Project Manager and principal contact for all services related to our engagement with the City. He will be responsible for maintaining day-to-day communications with the City staff, as well as expediting the work effort required of HilltopSecurities on the City's behalf. Mr. Maas will be available to meet with the City's staff and finance team and will be responsible for making presentations required by the City. **Jason Simmons** will serve as a secondary contact for our engagement with the City and will provide senior-level analytical support. **Will Bermudez** and **Zac Lara** will provide analytical and technical support. The proposed team will develop detailed financial models, in any reasonable file format requested, to help quantify the benefits and risks of any proposed financing in a responsive and timely manner. Please see ***Appendix A*** for detailed resumes for these key personnel.

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Key Team Members for the City		
CITY OF ROSEVILLE CALIFORNIA		
Project Manager and Primary Contact	**Secondary Contact & Banking and Analytical Support**	
Terry Maas Regional Managing Director Encino Office 46 years of experience	**Jason Simmons** Regional Managing Director Denver Office 25 years of experience	
Banking and Technical Support		
William Bermudez Vice President Dallas Office 7 years of experience	**Zac Lara** Assistant Vice President Phoenix Office 5 years of experience	
Swap Advisory / Reinvestment	**Pension and OPEB Specialist**	**Pricing Support**
Richard Konkel Senior Managing Director Head of Debt Capital Markets Structuring Dallas Office 18 years of experience	**Brian Whitworth** Senior Vice President Encino Office 33 years of experience	**William Evans** Managing Director Dallas Office 18 years of experience

Disclose the firm's affiliation, or relationship, with any broker-dealer and whether any personnel who would be providing advice to the City were associated with a broker-dealer firm within the preceding two years.

HilltopSecurities has no binding or implied affiliation or relationship with any other broker-dealer. In the role of underwriter, on competitive and negotiated sales, HilltopSecurities enters into "an agreement among underwriters" to market and sell municipal securities, which defines the liability and compensation to all members of the syndicate. Additionally, acting in the role of financial advisor, the firm has a small number of co-financial advisor relationships. These arrangements are directed by and fully disclosed to the issuer. HilltopSecurities does not pay or receive any fees for the direct or indirect solicitation of business and has no other contractual arrangements that we believe would create a conflict of interest if the firm is selected to provide financial advisory services to the City.

No personnel who would be providing municipal advisory advice to the City has been associated with a broker-dealer firm other than HilltopSecurities within the preceding two years.

Provide a summary of the analytic capability of the firm and assigned individuals and the availability of ongoing training and educational services could be provided.

Analytical and Technical Capabilities

We offer a distinctly different approach to providing technical services from that of our competitors. Oftentimes, investment banking firms use the technical area as a training ground for new bankers. However, we believe that structuring a bond transaction requires the implementation of innovative financing techniques that is best done by experienced professionals. For that reason, we use many of our best and most senior professionals to provide the technical services necessary to structure a bond issue. Each member of the team has the technical capability and experience required to evaluate virtually every type of financial structure contemplated by an issuer.

HilltopSecurities' approach to providing financial advisory services centers on detailed analysis and continuous technical support during the planning process and throughout each transaction. We develop detailed financial

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models to help quantify the benefits and risks of any proposed financing. We want our clients to have total confidence in the final transaction structure and to be assured that all options are analyzed thoroughly.

HilltopSecurities has the technical capability and experience required to assess virtually every type of financial structure contemplated by a government issuer or conduit borrower. We are able to run scenarios that quantify the benefits and costs of various structuring considerations, such as: fixed versus variable rate debt, credit enhancement, optimal call dates and prices, desired maturity dates, premium versus discount bonds, and serial versus term bonds. HilltopSecurities is able to prepare cash flow forecasts that will enable the City to evaluate the annual debt service requirements associated with alternative financing structures. For the most common types of design analysis, HilltopSecurities will:

- Produce cash flow models with the flexibility to calculate bond capacities based on debt service installments; utilize forecasted revenues, expenditures and growth factors; model construction drawdowns and interest earnings; and project user fees.
- Analyze complex strategic planning models that integrate multiple structures, including the ability to incorporate senior and subordinate liens and short-term commercial paper through long-term bond financing.
- Size a financing including allowance for capitalized interest, construction costs, escrow requirements, insurance costs, interest earnings, issuance costs and reserve funds.
- Structure a payment amortization to a tailored schedule based on projected revenue and expenditure constraints.
- Defease outstanding debt utilizing a state-of-the-art software that structures an optimal escrow fund; structure new or refunding debt on a level, front-loaded or back-loaded savings basis.
- Calculate true interest cost and provide present-value schedules for use in evaluating bids or modeling present values of cash flow projections.
- Devise debt capacity models that can be used to detail the issuer's existing debt service requirements; forecast proposed debt service requirements; and project the impact of the proposed requirements on financial ratios.
- Develop debt service schedules accommodating serial and term bonds, discount and premium bonds, and zero coupon bonds, including premium capital appreciation bonds, as well as variable rate and synthetic fixed rate debt.
- Provide refunding analyses, which can be used to illustrate savings on a gross basis or a present-value basis of refundings. Provide sensitivity to interest rate movement and maturity-by-maturity analysis.
- Complex project financings structuring capabilities involving different liens, structures, purposes, tax-status, and financing characteristics.
- Bank financing comparisons to traditional capital market financings.
- Refunding analysis comparison between current, forward refundings, and taxable refundings among other less used forms.
- Option Adjusted Spread (OAS) analysis providing the value of the embedded option for call feature of a particular bond or series.
- Derivative structures including swaps, collars, caps, floors, equity derivatives, and fuel hedges.

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HilltopSecurities publishes weekly economic and market commentaries, as well as ad-hoc updates following important economic data releases or market moving news and events. The commentary is distributed by e-mail and is posted to our website. In addition, an in-depth review of economic news is published in a quarterly newsletter.

The firm also hosts bi-weekly conference calls by economist Len Santow.

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Tab D: Project Understanding

Based on the available information, supplemental research, field observations, and experience with similar projects, provide a narrative describing your understanding of the services requested in this RFP, your general approach and any major challenges to achieving the City's stated goals. Include any issues that you believe will require special consideration for this project. Also identify any unique approaches or strengths that your firm may have related to this project. City staff will assess your understanding of all aspects of the project based on the overview. The City prohibits the municipal advisory firm from engaging in activities on its behalf that produce a direct or indirect financial gain, other than the agreed upon compensation, without consent from the City.

In addition to our extensive experience advising California issuers on their debt needs, perhaps the most relevant experience of our team is our vast history with the City of Roseville. Terry Maas has been involved with the City of Roseville account since 2015. Having served as the City's financial advisor for the last six years, we are very familiar with the City's objectives. Over the last six years, we have successfully executed 35 transaction totaling $851.1 million, including General Fund Bonds, various Community Facilities District Bonds, Electric Utility Bonds, Wastewater Bonds for the South Placer Wastewater Authority on behalf of the City, Water Bonds and assisted the City navigate the WIFIA loan process for renovations to its existing water system. Beyond the traditional work of a financial advisor, our Roseville team has assisted the City with financial analysis on various economic development projects, reviewed the City's pension obligations and assisted in drafting policies for the City. We take pride in supporting the City's finance staff and try to find a way to say "yes" when our help is requested.

The City has experienced continued economic expansion over the recent years with robust residential growth, as highlighted by the City's vast pipeline of Community Facilities District issued, and investment in commercial growth. The City has experienced 9.2% population growth with the population projected to more than double to nearly 300,000 residents by 2050. With the increase in population, the City will need to invest heavily into its facilities.

The Water Future Initiative is an example of the City's demonstrated commitment to the future health of its Water Utility System, and response to changes in weather patterns, increased demands and regulatory restrictions. In 2021, HilltopSecurities helped the City navigate through the WIFIA loan process in order to secure cheap financing to fund Phase 1 of the Water Future Initiative. We have also presented the City with funding alternatives for the City's proposed financing in 2024 to fund the balance of the Water Future Initiative. While outstanding debt of the Water Utility System will more than double with the issuance of the WIFIA loan and future borrowings, through our discussions with the rating agency, the Utility System's solid financial profile, high liquidity and the City's strong local economy, debt remains manageable and should not affect the credit rating of the City or its Water Utility System.

As it relates to the Roseville Electric Utility, with future capital outlays expected to be funded by revenues and developer fees, Hilltop Securities has been monitoring its outstanding 2019 reissuance of its 2012 variable rate bonds and related swap. With LIBOR being replaced with SOFR, the thought process is to simplify the utility's debt profile by eliminating variable rate risk by refinancing the bonds and terminating the swap. This would be viewed as credit positive by the rating agencies, further strengthen the utility's financial profile.

Community Facilities Districts ("CFD") is a tool the City has used that can expedite and enhance economic development in the City. Since 2015, HilltopSecurities has been actively involved on 19 Community Facilities District transactions that have reached financial close as well as two transactions that will close in December 2021. HilltopSecurities is actively involved in the Community Facilities District sector, as either financial advisor or underwriter, that we will use that experience to help the City achieve best execution on all future deals.

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Our Team members have advised municipalities on nearly every type of financing, including experience forming community facilities districts (CFDs) and financing special tax revenue bonds.

In our role as financial advisor during a CFD formation process, our Team works closely with bond counsel, the appraiser and market absorption analyst while always being cognizant of the fact that we represent the best interests of the City. In a typical developer driven special tax bond program, the initial district formation and bond structuring will usually reflect a number of competing property owner, developer and issuer concerns. Property owners and developers naturally want to maximize the amount of available bond proceeds, while limiting their special tax exposure through extended periods of capitalized interest and maximized issuer commitments. At the same time, these property owners and developers often try to limit the issuer's control over the development of the CFD. Our Team members, on the other hand, will always represent the best interests of the City by limiting unjustified subsidies to a bond program, minimizing the risk of default and maximizing long-term program and operational flexibility for the issuer.

We will participate in the initial planning of the programs, including the formation of CFDs, and will continue to participate through the issuance of bonds. We will also continue to provide assistance to issuers long after bonds have been issued. Post-sale assignments include project planning updates, the monitoring of special tax prepayments, the determination of eligible project fund escrow releases and the issuance of additional phased series of bonds.

Members of our Team have also been involved in determining the feasibility of land-secured special taxing district financings.

To provide the City with a general description of how our team members approach special tax bond financing assignments, we have included an outline below of the general phased approach that we follow. It can be expanded or compressed in any way necessary in order to meet the specific needs of the City.

Pre-Planning Phase: If the City has not already done so, our team will assist in the drafting or updating of a statement of special tax local goals and policies. We can also assist the City in choosing other members of the financing team. Financing team members that should be on board from the inception should include, at a minimum, a special assessment consultant, an appraiser, a bond counsel and a disclosure counsel.

Phase I: *Situation Assessment* - In developing a financing strategy, our first step will be to quickly learn as much as possible about the project as well as the City's land use preferences. We will begin our due diligence by evaluating the capital needs of the Project and the revenue available to finance those needs. Our evaluation will involve a review of area property values and growth rates, historic and projected tax increment growth and the strengths and financial capability of the developer. We will also initiate discussions to determine the expectations of the City. Our goal will be to rapidly gain an in-depth understanding of the Project in order to develop financing alternatives that meet the Project goals.

Phase II: *Develop a Financing Model* - We will construct a draft debt capacity model. Based upon debt capacity, our Team will construct a comprehensive financing model which will be used to determine the financial feasibility of the Project as well as test the various structuring alternatives available to the City. This detailed model will provide the City with an unbiased understanding of the dynamics and implications of each option and will assist the City in deciding between competing alternatives.

Phase III: *Explore Legal/Tax Issues* - This phase will require coordination with bond counsel to analyze the structuring issues arising from possible land-secured financing district alternatives: a community facility district or an assessment district.

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Phase IV: *Develop a Plan of Finance* - We will identify and analyze, as appropriate, the full range of financing alternatives, security structures, senior and junior lien securities and feasible options for credit enhancement, if any exist. The goal here is to assist the City in narrowing its options down into a realistic plan of finance that efficiently meets the City's current needs, as well as the Developer's general financing expectations.

Phase V: *Credit Analysis* (this phase can be skipped if it is determined that the bonds will be issued unrated, which is normally the case with new CFD programs) - our Team has extensive experience and solid relationships with Moody's, Standard & Poor's and Fitch; the three major rating agencies. The general approach that our Team will take in managing the rating process consists of the following activities: 1) assess the credit quality and characteristics of the project; 2) identify the Project's assets and strengths and then work with the City to develop strategies to remedy potential weaknesses; 3) assist the City in developing and implementing a long-term strategy to allow for the highest credit rating possible; 4) investigate the feasibility and availability of credit enhancement by methodically pursuing all options; and 5) assist, if necessary, with the preparation and coordination of the rating agency and bond insurance presentations. Our Team will work with the City to develop a proactive rapport and plan with the rating agencies that will demonstrate the City's ability to recognize any potential problems and develop the appropriate solutions.

Phase VI: *Transaction Related Services* - Once the plan of finance has been finalized, our Team will continue to work with the City throughout the execution of the financing.

All areas of our firm will support our Roseville Team as necessary when providing financial advisory services to the City, including sector experts as needed for a particular financing.

Innovation

We have received 29 "Deal of the Year" awards from *The Bond Buyer* for innovative and effective banking strategies. Our bankers were at the forefront of several innovations in municipal finance, including the use of a forward derivative transaction; Internet competitive bidding; and the issuance of municipal debt in foreign markets, specifically a yen-denominated Samurai Bond with a cross currency swap for the State of Kentucky. The list below represents the last ten "Deal of the Year" Awards demonstrating innovative structures tailored to our clients' needs.

- **2020** Southwest Region Deal of the Year Award as co-financial advisor to the Dallas-Fort Worth (DFW) International Airport's $2.05 billion taxable and tax-exempt refunding and new money bonds which marked the first time a tax-exempt entity successfully priced three separate bond deals within 16 days and was the first issuance by a major airport during the pandemic. The transaction provided the Airport over $600 million of debt service savings through refinancing and provided financing for the construction of four new terminal gates, a new Integrated Operations Center and several airfield projects. (Lead advisor was Laura Alexander and co-financial advisor was Estrada Hinojosa).
- **2020** Public-Private Partnership Deal of the Year as financial advisor on Arizona Industrial Development Authority's $236.8 million financing for Nebraska's Lincoln South Beltway project on behalf of Hawkins Construction. The transaction was the first-of-its-kind transportation project that utilized an innovative contractor-led build finance structure to deliver the largest single-contract project in the history of the Nebraska Department of Transportation.
- **2019** Innovative Deal of the Year as financial advisor to Dallas Fort Worth (DFW) International Airport's $1.167 billion taxable refunding. DFW refinanced a portion of its bonds that were subject to the Alternative Minimum Tax (AMT) in the largest taxable deal ever completed in the airport space. DFW's plan of finance included a comprehensive global marketing effort that helped broaden its investor base and positions the Airport

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to continue to access the taxable market going forward. (Lead advisor was Laura Alexander and co-financial advisor was Estrada Hinojosa).

- **2018** Midwest Region Deal of the Year Award for financial advisor to Wayne County, Michigan's $288.6 million bond sale, which will partially fund a $500 million criminal justice complex in Detroit. The deal was Wayne County's first long-term public bond issuance since 2010.
- **2017** Southwest Region Deal of the Year Award for financial advisor to the Fort Worth Transportation Authority's first-ever transaction, a $325 million private placement to fund a commuter rail line that will alleviate traffic, provide much-needed rail service to Dallas-Fort Worth airport, connectivity to Dallas Area Rapid Transit's rail system, as well as improving air quality
- **2017** Non-Traditional Financing Deal of the Year Award for financial advisor to the City of Cambridge, MA $2 million sale of minibonds. The minibond structure allowed Cambridge to respond to unmet need of its residents, who regularly expressed interest in actively investing in capital projects throughout the City.
- **2016** Southwest Region Deal of the Year Award for financial advisor to the initial $810 million of the 50-year, $27 billion Texas Water Development Board's SWIRFT program.
- **2016** Small Issuer Deal of the Year Award for financial advisor to the Northwest Dallas County Flood Control District's $15.7 million sale of unlimited tax refunding bonds to restructure a compounding obligation created through a 1992 Chapter 9 bankruptcy. The new bonds lifted a tax-rate cap imposed by the 1992 bankruptcy judgment, allowing the District to obtain an investment grade rating and resolve an accrued and unpaid interest liability.
- **2015** Southwest Region Deal of the Year Award for Financial Advisor to the North Texas Tollway Authority for its strategic refinancings of more than $2 billion, lowering its maximum annual debt service to a level that brought multiple credit rating upgrades
- **2015** Non-Traditional Financing Deal of the Year Award for Financial Advisor to the State of Hawaii Department of Business, Economic Development, and Tourism for its $150 million financing to support the new Green Energy Market Securitization (GEMS) program.

Public Finance Support Services

In addition to our municipal advisory services, our Public Finance Department is structured to provide clients with access to multiple professionals with expertise in diverse areas of finance. The following summarizes the scope of expertise and services available to support the City. As advisor to the City, we draw on these resources and the specific services are available pursuant to separate contractual arrangements. The City has existing agreements with our Arbitrage Rebate and Continuing Disclosure groups.

Arbitrage Rebate. HilltopSecurities' affiliate, HilltopSecurities Asset Management's ("HSAM") Arbitrage Rebate group assists municipalities in monitoring the investments of bond proceeds and performs annual calculations to ensure they retain their tax-exempt status. HilltopSecurities was the first investment banking firm in the nation to offer arbitrage rebate calculation services. HSAM began providing rebate services in 1987 and provides calculations to approximately 520 clients across 27 states.

Continuing Disclosure. Our firm is one of the few financial advisors that offer a separate continuing disclosure service to assist municipal bond issuers with the required annual financial filings and ongoing material event notices. Our Disclosure Services group, which originated in 2003, assists over 860 state and local government clients in meeting their continuing disclosure obligations and to comply with SEC Rule 15c2-12.

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Investment Management. Founded in 1991, HSAM's Investment Management group provides investment management services and investment pool administration for LOGIC and TexSTAR. As of September 30, 2021, HSAM serves as either the investment manager or the investment advisor for $25.06 billion in public funds.

Debt Capital Markets Structuring. HilltopSecurities offers a full range of structured products designed to meet the balance sheet needs of our clients. The structured products areas of expertise include swap advisory, online monitoring, accounting and consulting services, and bond proceeds management services. The structured products desk has been helping governmental, not-for-profit, and for-profit issuers meet their financial objectives since 1992.

Underwriting. HilltopSecurities is one of the leading municipal underwriting firms in the region, drawing national experience serving numerous types of entities. While we would not underwrite any of the City's bonds as its advisor, our underwriting experience is extremely relevant and helpful in evaluating the market dynamics which would influence our structuring recommendations for the City's competitive and negotiated sales.

As a licensed broker-dealer, HilltopSecurities is an active participant in the marketplace every day. Our financial advisory clients benefit from market advice from firsthand, real-time information as opposed to second and third-hand observations compiled from information vendors. The foundation of our expertise is that we are active participants in the marketplace every day, not merely observers. The firm's underwriters bring a wealth of first-hand market knowledge to every engagement. We believe that the accountability and transparency that results from maintaining an active broker-dealer operation benefits our clients in numerous ways and will be of exceptional value to the City.

The underwriting desk at our firm works in partnership with our financial advisors from the beginning of preliminary structuring, advising on call features and takedowns, updating scales and coupon structures to reflect market dynamics and providing real-time market information, including changes in market indices and comparable sales, all the way to the final pricing. Our underwriters invest as much of their time working with financial advisory clients as they do working with underwriting clients.

HilltopSecurities has a great deal of experience with both competitively bid and negotiated long-term bond issues. ***During the period from November 31, 2016 through October 31, 2021, our volume of participation with each transaction type is 1,437 competitive and 1,586 negotiated, according to Ipreo MuniAnalytics.***

Negotiated Process

For a negotiated sale, we will represent the City in all areas of the process including underwriter selection, pricing and sale. HilltopSecurities is cognizant that each issuer has specific needs and requirements. Regarding the selection of underwriters, Mr. Maas will discuss with the City these needs and requirements to develop the criteria for selection of underwriters. Such needs and requirements often include underwriting and distribution capability, past support of the City's competitive sales, ability to market to an issuer's constituents, and local and minority business participation to name a few. Usually issuers have us review unsolicited proposals for financing ideas or develop a request for proposal that meets the needs and requirements that have been identified. For unsolicited proposals we will discuss with the City the merits of the proposal and the firm's ability to meet the City's needs. On many occasions, larger issuers request us to assist in developing an RFQ for underwriting selection consistent with GFOA's best practices. The result of this effort can a team for a particular financing or to create a pool of underwriters for future transactions. Again, we consider criteria and characteristics in an underwriting team that are desired and align with the contemplated financing. For example, we have different questions for variable rate versus fixed rate transactions. We draft a proposed RFQ then refine the questions and develop a format for evaluating responses. We can prepare a scoring matrix, developed with the issuer, based upon a matrix that gives weight to certain criteria. When requested, we make an independent scoring that we present that to the issuer for evaluation

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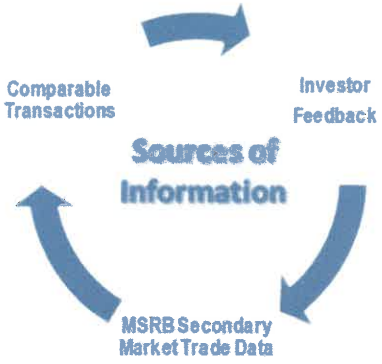
in their scoring. We provide insight into technical and marketing issues, and, if requested, we attend oral presentations and provide input.

In short, we assist the City in selecting a team that meets their needs. Our overall objective in such role is to provide technical resources and market knowledge that assists the issuer in making an informed decision.

We will assist with the negotiation of coupons, expenses, takedowns, and yields to ensure that the City's bonds are sold at market rates. Our professionals will conduct pre-pricing calls with the City and the underwriters, set marketing priorities, monitor all orders, and balance requests for re-pricing.

Our constant evaluation of alternatives to re-marketing and the implementation of those alternatives, when appropriate, will be highly beneficial to the City. We will recommend approval of final pricing only after our underwriting desk has assured the City that the borrowing has achieved a fair cost of capital for the sale date, based on to-the-minute market conditions for that type of security. As noted in the following diagram, HilltopSecurities underwriting desk relies on our own first-hand knowledge of the market from our internal deal flow as well as investor feedback, results of other comparable transactions, and MSRB secondary trade data.



HilltopSecurities has the technological resources and personnel to gather data from these sources, and as such, we do not have to rely on outside or third party firms to gather such data. Each resource provides insight into the value of an issuer's bonds on any given market day. Many of our competitors simply rely on spread to Municipal Market Data ("MMD"), and while MMD has its uses, it has proven faulty in down and volatile markets.

Should the City have an interest, we will send the City pre-pricing information regarding how the City's outstanding bonds initially priced with a spread to MMD, along with information as to how those bonds have traded in the secondary market. We also will give the city current market data and scales reflecting what our underwriting desk believes are the current trading values for the City's new issue. This information will provide the basis of professional negotiations with the underwriters.

Competitively Bid Process

For a competitive sale, our Roseville team will take the steps necessary to obtain the broadest possible participation in bidding. We ensure that investors and underwriters understand the City's credit and the mechanics of the sale, evaluating such to determine the most beneficial financing structure.

We always work with our underwriting desk to prepare a "mock bid" so that we can fine tune the structure before posting the Preliminary Official Statement and then review the structure again the day before bids are due to determine if any changes are needed to accommodate movements in the market.

With regard to competitive bid bond issues, we help clients to understand the cost of structures, call dates and couponing. We feel that it is important that a client carefully review the bidding specifications and review each constraint placed on bidders. HilltopSecurities works with online bidding services to ensure that each client's bidding documents are properly distributed to the marketplace. We routinely update bidding parameters up to the day before a competitive sale to capture the most recent market dynamics.

Below is a general overview of conditions favoring competitive and negotiated sales:

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	Conditions Favoring Competitive Sale	Conditions Favoring Negotiated Sale
Debt Structure ❖ Pledge ❖ Debt Instrument	✓ General Obligation ✓ Serial or term CIBs	✓ System or project supported revenues ✓ Derivatives, discounts, CABs, PACs
Credit Quality ❖ Rating ❖ Outlook	✓ Highly Rated ✓ Stable	✓ Lower Rated ✓ Weak or negative
Market Conditions ❖ Interest Rates ❖ Supply & Demand	✓ Stable, predictable ✓ Strong investor demand, good liquidity, light forward calendar	✓ Volatile or declining market ✓ Oversold Market /heavy supply
Policy Considerations ❖ Participation in Sale of Bonds ❖ Stimulation of Investor Interest	✓ Broad Market Participation desired for Sale of Bonds/Notes ✓ Broad Market Participation desired for Purchase of Bonds/Notes	✓ Desire to ensure the participation of MBE/WBE and/or regional and retail firms ✓ Desire to make bonds/notes available to regional investors

Direct Placements

Guiding a client through the direct placement process is very different than a negotiated or competitive market. Since direct placements are a private transaction between a bank and an issuer, the final terms or pricing of a direct placement are not readily available for comparison. However, since HilltopSecurities is very active in the California private placement market, serving as placement agent for various California issuers, and we can reference for comparison. We also advise our clients on various credit features or prepayment options that may help improve the interest rates quoted by banks. At the very initial stages of a transaction we always discuss the potential opportunity for a direct placement and discuss the pros and cons with our clients.

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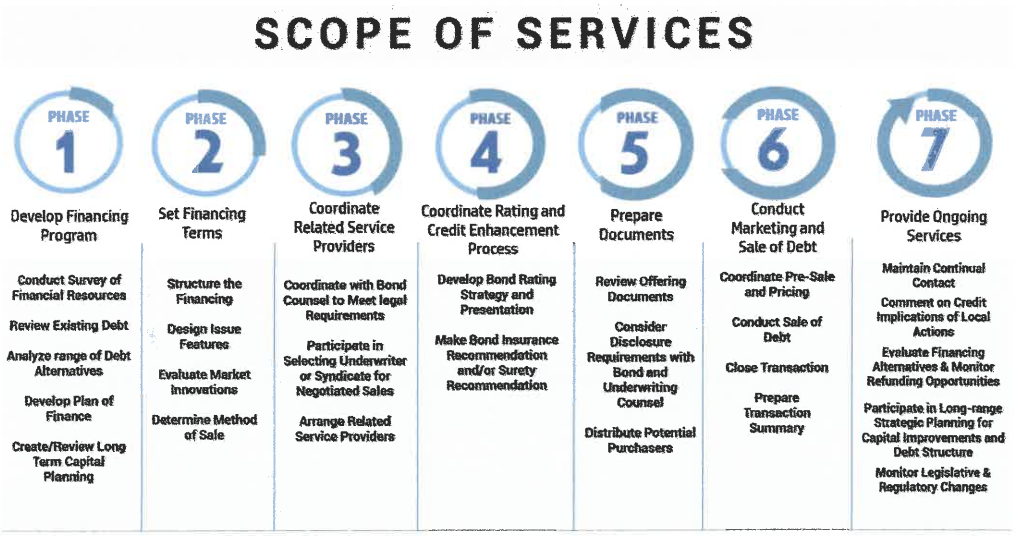
Tab E: Project Plan

Provide a detailed discussion of your firm's approach to the successful implementation of this project. Include thorough discussions of methodologies you believe are essential to accomplishing this project. Include a proposed work schedule to accomplish all of the required tasks within the desired timeline. Identify the staff who would be assigned to each task, including sub-consultants and sub-contractors. List any necessary equipment, training or installation services required.

Based on our extensive and varied experience with public entities, HilltopSecurities provides a full-service approach to providing financial advisory services that ensures every need is addressed. As the driving force behind our long history of success, our approach combines all of the firm's public finance capabilities and additionally employs representatives of our other specialty groups as needed. The following chart summarizes each step of our approach:



HilltopSecurities will customize an approach and a scope of service for the City, and we will readily accommodate needs not mentioned in the Request for Proposal. Additionally, because of the competence of our industry-articulate professionals and team-oriented approach, HilltopSecurities confidently assures timely and responsive service during the process of completing any transaction.

Phase 1: Develop Financing Program

For the planning and structuring of tax-exempt financings, HilltopSecurities will incorporate the implications of arbitrage rebate, investment policies, marketing, and technical considerations. Furthermore, our financing strategies factor in the implications of current and potential financial issues, ensuring that relevant aspects of a transaction will be considered before terms are finalized.

In order to determine available borrowing capacity, we will evaluate the existing debt structure and financial resources of the City. HilltopSecurities will analyze the projected sources of revenue that may be pledged to secure payment of debt service, as well as the optimal revenue pledge with regard to the overall credit rating of the City and the marketability of the issue. HilltopSecurities will devise a plan for financing bonds that incorporates controlling all costs of fees and expenses incurred, and other terms and conditions requested by the City.

HilltopSecurities will recommend the investment of bond proceeds in compliance with federal arbitrage regulations, and will provide sound, regulatory-current advice concerning the ongoing legislative considerations of new bond or borrowing initiatives. Furthermore, we will provide oversight, coordination, and experience in the development of new bond or borrowing initiatives.

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Upon completion of Phase 1, the City and HilltopSecurities will have designed a financing strategy that facilitates the success of all future financing initiatives.

HilltopSecurities has evaluated the City's active General Fund and Enterprise Fund credits. Our analysis of these credits has indicated that the City has a fair amount of debt capacity prior to putting downward pressure on the current ratings. For example, as stated elsewhere in the proposal, the City could issue its contemplated 2024 Water Revenue Bonds and still fall within key credit criteria of highly rated issuers.

Phase 2: Set Financing Terms. HilltopSecurities will perform analyses to determine the timing of the offering, appropriate size of the bond issue, and structure of each financing. In addition, we will evaluate the cost effectiveness of various financing alternatives to recommend the structure that achieves the highest possible credit rating within the constraints of the City and underlying loan participant.

We have the technical capability and experience required to assess virtually every type of financial structure contemplated by a government issuer or conduit borrower. Therefore, we are able to run scenarios that quantify the benefits and costs of various structuring considerations, such as: fixed versus variable rate debt, credit enhancement, optimal call dates and prices, desired maturity dates, premium versus discount bonds, and serial versus term bonds. HilltopSecurities will prepare cash flow forecasts that will enable the City to evaluate the annual debt service requirements associated with alternative financing structures. We will recommend the method of sale that maximizes the marketability of the City's securities and minimizes the overall borrowing cost.

For the most common types of design analysis, HilltopSecurities will:

- Produce cash flow models with the flexibility to calculate bond capacities based on forecasted revenues and expenditures
- Size a financing including allowance for capitalized interest, construction costs, escrow requirements, insurance costs
- Structure a payment amortization to a tailored schedule based on projected revenue and expenditure constraints
- Defease outstanding debt utilizing a state-of-the-art proprietary advance refunding software
- Devise debt capacity models
- Develop debt service schedules
- Provide refunding analysis, which can be used to illustrate savings on a gross basis or a present value basis of refundings.

Various Refunding Opportunities

As the City's most recent municipal advisor, HilltopSecurities met regularly with City staff to provide refunding updates to bond refunding candidates. HilltopSecurities most recently provided analysis updates in September 2021. We have reviewed the City's outstanding debt for refundings and found various refunding opportunities that the City could explore for economic savings.

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Taxable Water Bonds Refunding – We have identified the 2015 Water Utility Revenue Certificates of Participation Series 2015 as candidates for a taxable advance refunding with positive NPV savings. As the bonds are not callable until 2025, we recommend the City wait until the City issues its proposed 2024 Water Bonds and take advantage of economies of scale and let get closer to the call date which should improve the refunding economics substantially.

Refunding Assumptions	2015 Water COPs
Interest Rates as of	November 30, 2021
Assumed Credit Rating	AA
Refunded Maturities	2026 - 2029
Refunded Par ($)	11,970,000

Total Projected Saving Results	
Cash Flow Savings ($)	388,851
NPV Savings ($)	409,854
NPV Savings (%)	3.28%
Avg. Annual Cash Flow Savings ($)	43,206
Average Life	5.457
All-in TIC	1.72%

Due to a refunding for savings, refunding the Certificates should only improve the financial health of the Water Utility System and further strengthened its credit outlook. The refunding could also be structured around the existing WIFIA loan and proposed 2024 issuance in order to create an overall debt structure that best suits the City's needs.

Taxable Community Facilities District Bonds Refunding – We have also identified two Community Facilities District Bonds that could be advance refunded for economic savings – the Longmeadow Parkside Community Facilities District No. 1 Special Tax Refunding Bonds Series 2013 and the Westbrook Community Facilities District No. 1 Special Tax Bonds, Series 2014. Similar to the 2015 Water Certificates of Participation, these can be structured to best benefit the City and its residents; we could refinance the bonds to create level savings thus lowering homeowners annual tax bill or we could structure the refinancing to pay the bonds off quicker without increasing tax bills.

Refunding Assumptions	Longmeadow Parkside CFD #1 Series 2013 Bonds	Westbrook CFD No. 1 Series 2014 Bonds
Interest Rates as of	November 30, 2021	November 30, 2021
Assumed Credit Rating	NR	NR
Refunded Maturities	2024 - 2036	2025 - 2044
Refunded Par ($)	5,420,000	13,210,000

Total Projected Saving Results		
Cash Flow Savings ($)	285,931	388,851
NPV Savings ($)	209,323	715,895
NPV Savings (%)	3.86%	5.42%
Avg. Annual Cash Flow Savings ($)	19,062	44,566
Average Life	8.765	14.702
All-in TIC	3.44%	3.62%

Phase 3: Coordinate Related Service Providers

HilltopSecurities will assist with the evaluation of proposals from financial printers, paying agents/registrars, and trustees. We will participate in document preparation and assist bond counsel in the coordination of the offering, prepare information as necessary for the rating agencies and will help the City maintain ongoing relationships with credit rating agencies. We will disclose all fees, define all relationships, and meet the City's needs by facilitating excellent working relationships with the City's other service providers.

We serve as financial advisor for approximately 800 transactions per year. Our professionals work daily with bond attorneys, financial advisors, and underwriters. Because we often commit our own capital for the benefit of our clients, we are equipped to understand the interests of underwriters. Our underwriting capability enables us to negotiate as equals with underwriters during the structuring, marketing, and pricing phases of a transaction. Furthermore, we have a long history of working with minority and female-owned firms involved in all facets of the investment banking industry. For these reasons, our firm is well equipped to provide recommendations on the composition of the financing team.

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HilltopSecurities' Selection Process for Underwriters

HilltopSecurities is cognizant that each issuer has specific needs and requirements. To address and understand these needs, the HilltopSecurities team, will discuss with the City these needs and requirements to develop a criteria for selection of underwriters. Such needs and requirements usually include underwriting and distribution capability, ability to market to an issuer's constituents, and local and minority business participation, to name a few. Usually issuers have us review unsolicited proposals for financing ideas or develop a request for proposal that meets the needs and requirements that have been identified. For unsolicited proposals, we will discuss the merits of the proposal with the City as well as the firm's ability to meet the City's needs. When we are requested to develop an RFP for underwriting selection, we consider criteria and characteristics in an underwriting team that align with the contemplated financing. For example, we have different questions for variable rate versus fixed rate transactions. We draft a proposed RFP then refine the questions and develop a format for evaluating responses. We occasionally prepare a scoring matrix, developed with the City, based upon a matrix that gives weight to certain criteria. When requested, we make an independent scoring that we present that to the issuer for evaluation in their scoring. We provide insight into technical and marketing issues, and, if requested, we attend oral presentations and provide input.

In short, we assist the City in selecting a team that meets their needs. Our overall objective in such role is to provide technical resources and market knowledge that assists the issuer in making an informed decision.

Phase 4: Coordinate Rating & Credit Enhancement Process

At least two of the three major ratings agencies rates the majority of our bond transactions. As part of each rated transaction, our bankers interact closely with the rating agencies throughout the transaction. This experience has led our firm to develop detailed rating strategies for our clients.

As a result of our experience, HilltopSecurities has unparalleled relationships with Moody's Investors Service, Standard & Poor's, and Fitch. This continual "hands-on" exposure to all aspects of the rating process affords the City a major advantage: an in-depth understanding of the rating agencies' typical concerns regarding City credits. We will closely guide the City through the presentation process in order to help City achieve its ratings goals.

In addition to our standing as the nation's leading municipal financial advisory firm for credit enhanced financings, HilltopSecurities has a thorough knowledge of liquidity facilities and relationships with providers of third party credit enhancement and commercial banks beneficial to the successful completion of the City proposed financing. We regularly explore bond insurance and letters of credit in order to lower the interest and issuance costs of our clients. To evaluate the credit worthiness of our clients' bonds and the cost effectiveness of municipal bond insurance, we maintain contact, nearly daily, with the remaining bond insurance companies. We also maintain close contact with domestic and foreign banks and other companies that provide letters of credit, surety bonds, and other credit enhancement instruments.

In looking to procure replacement letters of credit for the City, HilltopSecurities contacted multiple banks that in prior communications indicated interest in credits such as the City's.

Bond Rating Strategy

Although issuers have much in common, they and their presentations to the rating agencies are unique. After analyzing the City's credit, HilltopSecurities will determine the relative strengths and weaknesses. We then can anticipate and prepare for the lines of questioning and propose a presentation outline. As part of the rating process, we will make recommendations on how the bond rating will be communicated: by conference call or through personal presentations, and which agency or agencies will be approached for the bond rating. We have been involved in a wide variety of presentation formats, ranging from the coordination of written materials to the

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organization of on-site visits and the preparation of audiovisual productions. During this process, we will focus on the best method for presenting information most likely to influence the rating outcome.

Then, HilltopSecurities will assist the City with establishing bond rating goals. Based on these targets, we will advise on the selection of bond rating providers and on the method for obtaining bond ratings, which includes:

- Consulting on financial, administrative and credit factors
- Assisting in the development of long-term strategic plans
- Developing action plans to obtain credit rating goals
- Assisting with the preparation of presentation materials

Credit Enhancement and Liquidity Facilities

A thorough knowledge of credit enhancement and liquidity facilities, and relationships with providers of third-party credit enhancement and commercial banks will be of benefit to the City in seeking to accomplish its plan of finance. We regularly explore the use of bond insurance, letters of credit, liquidity facilities, and self-liquidity to lower the interest and issuance costs of our clients.

Phase 5: Prepare Documentation

HilltopSecurities will coordinate closing details and post-closing duties, including the development of closing memoranda and the preparation of final documents necessary for financing current and future projects. Since we are current and well-versed in regulatory standards and updates, our participation ensures the creation of documents that provide credit strength and operating flexibility to the City, security to the investor, and marketability for the underwriter. Additionally, we will assist with the preparation of an Official Statement and other disclosure documents that describe all terms and conditions of the transaction.

Phase 6: Conduct Marketing and Sale of Debt

HilltopSecurities will take the steps necessary to obtain the broadest possible participation in bidding. We ensure that investors and underwriters understand the City's credit and the mechanics of the sale, evaluating each to determine the most beneficial financing structure. For a negotiated sale, we will represent the City in all areas of pricing and sale. We will assist with the negotiation of covenants, coupons, expenses, takedowns, and yields to ensure that the City's bonds are sold at market rates. Our professionals will conduct pre-pricing calls with the City and the underwriters, set marketing priorities, monitor all orders, and balance requests for re-pricing.

HilltopSecurities' constant evaluation of alternatives to re-marketing and the implementation of those alternatives, when appropriate, will be highly beneficial to the City. We will recommend approval of final pricing only after our underwriting desk has assured the City that the borrowing has achieved a fair cost of capital for the sale date, based on to-the-minute market conditions for that type of security.

Phase 7: Ongoing Services

Maintain Continual Client Relations

As part of HilltopSecurities' comprehensive service, we will continue to offer assistance to the City by:

- Commenting on the credit implications of local actions and events
- Developing debt management policies
- Evaluating financing alternatives
- Participating in long-range strategic planning for capital improvements and debt structure
- Developing financial models to analyze the full range of debt funding alternatives
- Evaluating the appropriateness and benefit of derivative products

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- Identifying cost savings or debt service restructuring opportunities
- Providing an ongoing link between such parties as underwriters, bankers, insurers, investors, regulators, trade groups, and other issuers

Investor Outreach Plan

As the City of Roseville prepares to enter the capital markets for borrowing in the upcoming years, the City's interface with the investor community will be vital to ensure the lowest possible borrowing cost.

HilltopSecurities identifies two main keys to improving investor relations:

1. **Financial Transparency and Lines of Communication** – While investors may not study every disclosure item the City releases, they become aware if key information is missing or unclear. As the City's financial advisor, we can assist in the preparation of the documents and presentations that support transparency and serve as a liaison with the underwriting and investor community. We can provide input on how debt information is illustrated on the City's website, investor net roadshows prior to bond sales, and set up investor tours of key facilities.

Structured Products. Hilltop's Structured Products group consists of four full-time professionals who focus solely on structured finance products. Their activities are supported and reviewed by a committee of five of Hilltop's most experienced advisors who each have a strong working knowledge of the industry and the role of derivative products in public finance.

As an extension of our Public Finance practice, our Structured Finance philosophy is fundamentally conservative, highly personalized and always reflective of the responsibilities associated with public transactions. Each of our Structured Finance professionals has wide-ranging experience in creating comprehensive financing and hedging plans applicable to balance sheet management.

HilltopSecurities regularly provides mark-to-market swap valuations on our clients' swap transactions.

Monitor Legislative and Regulatory Changes

HilltopSecurities will monitor legislative, economic, budgetary and regulatory changes as they relate to the City and advise as to relevant and beneficial action and participation. Additionally, we will continue to comment on the credit implications of local actions and events, develop debt management policies, evaluate financing alternatives, and evaluate the appropriateness and benefit of derivative products and services.

SEC Rule 15c2-12 – Continuing Disclosure Requirements

SEC Rule 15c2-12 provides municipal bond issuers guidance on continuing disclosure ("CD") requirements and filings. The City to date has prepared and disseminated all of its CD filings. HilltopSecurities has served as a third-party dissemination agent for the City's CD filings. The dissemination agent will not only file CDs on the City's behalf but also review information provided and confirm that the information is complete and sufficient to meet SEC Rule 15c2-12 standards. Regardless of which firm the City selects to serve as dissemination agent, it would be in the City's best interest to outsource this role at a nominal annual cost.

The HilltopSecurities Continuing Disclosure department files approximately 860 CD filings annually on behalf of municipal bond issuers nationwide and is willing to separately negotiate fees for this service. Although HilltopSecurities regularly provides training to issuers regarding CD requirements and procedures, we also advise the City to procure disclosure counsel to participate in both CD training and the preparation of official statements.

Pension and OPEB. A particular strength of HilltopSecurities is its focus on pensions and OPEB. As pension and OPEB become larger parts of operating budgets, they receive increasing attention from rating agencies, investors, taxpayers and regulators. Mr. Brian Whitworth, a key asset of our firm, has reviewed over 2,000 CAFRs, official statements, and actuarial studies. To date, he has found approximately $12 billion in errors, unrealistic actuarial assumptions, and opportunities for savings.

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EXHIBIT "B"

Preliminary Work Schedule for Hypothetical Financings	
Time Period	Brief Description
Introduction Meeting	Meet with the City to discuss financing needs, both short and long-term.
Preliminary Work	Review and analyze the City's financial position, capital improvement plans, and revenue projections.
Initial Advice	Advise the City on the various financing structures and other cost effective methods available to achieve its goals. Analyze and report on the disadvantages, advantages, and the cost effectiveness of each proposed financing option.
Tentative Negotiated Sale Timeline	
Week 1	Once the financing plan has been agreed upon, HilltopSecurities will develop a timeline and checklist of all necessary steps to complete the transaction and assist with the selection of the financing team including bond counsel, issuing and paying agents, liquidity providers, trustees, printers, and other professionals as necessary or desired.
Weeks 3-4	Review proposals; summarize and/or review RFP responses from underwriter and other vendors, if applicable. Negotiate financing team members' pricing agreements to achieve the City's goals in the most cost effective manner.
Week 5	Creation, review and distribution of the financing schedule and distribution list; kick off meeting/call.
Week 6	Assist in drafting the POS; work on rating agency presentation and investor roadshow, as may be applicable. Review draft resolution and/or any other applicable draft legal documents.
Week 7	Coordinate calls/meetings with rating agencies; provide rating agencies with presentation; coordinate credit analysis with potential bond insurers.
Week 8	Rating agency calls/meetings; provide additional information to rating agencies/underwriter as requested. City Council considers adoption of Resolution.
Week 9	Review rating reports; provide comments.
Week 10	Put together cost of issuance and review pre-pricing thoughts; review designation and liability policies; organize market update calls and investor calls, disclosure review call
Week 10	Bond pricing; review final numbers and orders and allotments; update/review final OS tables including debt service figures, sources and uses, etc.
Week 11	Create or review closing memo; review closing documents from bond counsel
Week 13-14	Coordinate closing call; gather vendor invoices

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Tab F: Cost Proposal

Provide a total cost proposal for all products and services to be delivered, and a breakdown of costs delineated by tasks as described in your project plan. Include a schedule of hourly rates for all proposed staff and the amount of time each person will be devoted to this project. Define any reimbursable expenses requested to be paid by the City and identify which fees will be based on a not-to-exceed basis. (Any MSRB fees imposed upon municipal advisors should not be passed through to the issuer.)

HilltopSecurities proposes a retainer fee structure that would cover the requested scope of services described in the RFP with reduced transaction success fee. The proposed structure would apply should a financing be issued through a negotiated, competitive or private placement basis.

Retainer	
Annual Retainer	$75,000
Reduced Transaction Fees	
Underlying Security	**Fee Range**
Any Debt Obligation	$25,000

Our Team proposes to bill the City separately for only those direct expenses that are pre-authorized by the City and may include, but are not limited to, overnight courier, conference calls and other similar expenses. Expenses such as in-state travel to meetings would be considered a normal cost of doing business, and would usually not be eligible for separate billing.

We are always willing to negotiate a cap on our direct costs on a per transaction basis.

We believe that our proposed compensation is appropriate for the services requested and competitive with those of other financial advisors; however, we are committed to implementing a fee structure that achieves the specific objectives of the City and one which fits within the overall budget. Accordingly, our fee proposal would be subject to further negotiation at the City's request.

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COUNCIL COMMUNICATION

CC #: 1948
File #: 0800-03

Title: Energy Risk Management Policies Update
Contact: Petra Wallace 916-774-5510 pwallace@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.4.

RECOMMENDATION TO COUNCIL

Staff recommends that City Council adopt a resolution to approve two updated Energy Risk Management Policies and reaffirm two existing Energy Risk Management Policies for Roseville Electric Utility. There is no fiscal impact associated with these policy changes.

BACKGROUND

Energy markets can be highly volatile and if unmanaged can result in significant monetary risk to the City of Roseville. In 2005, the City adopted a comprehensive set of Energy Risk Management Policies to manage the inherent risks associated with operating an electric utility. The policies are:

• Electric Utility Risk Management Policy: This is the overarching risk management governance document. It specifies the goals and objectives of the policies and the roles and responsibilities in the risk governance structure.

• Energy Credit Risk Policy: This policy defines how credit limits are set and managed.

• Energy Trading Authority Policy: This policy sets the types of energy transactions that can be entered into and the levels of authorization the City Manager has for long term hedging and the Power Management Services Agent (“Agent”) has for within-the-month operational trading.

• Energy Hedge Policy: This policy defines the Roseville Electric’s hedging goals and risk tolerance.

The policies are reviewed and updated on a regular basis to incorporate changes in the operating environment and periodic independent audits. Staff, the Risk Management Committee, and the Risk Oversight Committee have reviewed the following policy changes and recommend Council approval:

• Electric Utility Risk Management Policy – No changes to the policy.

• Energy Credit Risk Policy – No changes to the policy.

• Energy Trading Authority Policy – The policy update includes:
o Updated the Authority Matrix (section 7.2) to allow Roseville Electric's Power Management Services Provider to transact financial gas, similar to their existing electricity, physical gas, and financial gas authority.

• Energy Hedge Policy – The policy update includes:
o Removed the Power Supply Cost Risk Policy (section 2.2) portion of the Hedge Policy as recommended by the 2014 Risk Audit. This portion of the policy is difficult to make actionable, will therefore shift to use it as an indicator metric and decision guide internally.

FISCAL IMPACT

There is no fiscal impact associated with the policy changes.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378.

Updates to the Energy Risk Policies meet the above criteria and are not subject to CEQA. No additional environmental review is required.

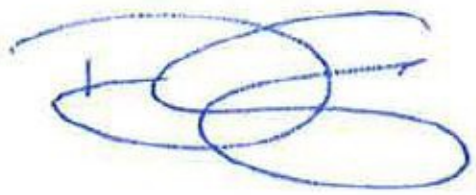
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal A: Remain fiscally responsible in a changing world.

Respectfully Submitted,

Petra Wallace, Electric Risk and Compliance Supervisor

Daniel Beans, Electric Utility Director



_____
Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution 22-060

Energy Hedge Policy.Redline.01.05.2022

Energy Hedge Policy.Clean.2022

Energy Trading Authority Policy.Redline.01.11.2022

Energy Trading Authority Policy.Clean.2022

Energy Utility Risk Management Policy

Electric Credit Risk Policy

RESOLUTION NO. 22-060

REAFFIRMING THE ENERGY UTILITY RISK MANAGEMENT POLICYAND THE ENERGY CREDIT RISK POLICY AND ADOPTING THE ENERGY HEDGE POLICY AND THE ENERGY TRADING AUTHORITY POLICY

WHEREAS, in 2005, the City adopted comprehensive risk management policies, which addressed a wide range of risks, such as credit risk, and incorporated considerations, such as fuel, required for the Roseville Energy Park; and

WHEREAS, these policies need to be reaffirmed every two years; and

WHEREAS, no changes have been made to the Energy Utility Risk Management Policy or the Energy Credit Risk Policy; and

WHEREAS, City Council has reviewed the proposed updates to the Energy Hedge Policy and the Energy Trading Authority Policy.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Roseville that the Energy Utility Risk Management Policy and the Energy Credit Risk Policy are hereby reaffirmed.

BE IT FURTHER RESOLVED by the Council of the City of Roseville that the Energy Hedge Policy and the Energy Trading Authority Policy are hereby adopted.

PASSED AND ADOPTED by the Council of the City of Roseville this____day of _____, 20_, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

Energy Hedge Policy

~~03/03/2021~~ 2/16/2022

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2. *Hedging Policy Criteria* 1
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4 *Risk Measurement and Compliance Reporting* ..... 5~~4~~
5 *Responsibility* ..... 5~~4~~
6 *Related Policies* ..... 6~~4~~

1. Summary

The City of Roseville ("City") Hedge Policy outlines the energy hedging policy (natural gas and electricity) that will guide disciplined hedging of forward energy resources. The hedge policy is designed to reduce energy rate volatility and to maintain rates within reasonable tolerances. The primary purpose of this policy is to identify specific guidelines and criteria for procuring projected energy needs. These procurement criteria are defined for quarters, fiscal years, and calendar years as appropriate in the different parts of the policy.

The policy largely employs a price averaging strategy of declining percentage of energy supply positions held over forward time periods. This strategy protects the City from potential adverse impacts that could result from either significant energy price increases or decreases. The strategy also maintains some elements of procurement to remain flexible. For example, during times of extremely attractive market conditions, this policy allows for increasing the amount of forward energy hedged above the stated ranges with the concurrence of the City's Risk Oversight Committee ("ROC"). A key component of the policy is a monthly report for the Risk Management Committee and a quarterly report to the City Council and ROC, which is outlined herein.

2. Hedging Policy Criteria

~~2.1.1 2.1 Fixed Price Energy Policy - Volumetric and Lead Time Criteria for Energy Hedging~~

2.1 Rolling Monthly Hedge Ranges

One criterion of this policy is to have energy procured within defined volumetric ranges during the following rolling monthly and quarterly timeframes. These ranges identify the percentage of City's projected total energy needs that will be procured with fixed price energy over a given time period. For use within this policy, energy needs are considered hedged or procured to the extent that the projected need is met by:

i. Authorized Transactions, as defined in the Roseville Trading Authority Policy

or

~~-~~Other transactions as Authorized by the City Council, using the process outlined in the Roseville Trading Authority Policy. Options with out of the money strike prices may be used to hedge forward volumes, provided that they do not account for more than 15% of the projected energy needs in any given month, and they are not more than 50% out of the money at the time of the transaction.

2.2 ~~2.1.2~~ The City will hedge projected energy needs based on the following criteria:

Lead Time	**Months 1 to 12**	**Quarters 5 to 8**	**Quarters 9 to 12**
Hedging Frequency	Monthly	Quarterly	Quarterly
Range (%)	90-110	70-100	45-80

i. *Lead Time:* This is the amount of time from the current period (including the current period). It may be defined in months or quarters.

ii. *Hedging Frequency*: This is the frequency that the hedging period changes. This is to prevent a situation where Month 36 (the last month of Quarter 12) would have to be hedged at a time when monthly purchases are very illiquid. It also defines the purchases of hedges, indicating that a one-month hedge could be purchased for each month between Month 1 and Month 12, whereas a whole quarter hedge would be purchased for a period starting Quarter 5. In case of a conflict, monthly frequency has precedence over quarterly.

iii. *Range:* This is the lower and upper bounds of overall energy needs that will be required to be covered with fixed price energy, and/or up to 15% with call options. If the percentage of overall energy compared to the expected load for the total lead time is within the bounds, then Roseville is in compliance.

iv. *Remediation Period* on Violation is 45 Days, meaning the City has 45 days from the date of the violation notice to get back in compliance with the hedging policy.

Deviations that exceed the range will require approval of the ROC and/or City Council, and will be part of the regular reporting to the City Council.

Because the models being used to determine official compliance with this policy are being run by an external entity, the City's first warning of being out of compliance with this policy may occur when a report is delivered showing it out of compliance. As such, the City will have 45 days to remedy the out of compliance situation before it is deemed a violation.

~~2.1~~2.3 *Hedge Timing and Volumetric Minimums*

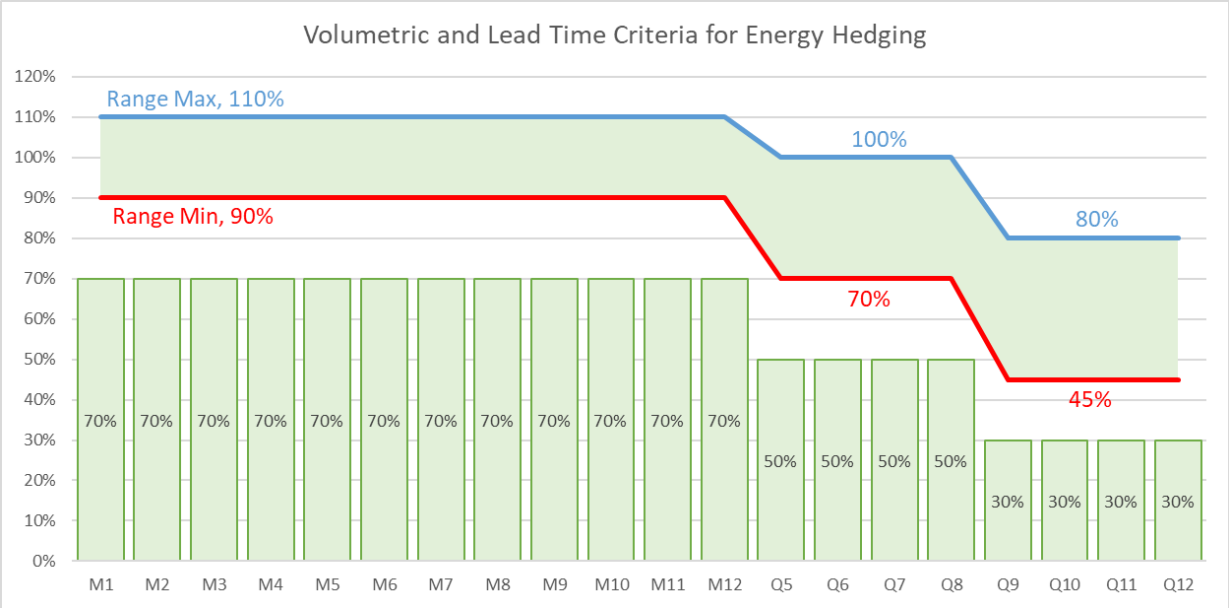
In meeting the overall volumetric criteria, the City will have the following minimum percentages of energy hedged no later than the lead time as identified below:

Time Frame	Months	Quarters	
Lead time	1-12	5-8	9-12
Minimum (%)	70	50	30

For example, on January 1, ~~2021~~2022, the City will have a minimum of 70% of its projected energy needs for each of the following 12 months, January ~~2021~~ 2022 through December ~~2021~~ 2022 procured. For Quarter 5, including January, February, and March ~~2022~~2023, a minimum of 50% of the total projected energy shall be procured, whereas minimum thresholds for individual months are not required. This minimum amount can be hedged well before that date based on the ranges in the prior section. As with the Volumetric Lead Time Criteria, a time frame in months takes precedence over a time in quarters.

The City will maintain hedges at the minimum volumetric level for the specified lead times. Any deviation from the monthly minimum volume for the specified lead time will require ROC and/or City Council approval and will be reported to the City Council. It would still be considered compliant if one month in Month 1 through Month 12 was between 70% and 90%, on condition that the average of Month 1 through Month 12 was between 90% and 110%.

The following chart illustrates the volumetric and lead time criteria for energy hedging.



~~***2 2.2 Power Supply Cost Risk Policy***~~

~~3 The Power Supply Cost Risk Policy will measure the effect of several variables on the cost to supply power to the City. These variables are:~~

~~4 Hydro variability (more or less than expected water to run hydroelectric power plants).~~

~~5 Market price variability in the electric, natural gas, and the derived marginal heat rate market.~~

~~6 Generating unit outages.~~

~~7 Appropriate correlations between all of the above variables.~~

~~8 This policy sets a goal to develop a portfolio to limit the effects of the above variables on portfolio costs. These goals are expressed as a percent of total power supply cost. The goals for this 36 Month rolling policy are outlined in the table below:~~

~~**Time Horizon**~~	~~**0 to 12 Months**~~	~~**13 to 24 Months**~~	~~**25 to 36 Months**~~
~~***Maximum % Cost Exposure (% above Baseline Cost)***~~	~~7.5%~~	~~15%~~	~~30%~~

~~9 Remediation Period on Violation: 45 Days~~

~~10 In the table above, there are several terms that need further explanation.~~

~~1 Time Horizon: This is the aggregate time period over which compliance with the policy is to be measured. For example, in the first rolling 12 month time period, the total Maximum Cost over that 12 months cannot exceed the total Baseline Cost over that 12 months by more than the prescribed amount (in this case 7.5%). This policy limit does not apply to individual months within the time horizon.~~

~~2 Baseline Cost: A cost exposure policy needs to have a baseline from which~~

~~to be measured. For this policy, the baseline will be t the next three rolling years' estimated power supply costs based on current market conditions and other assumptions made at the time.~~

~~3 Maximum Cost: The Maximum Cost upon which the policy limits are binding will be the 97th percentile of the total cost distribution (for the given Time Horizon) of a Monte Carlo risk model using uncertain variables as defined above.~~

~~11 Because of the complex nature of the risk models used to calculate compliance with this policy, and because those models are being run by an external entity, the City's first warning of being out of compliance with this policy may occur when a report is delivered showing it out of compliance. As such, the City will have 45 days to remedy the out of compliance situation before it is deemed a violation.~~

3 Natural Gas Hedging

Natural gas and power hedging will be a complementary hedging activity for the City's natural gas fired generation (owned or contracted) or if it enters a transaction that uses a natural gas index price to derive its electricity cost, such as a heat rate product. Such gas related generation or purchase transactions would not be considered energy hedges until the projected gas volumes are procured. The monthly hedge criteria are measured based on total energy exposure for native load (total projected electricity needed for native load minus energy already hedged). This is the criteria required to be considered fixed price energy. There are three mechanisms for hedging gas price risk:

i. The use of NYMEX contracts.

ii. Bilateral financial hedging using ISDA Master Agreements

iii. Fixed price physical gas procurement.

In order to allow flexibility in overall energy hedging decisions (e.g. economically hedging additional needs via gas contracts versus power purchases), specific sub-targets for natural gas hedging are not set within this policy.

4 Risk Measurement and Compliance Reporting

Risk measurement and policy compliance within the volumetric and lead time criteria will be demonstrated on a regular basis in the Power Management Services Agent's ("Agent's") monthly portfolio model risk report. ~~This report will also report on the Power Supply Cost Risk Policy.~~ This report will generally cover three years of projections with seven-year runs performed at least once per year or when market conditions indicate the potential to cost-effectively hedge beyond three years out.

5 Responsibility

It shall be the responsibility of the City Council, Risk Oversight Committee, City Manager, and Risk Management Committee to assure compliance with this policy. Implementation of this policy shall be in accordance with the Related Polices, as referenced below.

6 Related Policies

Supporting policies and procedures are required as outlined below:

i. City of Roseville Electric Utility Risk Management Policy
ii. City of Roseville Energy Trading Authority Policy
iii. City of Roseville Energy Credit Risk Policy
iv. Resolution 17-368 retaining ACES for power management services
v. Resolution 16-161 declaring ACES as agent for the purposes of risk policies

CITY OF ROSEVILLE CALIFORNIA Electric Utility

Energy Hedge Policy

2/16/2022

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3 *Natural Gas Hedging* 4
4 *Risk Measurement and Compliance Reporting* 4
5 *Responsibility* 4
6 *Related Policies* 4

1. Summary

The City of Roseville ("City") Hedge Policy outlines the energy hedging policy (natural gas and electricity) that will guide disciplined hedging of forward energy resources. The hedge policy is designed to reduce energy rate volatility and to maintain rates within reasonable tolerances. The primary purpose of this policy is to identify specific guidelines and criteria for procuring projected energy needs. These procurement criteria are defined for quarters, fiscal years, and calendar years as appropriate in the different parts of the policy.

The policy largely employs a price averaging strategy of declining percentage of energy supply positions held over forward time periods. This strategy protects the City from potential adverse impacts that could result from either significant energy price increases or decreases. The strategy also maintains some elements of procurement to remain flexible. For example, during times of extremely attractive market conditions, this policy allows for increasing the amount of forward energy hedged above the stated ranges with the concurrence of the City's Risk Oversight Committee ("ROC"). A key component of the policy is a monthly report for the Risk Management Committee and a quarterly report to the City Council and ROC, which is outlined herein.

2. Hedging Policy Criteria

2.1 Rolling Monthly Hedge Ranges

One criterion of this policy is to have energy procured within defined volumetric ranges during the following rolling monthly and quarterly timeframes. These ranges identify the percentage of City's projected total energy needs that will be procured with fixed price energy over a given time period. For use within this policy, energy needs are considered hedged or procured to the extent that the projected need is met by:

i. Authorized Transactions, as defined in the Roseville Trading Authority Policy

or

Other transactions as Authorized by the City Council, using the process outlined in the Roseville Trading Authority Policy. Options with out of the money strike prices may be used to hedge forward volumes, provided that they do not account for more than 15% of the projected energy needs in any given month, and they are not more than 50% out of the money at the time of the transaction.

2.2 The City will hedge projected energy needs based on the following criteria:

Lead Time	**Months 1 to 12**	**Quarters 5 to 8**	**Quarters 9 to 12**
Hedging Frequency	Monthly	Quarterly	Quarterly
Range (%)	90-110	70-100	45-80

i. *Lead Time:* This is the amount of time from the current period (including the current period). It may be defined in months or quarters.

ii. *Hedging Frequency*: This is the frequency that the hedging period changes. This is to prevent a situation where Month 36 (the last month of Quarter 12) would have to be hedged at a time when monthly purchases are very illiquid. It also defines the purchases of hedges, indicating that a one-month hedge could be purchased for each month between Month 1 and Month 12, whereas a whole quarter hedge would be purchased for a period starting Quarter 5. In case of a conflict, monthly frequency has precedence over quarterly.

iii. *Range:* This is the lower and upper bounds of overall energy needs that will be required to be covered with fixed price energy, and/or up to 15% with call options. If the percentage of overall energy compared to the expected load for the total lead time is within the bounds, then Roseville is in compliance.

iv. *Remediation Period* on Violation is 45 Days, meaning the City has 45 days from the date of the violation notice to get back in compliance with the hedging policy.

Deviations that exceed the range will require approval of the ROC and/or City Council, and will be part of the regular reporting to the City Council.

Because the models being used to determine official compliance with this policy are being run by an external entity, the City's first warning of being out of compliance with this policy may occur when a report is delivered showing it out of compliance. As such, the City will have 45 days to remedy the out of compliance situation before it is deemed a violation.

2.3 Hedge Timing and Volumetric Minimums

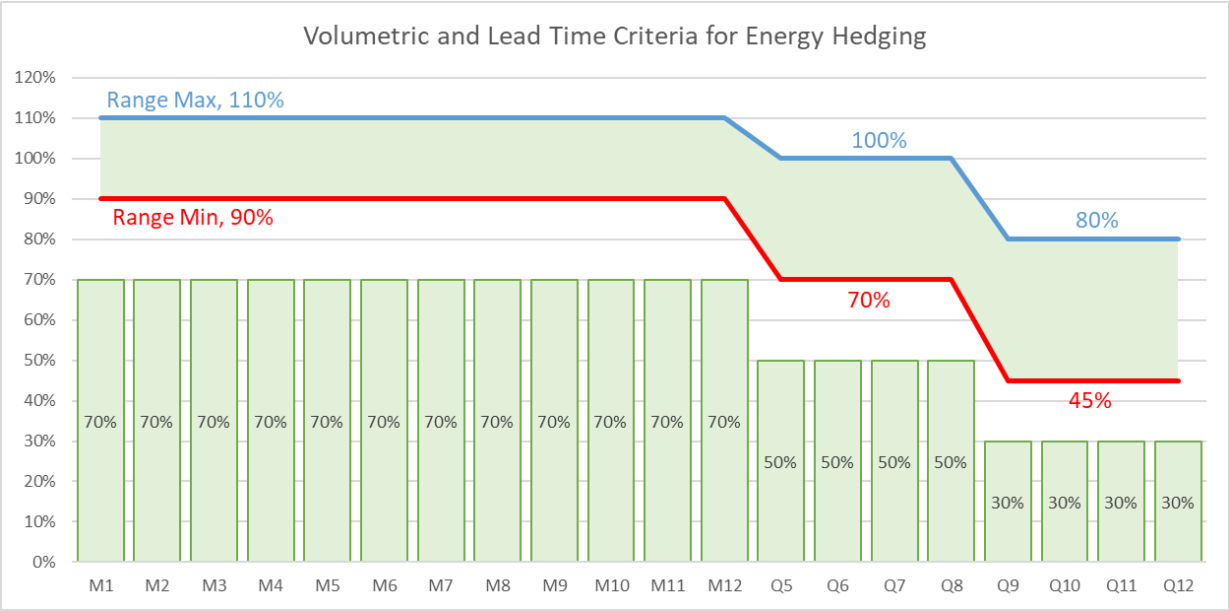
In meeting the overall volumetric criteria, the City will have the following minimum percentages of energy hedged no later than the lead time as identified below:

Time Frame	Months	Quarters	
Lead time	1-12	5-8	9-12
Minimum (%)	70	50	30

For example, on January 1, 2022, the City will have a minimum of 70% of its projected energy needs for each of the following 12 months, January 2022 through December 2022 procured. For Quarter 5, including January, February, and March 2023, a minimum of 50% of the total projected energy shall be procured, whereas minimum thresholds for individual months are not required. This minimum amount can be hedged well before that date based on the ranges in the prior section. As with the Volumetric Lead Time Criteria, a time frame in months takes precedence over a time in quarters.

The City will maintain hedges at the minimum volumetric level for the specified lead times. Any deviation from the monthly minimum volume for the specified lead time will require ROC and/or City Council approval and will be reported to the City Council. It would still be considered compliant if one month in Month 1 through Month 12 was between 70% and 90%, on condition that the average of Month 1 through Month 12 was between 90% and 110%.

The following chart illustrates the volumetric and lead time criteria for energy hedging.



3 Natural Gas Hedging

Natural gas and power hedging will be a complementary hedging activity for the City's natural gas fired generation (owned or contracted) or if it enters a transaction that uses a natural gas index price to derive its electricity cost, such as a heat rate product. Such gas related generation or purchase transactions would not be considered energy hedges until the projected gas volumes are procured. The monthly hedge criteria are measured based on total energy exposure for native load (total projected electricity needed for native load minus energy already hedged). This is the criteria required to be considered fixed price energy. There are three mechanisms for hedging gas price risk:

i. The use of NYMEX contracts.
ii. Bilateral financial hedging using ISDA Master Agreements
iii. Fixed price physical gas procurement.

In order to allow flexibility in overall energy hedging decisions (e.g. economically hedging additional needs via gas contracts versus power purchases), specific sub-targets for natural gas hedging are not set within this policy.

4 Risk Measurement and Compliance Reporting

Risk measurement and policy compliance within the volumetric and lead time criteria will be demonstrated on a regular basis in the Power Management Services Agent's ("Agent's") monthly portfolio model risk report. This report will generally cover three years of projections with seven-year runs performed at least once per year or when market conditions indicate the potential to cost-effectively hedge beyond three years out.

5 Responsibility

It shall be the responsibility of the City Council, Risk Oversight Committee, City Manager, and Risk Management Committee to assure compliance with this policy. Implementation of this policy shall be in accordance with the Related Polices, as referenced below.

6 Related Policies

Supporting policies and procedures are required as outlined below:

i. City of Roseville Electric Utility Risk Management Policy
ii. City of Roseville Energy Trading Authority Policy
iii. City of Roseville Energy Credit Risk Policy
iv. Resolution 17-368 retaining ACES for power management services
v. Resolution 16-161 declaring ACES as agent for the purposes of risk policies

Energy Trading Authority Policy

2/26/2022~~03/03/2021~~

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ENERGY TRADING AUTHORITY POLICY

3/03/2021

1. Purpose

The Trading Authority Policy ("Policy") is the framework containing the governing rules and requirements associated with the City's energy related transactions. The Policy also specifies the list of authorities or powers granted by the City Council of the City of Roseville ("City") to the City Manager and key personnel that can execute energy related transactions.

1.1 The Trading Authority Policy includes directives that address the following:

i. The City's intention regarding hedging and speculating;
ii. Who has authority to execute transactions;
iii. The commodities and products that can be transacted;
iv. The authorized lead-time and term for each transaction;
v. Counterparty contract and credit requirements;
vi. Other relevant factors associated with due diligence in authorizing transactions to be executed.

2. Execution Authority

The City Council granted the City Manager the ability to delegate his/her authority to the Electric Utility Director and Power Management Services Agent ("Agent") at his/her discretion. The City Manager may also choose to amend the extent of authority granted to Utility Director and Agent at his/hers discretion as long as it does not surpass the limit of his/her own authority.

The Transaction Authority Matrix outlines the Execution Authority Limits and defines the trading limits applicable to purchases and sales for each authority level.

All transactions must be executed via a recorded communication method. Recorded communications must be maintained and controlled by personnel who are independent of the trading function. Any request by the City for the Agents to execute on its behalf a transaction beyond the Agent's authority must by documented in accordance with this Policy.

3. Requirements

3.1 Credit Requirements –

i. Roseville Electric shall not intentionally exceed the credit limit associated with each counterparty. Entering into unsecured transactions with a counterparty that has total credit exposure greater than or equal to its open line of credit and the total of any security currently provided, will be managed according

to the City of Roseville Energy Credit Policy. *(Note: Since credit exposures are a function of not only positions traded, but also a function of market pricing and volatility, credit exposure to a counterparty may unintentionally exceed a credit limit purely due to changes in the forward market).*

3.2 Contract Requirements –

i. Transactions with counterparties shall only be permitted if City has an active, valid, and executed agreement enabling such trading activity with that counterparty.
ii. Long form confirmations may be used as a valid agreement in lieu of a permanent agreement, when necessary, if approved by the Roseville City Council.

4. Non-Permissible Transactions

4.1 Sleeving

i. No sleeving transactions for credit or contract purposes shall be executed. Note: Credit Sleeving is an arrangement where a more financially reputable entity acts as middleman for a smaller, undercapitalized entity in the purchase or sale of power. Contract sleeving is an arrangement where an entity acts as a middleman between two entities to bridge a contract gap that exists between the two entities.

4.2 Speculative

i. The primary purpose of trading activities shall be for hedging and portfolio optimization (including participation in arbitrage opportunities). However, the Energy Hedge Policy does allow the City to take advantage of market opportunities through transactions that could in the strictest sense be labeled speculation if those transactions expose the City to additional risk. The Energy Hedge Policy defines what is permissible in this regard.

5. Standard Transactions

Types of transactions that are executed by Roseville or its Agent must be consistent with City Council resolutions, all applicable laws, and rules and regulations. These may include, but not limited to the following:

5.1 Enabling and Master Agreements

5.2 Purchase and Sales of Energy Products such as:

5.2.1 Electric Power and Transmission (Financial and Physical Contracts)

i. Purchase energy or capacity to serve load above what is expected to be generated or purchased from existing resources, or if energy or capacity purchases are more economical than existing resources.

ii. Sell existing capacity or energy that is expected to be in excess of the City's requirements.
iii. Execute financial transactions, including CAISO virtual transactions, to fix the price of variable commodity purchases or sales.
iv. Purchase from the CAISO markets to meet the City's load requirements or sell into the CAISO markets energy in excess of the City's load requirements.
v. Purchase call options to limit price exposure on short power positions.
vi. Sell call options or tolling agreements on capacity that is expected to be in excess of the City's resource requirements.
vii. Purchase a "floor" to limit price exposure on long power positions.
viii. Sell a "floor" to offset a portion of the price of the purchase of call
ix. Execute physical spread transactions at authorized locations.
x. Transmission purchases are to be as firm as possible to reasonably assure the delivery of the commodity at the firmness transacted.

Notes:

- Physical Contracts are contracts that require "sellers" to produce and deliver the commodity to the "buyers". Financial Contracts do not involve a direct physical delivery of a commodity; instead they use cash settlements, the buyer either gains or lose credit against the seller based on the difference between the agreed "entry" price and the "final" settlement price.

5.2.2 Natural Gas and Transportation (Financial and Physical Contracts)

i. Purchase natural gas and transportation that is expected to be needed to fuel the Roseville facilities. Enter into imbalance and storage agreements if deemed beneficial to fuel Roseville facilities.
ii. Sell surplus gas, or release transportation capacity, if more economic energy is available for purchase.
iii. Purchase call options to limit price exposure on short natural gas positions.
iv. Sell call options or tolling agreements on capacity that is expected to be in excess of the City's resource requirements.
v. Purchase a "floor" to limit price exposure on long natural positions.
vi. Sell a "floor" to offset a portion of the price of the purchase of call options listed in item (5) above.
vii. Transportation purchases are to be as firm as possible to reasonably assure the delivery of the commodity at the firmness transacted.

5.2.3 Environmental Compliance Instruments

i. Purchase environmental compliance instruments, including but not limited to LCFS credits, GHG allowances, GHG offsets and Federal SO2 and NOx emission allowances expected to be necessary to optimize the operation of the City's resource portfolio.
ii. Sell environmental compliance instruments, including- but not limited to- Carbon Free Attributes, LCFS credits, GHG allowances, GHG offsets,

and Federal SO2 and NOx Emission Allowances deemed unnecessary for efficient operation of the City's resource portfolio.

5.2.4 REC's and Energy Attributes

i. Purchase or sell renewable energy credits and/or energy attributes as required to meet compliance requirements.

5.2.5 Congestion Revenue Rights

i. Execute congestion revenue rights or physical transmission transactions, including natural gas transportation to manage congestion price risk.

5.2.6 Ancillary Services

i. Purchase bilateral ancillary services to meet the City's load requirements or sell bilateral ancillary services in excess of the City's load requirements.
ii. Purchase CAISO Ancillary Services (Spinning Reserves, Non-Spinning Reserves, and Regulation) to meet the City's load requirements or sell CAISO Ancillary Services in excess of the City's load requirements.

5.2.7 Movement of energy to and from:

i. CAISO (NP15 and SP15), BANC (Balancing Area of Northern California), Mid-Columbia, John Day, Big Eddy and COB

    a. Execute physical spread transactions at authorized locations.
    b. For financial electricity transactions, authorized locations include CAISO NP 15 EZ Gen Hub, CAISO SP 15 EZ Gen Hub, the Balancing Area of Northern California (BANC), Mid-Columbia, John Day, Big Eddy, and COB. These same locations are authorized for physical electricity transactions to the extent delivery can be reasonably expected.
    c. Additional physical and financial locations include owned-generation locations within the CAISO, and CAISO inter-ties for import and export transactions.

5.2.8 Movement of Natural Gas to and from:

i. PG&E CityGate, Malin, Topock, Henry Hub, and SoCal Border

    a. Execute physical spread transactions at authorized locations.
    b. For Natural Gas physical and financial transactions, authorized locations include PG&E CityGate, Malin, Topock and the SoCal Border.
    c. Henry Hub is authorized for financial Natural Gas hedging, as well as Henry Hub to PG&E CityGate Basis.

5.2.9 Energy Exchange:

Energy exchange transaction is defined as any transaction in which similar quantities of energy are exchanged across locations or commodities to lower cost, or to reduce risk or to increase reliability.

6. Non-Standard Transactions

City staff may enter non-standard Transactions with City Council approval. Non-standard Transactions fall outside the scope of the defined "Standard" Transactions; these may include new opportunities that involve the following:

i. New commodities
ii. Location outside defined trading boundaries
iii. Pilot program

6.1 The approval process for non-standard transactions are defined by the following:

i. Transaction Proposal -

The proposal is the responsibility of the person or business group proposing the transaction. The proposal should address the business need, risks, trading controls, valuation methodology, accounting methodology, operations workflow/methodology, and assessment of legal and regulatory issues.

ii. City Council Review -

The Risk Oversight Committee ("ROC") will perform a review on behalf of, and make a recommendation to, the City Council on the benefits and risks of the proposed transaction. The City Council will assess the proposed transaction and make a determination whether to add the proposed transaction to the approved list.

7. Aggregated Dollar Authority Limits

The aggregated dollar authority limit specifies the corresponding maximum dollars each authority level is allowed to authorize for forward transactions for Electric Power, Transmission, Natural Gas, Transportation, Environmental Compliance Instruments, RECs and Energy Attributes, Congestive Revenue Rights, Ancillary Services, and Energy Exchanges. See Authority Matrix for details.

7.1 Authority Matrix:

Title	Source of Authority	Products							Term	Delivery Lead Time	Termination Limits	Aggregate Dollar Authority Limit	
		Power & Transmission	Nat. Gas & Transpor-tation	Environmental Compliance Instruments	RECs and Energy Attributes	Congestions Revenue Rights	Ancillary Services	Energy Exchan ges				Net	Gross
City Council	*State Law, City Charter*	*X*	*X*	*X*	*X*	*X*	*X*	*X*	*No Limit*	*No Limit*	*No Limit*	*No Limit*	*No Limit*
City Manager	*City Council*	*X*	*X*	*X*	*X*	*X*	*X*	*X*	*≤ 6 Years*	*≤ 6 Years*	*≤ 6 Years*	*$500,000,000*	*$700,000,000*
Utility Director	*City Council*							*X*	*≤ 3 Month*	*≤6 Months*	*≤ 1 Year*	*$5,000,000*	*$5,000,000*
Agent's CEO	*City Council*	*X*	*X*			*X*	*X*	*X*	*≤ 1 Month*	*≤ 6 Weeks*	*≤ 2 Months*	*$23,000,000*	*$31,000,000*

i. Matrix Explanations:

- The gross aggregate limits represent the maximum allowable total dollars based on the absolute values of all forward purchases and sales.
- The net aggregate limits represent the maximum allowable total dollars between all forward purchases and sales.
- Delivery Lead Time represents the time period from the date a trade is executed to the start of the trade.
- Unless otherwise stated, the dollar limits are based upon electric power only and do not include transmission, however, the Term, Lead Time, and Quantity limits do apply to transmission.
- Termination Limit refers to the last day of the term from the execution day of the contract.

7.2 Authority Matrix for Agent's Short-Term Traders:

Product	Source of Authority	Per Transaction Limits					Per Trading Day Limits (Up to)		Aggregated Limits (Up to)		
		Term	Delivery Lead Time	Termination Limits	Volume Size	Total Cost ($)	Volume Size	Total Cost ($)	Total Volume	Net Total ($)	Gross Total ($)
Power and Transmission	*City Council (Can be Modified by City Manager)*	*> 1 Week ≤ 1 Month*	*≤ 6 Weeks*	*≤ 2 Months*	*8,400 MWh per Week*	*$1,050,000 per Week*	*111,600 MWh*	*$14,000,000*	*446,400 MWh*	*$17,000,000*	*$21,000,000*
		> 1 Day ≤ 1 Week			*2,400 MWh per Day*	*$600,000 per Day*	*33,600 MWh*	*$8,400,000*			
		≤ 1 Day			*4,800 MWh per Day*	*No Max. (Keep Lights On)*	*No Max. (Keep Lights On)*	*No Max. (Keep Lights On)*			
Natural Gas and Transportation		*≤ 1 Month*	*≤ 6 Weeks*	*≤ 2 Months*	*12,000 MMBTU/D*	*XRE will authorize the purchase of all financial natural gas balancing transactions before execution by APMAgent. APM Agent*	*775,000 MMBTU*	*$6,200,000*	*775,000 MMBTU*	*$6,200,000*	*$9,300,000*

						~~*may manage and execute the sale of financial natural gas balancing transactions as RE's exposure to natural gas prices decreases.*~~					
		> 1 Day <u>≤</u> 1 Week			*40,000 MMBTU/D*	*X*	*280,000 MMBTU*	*$4,200,000*	*400,000 MMBTU*	*$4,000,000*	*$6,000,000*
		<u>≤</u> 1 Day	*<u>≤</u> 1 Week*	*<u>≤</u> 2 Weeks*	*50,000 MMBTU/D*	*X*	*150,000 MMBTU*	*$3,000,000*	*150,000 MMBTU*	*$2,000,000*	*$4,000,000*

i. Matrix Explanations:

a. Power and Transmission Transactions:

- Transaction Limits represent the MWh volume per period labeled in the table and total dollars per period (as labeled above) for each transaction executed.
- Per Trading Day Limits represent the total MWH volume and dollars for all transactions executed in a trading day.
- The transaction term limit for the Agent of ≤ 1 Day covers individual daily transactions as well as executed transactions for more than one day to accommodate weekends or holidays, which could have terms up to 3 days for a normal weekend and up to 5 days for a holiday weekend.
- The gross aggregate limits represent the maximum allowable total dollars based on the absolute values of all forward purchases and sales.
- The net aggregate limits represent the maximum allowable total dollars between all forward purchases and sales.
- Delivery Lead Time represents the time period from the date execution to the first day of the term of the trade.
- Unless otherwise stated, the dollar limits are based upon electric power only and do not include transmission, however, the Term, Lead Time, and Quantity limits do apply to transmission.
- Termination Limit refers to the time period between the date of execution and the last day of the term of the trade.

b. Natural Gas and Transportation Transactions:

- Transaction Limits represent the daily MMBtu volume for each transaction executed.
- Per Trading Day Limits represent the total MMBtu volume and dollars for all transactions executed in a trading day.
- The transaction term limit for the Agent of ≤ 1 Day covers individual daily transactions as well as executed transactions for more than one day to accommodate weekends or holidays, which could have terms up to 3 days for a normal weekend and up to 5 days for a holiday weekend.
- The gross aggregate limits represent the maximum allowable total dollars based on the absolute values of all forward purchases and sales.
- The net aggregate limits represent the maximum allowable total dollars between all forward purchases and sales.
- Lead time represents the time period from the date a trade is executed to the start of the trade.
- One monthly NYMEX contract contains 10,000 MMBtu.
- The dollar limits are based upon commodity gas only and do not include transportation, however, the Term, Lead Time, and Quantity limits do apply to transportation.
- Termination limit refers to the last day of the term from the execution day of the contract.

7.3 CAISO Trading Authority Matrix for Agent's Short-Term Traders:

Products	Delivery Lead Time	Term	MW Size	$/MWh
Generation Awards	*As Required by CAISO*	*1 Operating Day*	*230*	*CAISO Price Cap*
Demand Awards	*None*			
Inter SC Transactions (IST)	*As Required by CAISO*	*1 Operating Day*	*200*	*CAISO Price Cap*
CAISO Imports			*230*	
CAISO Exports			*375*	
Ancillary Services			*200*	
Congestion Revenue Rights	*None*			

i. Matrix Explanations:

- Generation Award Limits are per generating unit within the CAISO.
- Demand Award Limits are per each load location.
- CAISO Imports and Exports are by location and are each monitored separately.
- Inter SC Transactions (IST) are each monitored separately.
- Limits for Ancillary Service Awards apply to the Regulation and Operating (Spinning and Non- Spinning) Reserve Market. Limits for ancillary services transacted bilaterally are addressed in the power authority matrix.
- Only Congestion Revenue Rights that are bought and sold via the long-term, annual and monthly auctions or in the secondary market are monitored per the limits above. This excludes congestion revenue rights allocated in the Annual Allocation.
- Term applies to either the calendar year or planning year.

8. Acknowledgements

8.1 Violations and Sanctions –

i. Violations of this Policy must not occur. Should it be deemed that violations did occur due to the actions of City employees, the Agent will notify the City's Electric Risk and Compliance Supervisor and the City Attorney of such violations. Those individuals will have the responsibility to bring the violations to the Risk Management Committee for discussion. If warranted, the Risk Management Committee may escalate the issue to the Risk Oversight Committee to develop remediation procedures.

8.2 Policy Effective –

ii. This Policy is in effect upon the City Council's approval and shall remain in effect until a replacement policy has been approved by the City Council superseding this Policy.

9. Responsibility

It shall be the responsibility of the City Council, through the duly appointed Risk Oversight Committee, Risk Management Committee and the City Manager to assure compliance with this policy.

10. Related Policies

10.1 Supporting policies and procedures are required as outlined below:

i. City of Roseville Energy Credit Risk Policy
ii. City of Roseville Electric Utility Risk Management Policy
iii. City of Roseville Energy Risk Identification Policy and Hedge Plan
iv. Resolution 17-368 declaring ACES for power management services
v. Resolution 16-161 declaring ACES as agent for the purposes of risk policies.

CITY OF ROSEVILLE CALIFORNIA Electric Utility

Energy Trading Authority Policy

2/26/2022

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ENERGY TRADING AUTHORITY POLICY

3/03/2021

1. Purpose

The Trading Authority Policy ("Policy") is the framework containing the governing rules and requirements associated with the City's energy related transactions. The Policy also specifies the list of authorities or powers granted by the City Council of the City of Roseville ("City") to the City Manager and key personnel that can execute energy related transactions.

1.1 The Trading Authority Policy includes directives that address the following:

i. The City's intention regarding hedging and speculating;
ii. Who has authority to execute transactions;
iii. The commodities and products that can be transacted;
iv. The authorized lead-time and term for each transaction;
v. Counterparty contract and credit requirements;
vi. Other relevant factors associated with due diligence in authorizing transactions to be executed.

2. Execution Authority

The City Council granted the City Manager the ability to delegate his/her authority to the Electric Utility Director and Power Management Services Agent ("Agent") at his/her discretion. The City Manager may also choose to amend the extent of authority granted to Utility Director and Agent at his/hers discretion as long as it does not surpass the limit of his/her own authority.

The Transaction Authority Matrix outlines the Execution Authority Limits and defines the trading limits applicable to purchases and sales for each authority level.

All transactions must be executed via a recorded communication method. Recorded communications must be maintained and controlled by personnel who are independent of the trading function. Any request by the City for the Agents to execute on its behalf a transaction beyond the Agent's authority must by documented in accordance with this Policy.

3. Requirements

3.1 Credit Requirements –

i. Roseville Electric shall not intentionally exceed the credit limit associated with each counterparty. Entering into unsecured transactions with a counterparty that has total credit exposure greater than or equal to its open line of credit and the total of any security currently provided, will be managed according

to the City of Roseville Energy Credit Policy. *(Note: Since credit exposures are a function of not only positions traded, but also a function of market pricing and volatility, credit exposure to a counterparty may unintentionally exceed a credit limit purely due to changes in the forward market).*

3.2 Contract Requirements –

i. Transactions with counterparties shall only be permitted if City has an active, valid, and executed agreement enabling such trading activity with that counterparty.
ii. Long form confirmations may be used as a valid agreement in lieu of a permanent agreement, when necessary, if approved by the Roseville City Council.

4. Non-Permissible Transactions

4.1 Sleeving

i. No sleeving transactions for credit or contract purposes shall be executed. Note: Credit Sleeving is an arrangement where a more financially reputable entity acts as middleman for a smaller, undercapitalized entity in the purchase or sale of power. Contract sleeving is an arrangement where an entity acts as a middleman between two entities to bridge a contract gap that exists between the two entities.

4.2 Speculative

i. The primary purpose of trading activities shall be for hedging and portfolio optimization (including participation in arbitrage opportunities). However, the Energy Hedge Policy does allow the City to take advantage of market opportunities through transactions that could in the strictest sense be labeled speculation if those transactions expose the City to additional risk. The Energy Hedge Policy defines what is permissible in this regard.

5. Standard Transactions

Types of transactions that are executed by Roseville or its Agent must be consistent with City Council resolutions, all applicable laws, and rules and regulations. These may include, but not limited to the following:

5.1 Enabling and Master Agreements

5.2 Purchase and Sales of Energy Products such as:

5.2.1 Electric Power and Transmission (Financial and Physical Contracts)

i. Purchase energy or capacity to serve load above what is expected to be generated or purchased from existing resources, or if energy or capacity purchases are more economical than existing resources.

ii. Sell existing capacity or energy that is expected to be in excess of the City's requirements.
iii. Execute financial transactions, including CAISO virtual transactions, to fix the price of variable commodity purchases or sales.
iv. Purchase from the CAISO markets to meet the City's load requirements or sell into the CAISO markets energy in excess of the City's load requirements.
v. Purchase call options to limit price exposure on short power positions.
vi. Sell call options or tolling agreements on capacity that is expected to be in excess of the City's resource requirements.
vii. Purchase a "floor" to limit price exposure on long power positions.
viii. Sell a "floor" to offset a portion of the price of the purchase of call
ix. Execute physical spread transactions at authorized locations.
x. Transmission purchases are to be as firm as possible to reasonably assure the delivery of the commodity at the firmness transacted.

Notes:

- Physical Contracts are contracts that require "sellers" to produce and deliver the commodity to the "buyers". Financial Contracts do not involve a direct physical delivery of a commodity; instead they use cash settlements, the buyer either gains or lose credit against the seller based on the difference between the agreed "entry" price and the "final" settlement price.

5.2.2 Natural Gas and Transportation (Financial and Physical Contracts)

i. Purchase natural gas and transportation that is expected to be needed to fuel the Roseville facilities. Enter into imbalance and storage agreements if deemed beneficial to fuel Roseville facilities.
ii. Sell surplus gas, or release transportation capacity, if more economic energy is available for purchase.
iii. Purchase call options to limit price exposure on short natural gas positions.
iv. Sell call options or tolling agreements on capacity that is expected to be in excess of the City's resource requirements.
v. Purchase a "floor" to limit price exposure on long natural positions.
vi. Sell a "floor" to offset a portion of the price of the purchase of call options listed in item (5) above.
vii. Transportation purchases are to be as firm as possible to reasonably assure the delivery of the commodity at the firmness transacted.

5.2.3 Environmental Compliance Instruments

i. Purchase environmental compliance instruments, including but not limited to LCFS credits, GHG allowances, GHG offsets and Federal SO2 and NOx emission allowances expected to be necessary to optimize the operation of the City's resource portfolio.
ii. Sell environmental compliance instruments, including- but not limited to- Carbon Free Attributes, LCFS credits, GHG allowances, GHG offsets,

and Federal SO2 and NOx Emission Allowances deemed unnecessary for efficient operation of the City's resource portfolio.

5.2.4 REC's and Energy Attributes

i. Purchase or sell renewable energy credits and/or energy attributes as required to meet compliance requirements.

5.2.5 Congestion Revenue Rights

i. Execute congestion revenue rights or physical transmission transactions, including natural gas transportation to manage congestion price risk.

5.2.6 Ancillary Services

i. Purchase bilateral ancillary services to meet the City's load requirements or sell bilateral ancillary services in excess of the City's load requirements.
ii. Purchase CAISO Ancillary Services (Spinning Reserves, Non-Spinning Reserves, and Regulation) to meet the City's load requirements or sell CAISO Ancillary Services in excess of the City's load requirements.

5.2.7 Movement of energy to and from:

i. CAISO (NP15 and SP15), BANC (Balancing Area of Northern California), Mid-Columbia, John Day, Big Eddy and COB

    a. Execute physical spread transactions at authorized locations.
    b. For financial electricity transactions, authorized locations include CAISO NP 15 EZ Gen Hub, CAISO SP 15 EZ Gen Hub, the Balancing Area of Northern California (BANC), Mid-Columbia, John Day, Big Eddy, and COB. These same locations are authorized for physical electricity transactions to the extent delivery can be reasonably expected.
    c. Additional physical and financial locations include owned-generation locations within the CAISO, and CAISO inter-ties for import and export transactions.

5.2.8 Movement of Natural Gas to and from:

i. PG&E CityGate, Malin, Topock, Henry Hub, and SoCal Border

    a. Execute physical spread transactions at authorized locations.
    b. For Natural Gas physical and financial transactions, authorized locations include PG&E CityGate, Malin, Topock and the SoCal Border.
    c. Henry Hub is authorized for financial Natural Gas hedging, as well as Henry Hub to PG&E CityGate Basis.

5.2.9 Energy Exchange:

Energy exchange transaction is defined as any transaction in which similar quantities of energy are exchanged across locations or commodities to lower cost, or to reduce risk or to increase reliability.

6. Non-Standard Transactions

City staff may enter non-standard Transactions with City Council approval. Non-standard Transactions fall outside the scope of the defined "Standard" Transactions; these may include new opportunities that involve the following:

i. New commodities
ii. Location outside defined trading boundaries
iii. Pilot program

6.1 The approval process for non-standard transactions are defined by the following:

i. Transaction Proposal -

The proposal is the responsibility of the person or business group proposing the transaction. The proposal should address the business need, risks, trading controls, valuation methodology, accounting methodology, operations workflow/methodology, and assessment of legal and regulatory issues.

ii. City Council Review -

The Risk Oversight Committee ("ROC") will perform a review on behalf of, and make a recommendation to, the City Council on the benefits and risks of the proposed transaction. The City Council will assess the proposed transaction and make a determination whether to add the proposed transaction to the approved list.

7. Aggregated Dollar Authority Limits

The aggregated dollar authority limit specifies the corresponding maximum dollars each authority level is allowed to authorize for forward transactions for Electric Power, Transmission, Natural Gas, Transportation, Environmental Compliance Instruments, RECs and Energy Attributes, Congestive Revenue Rights, Ancillary Services, and Energy Exchanges. See Authority Matrix for details.

7.1 Authority Matrix:

Title	Source of Authority	Products							Term	Delivery Lead Time	Termination Limits	Aggregate Dollar Authority Limit	
		Power & Transmission	Nat. Gas & Transpor-tation	Environmental Compliance Instruments	RECs and Energy Attributes	Congestions Revenue Rights	Ancillary Services	Energy Exchan ges				Net	Gross
City Council	*State Law, City Charter*	*X*	*X*	*X*	*X*	*X*	*X*	*X*	*No Limit*	*No Limit*	*No Limit*	*No Limit*	*No Limit*
City Manager	*City Council*	*X*	*X*	*X*	*X*	*X*	*X*	*X*	*≤ 6 Years*	*≤ 6 Years*	*≤ 6 Years*	*$500,000,000*	*$700,000,000*
Utility Director	*City Council*							*X*	*≤ 3 Month*	*≤6 Months*	*≤ 1 Year*	*$5,000,000*	*$5,000,000*
Agent's CEO	*City Council*	*X*	*X*			*X*	*X*	*X*	*≤ 1 Month*	*≤ 6 Weeks*	*≤ 2 Months*	*$23,000,000*	*$31,000,000*

i. Matrix Explanations:

- The gross aggregate limits represent the maximum allowable total dollars based on the absolute values of all forward purchases and sales.
- The net aggregate limits represent the maximum allowable total dollars between all forward purchases and sales.
- Delivery Lead Time represents the time period from the date a trade is executed to the start of the trade.
- Unless otherwise stated, the dollar limits are based upon electric power only and do not include transmission, however, the Term, Lead Time, and Quantity limits do apply to transmission.
- Termination Limit refers to the last day of the term from the execution day of the contract.

7.2 Authority Matrix for Agent's Short-Term Traders:

Product	Source of Authority	Per Transaction Limits					Per Trading Day Limits (Up to)		Aggregated Limits (Up to)		
		Term	Delivery Lead Time	Termination Limits	Volume Size	Total Cost ($)	Volume Size	Total Cost ($)	Total Volume	Net Total ($)	Gross Total ($)
Power and Transmission	*City Council (Can be Modified by City Manager)*	*> 1 Week ≤ 1 Month*	*≤ 6 Weeks*	*≤ 2 Months*	*8,400 MWh per Week*	*$1,050,000 per Week*	*111,600 MWh*	*$14,000,000*	*446,400 MWh*	*$17,000,000*	*$21,000,000*
		> 1 Day ≤ 1 Week			*2,400 MWh per Day*	*$600,000 per Day*	*33,600 MWh*	*$8,400,000*			
		≤ 1 Day			*4,800 MWh per Day*	*No Max. (Keep Lights On)*	*No Max. (Keep Lights On)*	*No Max. (Keep Lights On)*			
Natural Gas and Transportation		*≤ 1 Month*	*≤ 6 Weeks*	*≤ 2 Months*	*12,000 MMBTU/D*	*X*	*775,000 MMBTU*	*$6,200,000*	*775,000 MMBTU*	*$6,200,000*	*$9,300,000*
		> 1 Day ≤ 1 Week			*40,000 MMBTU/D*	*X*	*280,000 MMBTU*	*$4,200,000*	*400,000 MMBTU*	*$4,000,000*	*$6,000,000*
		≤ 1 Day	*≤ 1 Week*	*≤ 2 Weeks*	*50,000 MMBTU/D*	*X*	*150,000 MMBTU*	*$3,000,000*	*150,000 MMBTU*	*$2,000,000*	*$4,000,000*

i. Matrix Explanations:

a. Power and Transmission Transactions:

- Transaction Limits represent the MWh volume per period labeled in the table and total dollars per period (as labeled above) for each transaction executed.
- Per Trading Day Limits represent the total MWH volume and dollars for all transactions executed in a trading day.
- The transaction term limit for the Agent of ≤ 1 Day covers individual daily transactions as well as executed transactions for more than one day to accommodate weekends or holidays, which could have terms up to 3 days for a normal weekend and up to 5 days for a holiday weekend.
- The gross aggregate limits represent the maximum allowable total dollars based on the absolute values of all forward purchases and sales.
- The net aggregate limits represent the maximum allowable total dollars between all forward purchases and sales.
- Delivery Lead Time represents the time period from the date execution to the first day of the term of the trade.
- Unless otherwise stated, the dollar limits are based upon electric power only and do not include transmission, however, the Term, Lead Time, and Quantity limits do apply to transmission.
- Termination Limit refers to the time period between the date of execution and the last day of the term of the trade.

b. Natural Gas and Transportation Transactions:

- Transaction Limits represent the daily MMBtu volume for each transaction executed.
- Per Trading Day Limits represent the total MMBtu volume and dollars for all transactions executed in a trading day.
- The transaction term limit for the Agent of ≤ 1 Day covers individual daily transactions as well as executed transactions for more than one day to accommodate weekends or holidays, which could have terms up to 3 days for a normal weekend and up to 5 days for a holiday weekend.
- The gross aggregate limits represent the maximum allowable total dollars based on the absolute values of all forward purchases and sales.
- The net aggregate limits represent the maximum allowable total dollars between all forward purchases and sales.
- Lead time represents the time period from the date a trade is executed to the start of the trade.
- One monthly NYMEX contract contains 10,000 MMBtu.
- The dollar limits are based upon commodity gas only and do not include transportation, however, the Term, Lead Time, and Quantity limits do apply to transportation.
- Termination limit refers to the last day of the term from the execution day of the contract.

7.3 CAISO Trading Authority Matrix for Agent's Short-Term Traders:

Products	Delivery Lead Time	Term	MW Size	$/MWh
Generation Awards	*As Required by CAISO*	*1 Operating Day*	*230*	*CAISO Price Cap*
Demand Awards	*None*			
Inter SC Transactions (IST)	*As Required by CAISO*	*1 Operating Day*	*200*	*CAISO Price Cap*
CAISO Imports			*230*	
CAISO Exports			*375*	
Ancillary Services			*200*	
Congestion Revenue Rights	*None*			

i. Matrix Explanations:

- Generation Award Limits are per generating unit within the CAISO.
- Demand Award Limits are per each load location.
- CAISO Imports and Exports are by location and are each monitored separately.
- Inter SC Transactions (IST) are each monitored separately.
- Limits for Ancillary Service Awards apply to the Regulation and Operating (Spinning and Non- Spinning) Reserve Market. Limits for ancillary services transacted bilaterally are addressed in the power authority matrix.
- Only Congestion Revenue Rights that are bought and sold via the long-term, annual and monthly auctions or in the secondary market are monitored per the limits above. This excludes congestion revenue rights allocated in the Annual Allocation.
- Term applies to either the calendar year or planning year.

8. Acknowledgements

8.1 Violations and Sanctions –

i. Violations of this Policy must not occur. Should it be deemed that violations did occur due to the actions of City employees, the Agent will notify the City's Electric Risk and Compliance Supervisor and the City Attorney of such violations. Those individuals will have the responsibility to bring the violations to the Risk Management Committee for discussion. If warranted, the Risk Management Committee may escalate the issue to the Risk Oversight Committee to develop remediation procedures.

8.2 Policy Effective –

ii. This Policy is in effect upon the City Council's approval and shall remain in effect until a replacement policy has been approved by the City Council superseding this Policy.

9. Responsibility

It shall be the responsibility of the City Council, through the duly appointed Risk Oversight Committee, Risk Management Committee and the City Manager to assure compliance with this policy.

10. Related Policies

10.1 Supporting policies and procedures are required as outlined below:

i. City of Roseville Energy Credit Risk Policy
ii. City of Roseville Electric Utility Risk Management Policy
iii. City of Roseville Energy Risk Identification Policy and Hedge Plan
iv. Resolution 17-368 declaring ACES for power management services
v. Resolution 16-161 declaring ACES as agent for the purposes of risk policies.

CITY OF ROSEVILLE CALIFORNIA Electric Utility

Electric Utility Risk Management Policy

03/03/2021

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ELECTRIC UTILITY RISK MANAGEMENT POLICY

03/03/2021

1. Policy Purpose

The purpose of this document is to formalize the policies of the City of Roseville (City) regarding managing the risks inherent to operating its electric utility. Accordingly, this policy will set forth the City's:

- Risk management objectives,
- Risk governance structure and responsibilities, and
- Scope of business activities governed by this policy, and the list of associated electric utility risk management policy guidelines and policy documents.

The City intends that Risk Management will support the advancement of its strategic business plan and will properly manage its business and financial risks through:

- Prudent oversight,
- Adequate mitigation of risks consistent with the City's risk tolerance, and
- Sufficient internal controls and procedures.

Managing the energy risks of the City's business entails the coordination of resources and activities among multiple business units within the City.

2. Risk Management Objectives

The City is committed to provide competitively priced reliable power to its customers. Managing the City's risk is consistent with that mission, and serves the following objectives to:

- Maintain risk within desired tolerances for a defined period in the future,
- Participate in the energy markets primarily for hedging purposes, while still allowing the City to take advantage of market opportunities within strict policy limits,
- Mitigate the effect of price volatility to its customers,
- Maintain stable cash flows,
- Enhance the value of the City's assets/resources
- Leverage opportunities to increase the value of the City to its customers, and
- Effectively communicate the City's activities to manage risk on behalf of its customers and to develop a risk management culture.

3. Risk Governance Structure and Responsibilities

Risk governance will follow a top-down approach whereby the City Council identifies the City's risk management objectives with oversight carried out by a Risk Oversight Committee. Supporting controls, policies, and procedures will be implemented and aligned throughout the risk governance structure, with distinct roles and responsibilities that result in an enhanced risk control environment. Governance and controls include the organizational structure, policies, and procedures that support the City's business models, risk tolerances, electric utility objectives, and segregate responsibilities appropriately.

3.1 City Council – Risk Management Responsibilities and Duties

- Have a basic understanding of utility risk management.
- Through approving the City's electric utility risk management policies, establish the City's objectives with regard to risk management. Those objectives should be consistent with the Council's risk tolerance, time horizon, and benchmarking goals.
- Approve no less than every two years a resolution affirming or amending the City's utility risk management policies. Amendments should be reflective of changes in the City's electric utility operating environment or changes in Council's goals and objectives for risk management.
- Through the Energy Trading Authority Policy, establish the City Manager's authority limits to conduct market transactions.
- Through the Energy Trading Authority Policy, may authorize an agent to manage portfolio risks in real time, up to two months, according to the City's risk management objectives
- Through the Energy Trading Authority Policy, approve participation in specific commodity markets and derivative instruments.
- Through the Energy Credit Risk Policy, establish the process by which counterparty credit limits are set, and how those limits are monitored.
- Through approval of Master Agreements with counterparties, establish credit limits and terms with individual counterparties.
- Through the Energy Hedge Policy, establish requirements for hedging utility risk, and the financial boundaries within which the risk management program must operate.
- Receive regular reports from the Risk Oversight Committee as to the compliance status of the City's risk management policies, and any suggestions for improvement in policies or procedures.
- From time to time, direct staff to engage an independent audit (internal and/or external) of risk control processes and procedures.
- Approves any activity not otherwise delegated in this or related policy documents (Part 5).

3.2 Risk Oversight Committee (ROC) – Responsibilities and Duties

The ROC is established by the City Council as a forum for discussion of the City's risk and financial health prior to City Council discussions or approvals. The Risk Oversight Committee functions as an additional oversight in the City risk governance, allowing the ROC to review and recommend items for City Council approval. The ROC is chaired by the Electric Risk and Compliance Supervisor as a non-voting member and membership includes nine voting members:

i. Two City Council Member(s)
ii. Two Roseville Public Utilities Commission Member(s)
iii. The City Manager
iv. The Assistant City Manager
v. The Chief Financial Officer
vi. The City Attorney
vii. The Electric Utility Director

Other non-voting attendees may attend the ROC.

3.2.1 *The responsibilities and duties of the ROC include:*

- Oversee the City's electric risk management activities on behalf of the City Council.
- Establish scope and frequency for management reporting to the Council.
- Regularly review reports detailing risk exposures and compliance with risk management policies and procedures from the City's internal risk management group and the Power Management Services provider
- Discuss the City's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Recommend to the Council electric utility risk management policy changes.
- Review and recommend any new commodity products, locations, or markets.
- Approve management staff individuals to serve as members of an internal Risk Management Committee.
- Review Risk Management Policy violations referred to it by the Risk Management Committee or the City Attorney to develop remediation procedures and/or initiate disciplinary action.
- Review compliance violations with NERC, WECC, and other regulatory agencies on a regular basis.

ROC meetings are covered by the Brown Act, and subject to the Brown Act rules.

3.3 *City Manager – Risk Management Responsibilities and Duties*

- Recommend staff management individuals to serve as members of an internal Risk Management Committee.
- Has authority to transact within the limits set by the City Council in the City of Roseville Trading Authority Policy
- Approve proper organization, separation, or consolidation of functional activities.
- Approve the level at which authority to conduct market transactions reside (from City Manager down to transaction execution personnel).
- Assure prudent administrative procedures are established for trade execution, contract controls, credit controls, trading controls, portfolio risk measurement, settlement controls, regulatory compliance, and other risk management activities.

3.*4* *Internal Risk Management Committee (RMC)- Responsibilities and Duties*

The RMC is established by the City Manager as a forum for discussion of the City's risk at the staff level; this includes implementation and monitoring of compliance with the City's risk policy. The RMC executes its risk management responsibilities through a "watch dog" mechanism. While the RMC generally has no authority to act within its structure, it is required to inform appropriate functional authorities (e.g. Electric Utility Director, City Manager) regarding policy and procedure exceptions. Membership shall be comprised of the following individuals:

i. One delegate from the Finance Department
ii. One delegate from the City Attorney's office
iii. Three Assistant Electric Utility Directors
iv. The Electric Utility Director

The Electric Risk and Compliance Supervisor shall participate as a non-voting member of the meetings and serve as RMC Chairperson. Non-voting participants with various segregated risk management responsibilities shall participate in the meetings as determined by the committee members.

3.4.1 *The responsibilities of the RMC include:*

- Monitor risk management objectives, risk tolerances guidelines, and authority limits employed throughout the electric utility.
- Receive reports by the internal risk management function and independent risk management function on the City's compliance with its electric utility risk management policies.
- Recommend to the City Manager the proper organizational structure, separation or consolidation of functional risk management activities.
- Review proposed risk management strategies for strategic fit, risk exposure monitoring, and reporting and control requirements. The RMC monitors approved strategies for consistency with the City's approved business interests, risk management objectives, approved risk tolerance guidelines, and compliance with the electric utility risk management policies.
- Periodically review the City's risk management program (a detailed review at least once every two years) in light of changes in business practices, improved processes, the City's philosophy and strategy, or market changes; and recommend changes to ensure continued compliance with its established guidelines.
- Hold formal RMC meetings at least quarterly. Standing agenda items should include, but not be limited to, current market strategy, review of current price exposure position (per the Portfolio Model), review current exposure to transactions, control requirements/ enhancements, review of counterparty credit exposure, and trading authority violations.
- As necessary, escalate policy violations to the Risk Oversight Committee for further review.
- Review the infrastructure supporting risk management and ensure that it meets the requirements for risk oversight and compliance.

3.5 Internal Electric Risk and Compliance Supervisor – Responsibilities and Duties

The Electric Risk and Compliance Supervisor, is organizationally independent of functions whose activities initiate or directly participate in the commercial wholesale energy trading. Functional independence will be achieved by utilizing Agent and City staff deliverables through the RMC, specifically, the deal capture system, independent scheduling and dispatch, and the monthly portfolio plan. Business units or support functions will be required to provide this function with

reports or information required for risk assessment and analysis on a regular or periodic basis. The Electric Risk and Compliance Supervisor may delegate responsibilities below when these delegations maintain organizational independence. The Electric Risk and Compliance Supervisor oversees the Roseville internal risk management functions. The responsibilities of the Electric Risk and Compliance Supervisor include:

- Organize and conduct the RMC and ROC meetings.
- Ensure appropriate individuals are engaged in risk management discussions.
- Review the administration of risk management processes and procedures.
- Review, at least annually, the City's Risk Policies to ensure strategies, trading activity, risk tolerances and proposed changes are aligned.
- Engage the RMC and/or ROC in discussions regarding events or developments that could expose the City to potential losses.
- Develop, recommend, and administer risk management processes and procedures.
- Provide input on tools to assist in risk management.
- Review risk management activities, risk controls, and recommend modifications of controls to meet changing business needs.
- Review adequacy and accuracy of reports, and report any deficiencies to the RMC. Recommend actions to address deficiencies.
- Assess risks to the City in aggregate, by business unit, and by material business activities.
- Perform periodic internal audits of risk control processes and procedures to ensure that the City complies with its electric utility risk management policies.
- Report any violation of The City's risk policies.
- Review and approve changes to the risk management procedures, as appropriate, except those that require higher authority (Ex. City Manager) approval.
- Report regularly to the RMC, at a minimum, but not limited to:
    - Portfolio Model risk measure
    - Policy and procedural violations
    - Credit and contract risk exposures
    - Other key performance indicators that support effective energy risk management.
- Report to the RMC and ROC on the City's compliance with its electric utility risk management policies and risk management in accordance with the risk policies.
- Review and evaluate proposed activities and transactions to be executed by the City, and ensure adequate analysis (risk-reward) has been performed with proper assessment and management of any such risk consistent with risk management objectives and Council approved risk tolerance guidelines, and compliance with risk management policies, including the financial, legal, credit, and operational impact.
- Maintaining the City Risk Policies, ensuring the Risk Policies are current to the business and recommending needed changes to the RMC and ROC.

3.6 Power Management Services Agent (Agent)

– Roles and Responsibilities

The City may select an Agent to obtain selected energy risk management and transaction execution services (Otherwise these services devolve to the City). The Power Management Services Agent Middle Office reports to the Electric Risk and Compliance Supervisor. In accordance with the agreements between The City and its Agent, its Agent is authorized to and shall:

- Periodically provide the City with a controls audit report from an independent auditor.
- Perform short term load forecasting, dispatch optimization and execute energy transactions on behalf of the City in accordance with established delegations of authority and compliance requirements set forth by the City Council and/or City Manager.
- Administer counterparty contracts and manage credit in compliance with the City of Roseville Energy Credit Risk Policy.
- Provide the City with daily reports on individual transaction details, commodity positions, and counterparty credit positions for transactions executed by the Agent.
- Provide the City with periodic risk profile reports addressing the City's energy risk and compliance with its Energy Hedge Policy. Recommend hedging strategies within the time horizon specified by the City for assessment.
- Capture the City's transactions in its risk management systems.
- Monitor compliance of transactions with the City of Roseville Energy Trading Authority policy.
- Confirm transactions with the City's counterparties.
- Mark to Market forward trades for credit exposure purposes.
- Provide information to the City for the purpose of billing settlements and development of mid to long term hedging strategies.
- Prepare a monthly report to the City's Electric Risk and Compliance Supervisor detailing compliance with the City's Risk Policies, suitable for delivery to the RMC and ROC.
- Prepare a monthly policy violations report for the City's Electric Risk and Compliance Supervisor and City Attorney.

4. Scope of Business Activities Governed by this Policy

This policy is designed to be broad enough in scope to cover all risks inherent in operating a City owned electric utility. Much of the focus is on power supply cost and retail revenue risk; however, that focus is not to the exclusion of other risks that may materially affect City operations and its ability to provide competitively priced reliable power to its customers.

Roseville is subjected to risk inherent in the business environment in which it operates. Exposure to risks inherent in the energy markets could result in a multitude of diverse positive or negative consequences for Roseville. Commodity Price Risk, Volumetric risk, Operational Risk, Counterparty Risk and Regulatory and Environmental Risk are among the most critical and identifiable of the risks relevant to Roseville, as they pertain to the scope of this Policy.

4.1 Energy Risk Categories and Mitigations:

i. *Commodity Price Risk*: Roseville is exposed to risks from volatile natural gas and power market prices. These risks are mitigated by fixed price energy procurement requirements in the Energy Hedge Policy and the trading controls put in place by the Trading Authority Policy.

ii. *Volumetric Risk*: This is the risk of mismatch between load (demand) and resources (supply). This risk is especially important for load serving entities, like Roseville, and can result in either insufficient supply or exposure to volatile spot market prices. The price risk is mitigated by the Energy Hedge Policy which does not allow the City to be greatly over- or undersupplied. The risk of insufficient supply is also mitigated by capacity procurement practices which build in a reserve margin for extreme conditions.

iii. *Operational Risk*: This is the risk of loss from inadequate or failed internal processes, equipment, people and systems. These risks are mitigated through the development of risk management policies and procedures, prudent oversight and sufficient internal controls and procedures.

iv. *Counterparty Risk*: Counterparties sometimes fail to perform as contracts state due to defaults and bankruptcies. This risk is mitigated by the credit management practices in the Credit Risk Policy.

v. *Regulatory and Environmental Risk*: Changes in regulatory or legislative mandates may require the City to take actions that increase costs. Examples include the Renewable Portfolio Standard (RPS) and Green House Gas (GHG) programs. RPS and GHG risks are addressed by Roseville's GHG Cap and Trade Program and RPS Procurement Plan and Enforcement Plan. Other regulatory risks are addressed in a similar fashion as they arise.

5. Associated Guidelines, Controls, Policies and Procedures

Supporting policies and procedures are required as outlined below. Responsibility for their approval and modification requires the approval of the Council unless otherwise stated. Oversight and compliance shall be consistent with the governance section of this policy. Items not clearly defined in this policy require the approval of the Council, unless otherwise stated.

City of Roseville Energy Credit Risk Policy
City of Roseville Energy Trading Authority Policy
City of Roseville Energy Hedge Policy
Resolution 06-02 retaining ACES for power management services
Resolution 06-286 declaring ACES as agent for the purposes of risk policies
"ACES" – Alliance for Cooperative Energy Services Power Marketing

CITY OF ROSEVILLE CALIFORNIA Electric Utility

Energy Credit Risk Policy

03/03/2021

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ENERGY CREDIT RISK POLICY

3/3/2021

1. Policy Overview

Managing credit exposure is an important component in overall risk management. Credit risk is defined as the potential loss the City of Roseville ("City") could incur as a result of non-payment or non-performance by a counterparty. The amount of credit risk in a trading portfolio can be measured, monitored and mitigated in order to maintain the level of credit risk authorized by the City. Forms of credit risk are:

- ***Payment Risk*** which is the cost exposure to the value of accounts receivable and accrued receivables (delivered but not invoiced).
- ***Performance (mark to market) Risk*** which is the cost exposure of replacing the contractual obligations of open contracts in the relevant market place.

As part of risk management, credit risk management is a control and oversight activity. It must remain independent from the trading activity, but work closely with the business to ensure that credit policies are implemented and maintained.

The objective of credit risk management is to preserve the capital and liquidity of the City by establishing procedures that define the determinants for granting open lines of credit and managing counterparty credit exposure. The intent of this policy is to reduce counterparty default risk to its lowest acceptable level.

2. Extension of Credit to Counterparties

The credit analysis of each counterparty is to be performed by the Credit Department of Power Management Services Agent ("Agent") and submitted with recommendations regarding credit limits to the Electric Risk Management Administrator for approval. The point of contact for the City is the Electric Risk Management Administrator.

The City will manage its counterparty credit risk primarily through diversification, execution with qualified counterparties, the use of standardized trading contracts (EEI, WSPP, NAESB, ISDA), credit and collateral agreements and strict adherence to credit limits. The City will attempt to diversify its portfolio by entering into transactions with numerous counterparties. The City will maintain an approved counterparty list.

In negotiating agreements and ongoing contractual terms with counterparties, the Agent as well as the City shall strive to include prudent industry practice credit provisions.

These shall include, but are not limited /to, explicit netting agreements and provisions granting the Agent the right to call for and receive collateral in the event the counterparty exceeds its approved collateral threshold or suffers a material adverse credit event.

The creditworthiness of each counterparty must be determined through a fundamental analysis of the counterparty's financial and operational condition.

The credit analysis incorporates two basic components, a business profile (qualitative analysis) and a financial profile (quantitative analysis). A credit limit and a term limit are established as a result of this due diligence process.

3. Credit Analysis – Determination of the Amount of an Unsecured Credit Limit

Counterparties may qualify for the extension of an unsecured credit limit from the City by providing audited financial statements that indicate sufficient financial strength to allow for the extension of an unsecured credit limit and at least one of the following:

3.1

i. An issuer rating or a long term unsecured debt rating of at least BB- from Standard & Poor's or Ba3 from Moody's for transactions up to one week forward.

ii. An issuer rating or a long term unsecured debt rating of at least BBB- from Standard & Poor's or Baa3 from Moody's for transactions beyond one week forward.

iii. In the event that the counterparty does not have a debt rating, the Agent may use their Proprietary Credit Scoring Model to determine an internal rating. An internal rating of at least BB- is required for transactions up to one week forward. An internal rating of at least BBB- is required for transactions beyond one week forward.

iv. At any time, and regardless of credit ratings, the City Council may authorize transactions with counterparties determined to be beneficial to The City.

3.2 Trade and banking references that indicate the company has sufficient history and adequate credit facilities to allow for the issuance of an unsecured credit limit.

The Agent will use the unsecured ratings of Standard & Poor's or Moody's when available. For unrated counterparties two internal Credit Scoring Models should be utilized.

- One credit scoring model is designed for public counterparties. This includes generation and transmission cooperatives, distribution cooperatives, municipalities, government agencies, public power agencies, and other not-for-profit counterparties.

- The second credit scoring model is used for assigning a rating to non-public counterparties or for profit counterparties.

The purpose of two separate credit scoring models is to provide recognition of two distinct business models and the drivers that meaningfully distinguish and measure the financial and credit risks of each.

Once a counterparty has been determined to be creditworthy, an unsecured credit limit may be recommended by the Agent's credit risk management department up to 5% of tangible net worth, or, in the case of governmental agencies or non-profit wholesale power suppliers, up to 10% of their average free cash flow for the prior two years. In order to help the City make its unsecured credit limit decision, the Agent will provide both the unsecured credit limit recommendation, and an Unconstrained Estimate of Creditworthiness (5% of tangible net worth or, if requested by The City, 10% of average free cash flow) when the recommendation is made.

4. Approval Authority

The City has discretion to set a counterparty's unsecured credit limit based on the following guidelines. The maximum unsecured credit limit is limited by two factors

4.1 The lesser of the counterparties S&P and Moody's ratings, or if unrated, their score under the Agent's Proprietary Credit Scoring Model, used to define a fixed maximum unsecured credit limit.

4.2 This same criteria is used to define a percentage of their Unconstrained Estimate of Creditworthiness ("UEW")

The table below defines how the unsecured credit limit may be set

Credit Strength			**Maximum Unsecured Credit Limit**	
Rated		**Unrated**	(Lesser of the Two Limits,	
Lesser of Both Ratings			Minimum of $0)	
S&P	*Moodys*	*Agent Internal Rating*	*Fixed Value*	*% of UEW*
>= A-	>= A3	>= A-	$25,000,000	65%
BBB+	Baa1	BBB+	$15,000,000	50%
BBB	Baa2	BBB	$10,000,000	50%
BBB-	Baa3	BBB-	$2,500,000	35%
<BBB-	<Baa3	<BBB-	$0	35%

Levels of authorization at City's discretion:

City's Electric Risk Management Administrator: Up to $10,000,000
City's Electric Utility Director: Approve up to the amount in the above table

City Council: Amounts exceeding the above table

The City Council may approve collateral threshold tables within master agreements in excess of the amounts in the above table. This action establishes a maximum unsecured credit limit for the counterparty based on their credit rating.

Once an unsecured credit limit has been established by either the City's Electric Utility Director or the City Council, the City's Electric Risk Management Administrator may issue a working credit limit at any level up to the amount established.

5. Credit Enhancements

Counterparties that do not qualify for an extension of an unsecured credit limit must post at least one of the following types of security prior to the execution of a transaction:

5.1 **Corporate Guarantee:** Counterparties may provide a guarantee from a third party that meets the creditworthiness requirements noted above. If a counterparty provides such a guarantee, the amount of any unsecured credit limit will be determined through an analysis of the financial statements of the guarantor. All guarantees must be in a format that is acceptable to the City.

5.2 **Letter of Credit:** Counterparties may provide an irrevocable letter of credit for an amount sufficient to cover the related transactions. Letters of credit must be issued by a U.S. bank or a financial institution or a U.S. branch of a foreign bank with a rating of at least A from Standard & Poor's or A2 from Moody's.

5.3 **Prepayment (margin):** Counterparties may provide a prepayment or cash margin deposit that is sufficient to cover the related transactions.6.

6. Counterparty Credit

Establishing limits and monitoring credit information should be done separately from energy transaction activities in order to ensure appropriate segregation of duties within the City.

6.1 Credit Limit: is defined as the sum of:

i. the approved amount of the unsecured credit limit plus
ii. the approved guaranteed amount of any guarantee(s) held plus
iii. the value of any letter of credit or cash collateral held plus
iv. the approved value of any other type of collateral held

6.2 Available Credit: is the dollar amount remaining open on the working credit limit approved for a counterparty.

6.3 Exposure: is the total amount of a counterparty's credit exposure defined as the sum of:

i. The dollar value of all amounts invoiced and unpaid.
ii. The dollar amount of all deliveries that have not yet been invoiced.
iii. The marked to market value of all forward trades.
iv. Less all offsetting amounts that are supported by legally binding netting agreements or EEI Agreements.

7. Counterparty Credit Reviews

New counterparties are to be evaluated for creditworthiness by the Agent's credit risk management department prior to any transactions. Unsecured credit limits up to $10,000,000 may be recommended by the Director of Credit of the Agent.

Existing counterparties are to be formally reviewed and documented by the Agent's credit risk management department on a yearly basis at a minimum. More frequent reviews may be necessary, at the discretion of the Agent credit risk management department or the request of the City.

Counterparties sharing a common parent or affiliation will be assigned to a group. A credit limit will be assigned to the group with individual credit limits being assigned to each counterparty within the group. The aggregate credit limit of these counterparties will not exceed the established group limit.

8. Credit File Documentation and Retention

Credit analysis, approvals and denials must be documented in writing and all counterparty information shall be contained in formal credit files that are maintained at the offices of the Agent. These credit files are expected to contain audited financial statements and a credit review analysis report with a credit limit

recommendation signed by the Director of Credit of the Agent. These files should also contain as much of the following as possible:

- At least the two most recent years of audited financial statement information, if counterparty does not have publically available financial information. (i.e. counterparties that do not file with the SEC)

- Rating information as published by Standard & Poor's or Moody's.

- General industry information, if applicable.

9. Credit Controls and Trading Restrictions

An approved list of trading counterparties noting working credit limits, available credit, and tenor restrictions is distributed each business day to all traders either via e-mail or through the Agent website. Under no circumstances should a trade be executed with a counterparty that does not appear on the approved list of trading counterparties. No credit sleeving transactions shall be executed.

The Director of Credit of the Agent is to provide general oversight over the credit function, reporting any credit issues to the Electric Risk Management Administrator who will ensure dissemination to the Risk Management Committee and the Risk Oversight Committee of the City.

Entering into unsecured transactions with a counterparty that will cause the total credit exposure to that counterparty to exceed the available credit will be allowed only if new working credit limits are set in writing. No new transactions are to be entered into with counterparties that have exceeded their working credit limits except as they may mitigate (offset) existing exposure, contingent upon a netting agreement. Any new unsecured, unauthorized transactions entered into with a counterparty that has a credit exposure in excess of its assigned working credit limit will subject the trader to disciplinary action.

All violations of this policy will be reported to the Risk Management Committee of the Agent. The Agent will also report such violations to the City Attorney and the City's Electric Risk Management Administrator, who will be responsible for dissemination to the City's Risk Management Committee in a timely manner. If warranted, the City's Risk Management Committee could escalate the issue to the City's Risk Oversight Committee to develop remediation procedures and/or initiate disciplinary action.

10. Receivables/Payables Management

Unless otherwise instructed by the City, the Agent will consider all receivables/payables to be settled on the payment due date of the executed transaction.

As is generally accepted accounting practice, if necessary, a reserve will be established to allow for potential bad debts. This reserve will be determined jointly by the Director of Credit at Agent and the Finance Director of the City.

11. Collateral Management

The Agent is authorized to give credit information on the City to counterparties in order to establish credit approvals. The Agent will coordinate with the Finance Department of the City regarding the issuance or receipt of collateral to support a transaction. Any collateral that is received by the Agent for the City will be held by the City.

12. Related Policies

i. Supporting policies and procedures are required as outlined below:

City of Roseville Electric Utility Risk Management Policy
City of Roseville Energy Trading Authority Policy
City of Roseville Energy Hedge Policy
Resolution 06-02 retaining APM for power management services
Resolution 06-286 declaring APM as agent for the purposes of risk policies
“ACES” – Alliance for Cooperative Energy Services Power Marketing

Amendments to the Credit Risk Policy of the City:

From time to time it may be necessary to make changes to the Credit Risk Policy of the City. Amendments to this policy will be made by City Council action.

COUNCIL COMMUNICATION

CC #: 1942
File #: 0400-04-09-1

Title:	Fiddyment Ranch - Phase 3 Holt Parkway 3A-1 - Notice of Completion
Contact:	Darin Crockett 916-751-9196 dcrockett@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.5.

RECOMMENDATION TO COUNCIL

Staff recommends that the City Council adopt the attached resolution accepting Fiddyment Ranch - Phase 3 Holt Parkway 3A-1 NOC, CWJ # 190427, as complete and authorizing the City Engineer to execute the Notice of Completion.

BACKGROUND

The Engineering Division has made a final inspection of the above project and has found the roadway infrastructure work complete in accordance with the improvement plans and City Specifications.

FISCAL IMPACT

The actions requested as part of this action have no impact to the City's General Fund. Construction costs were paid by the developer.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. Approval of a Notice of Completion meets the above criteria and is not subject to CEQA. No additional environmental review is required.

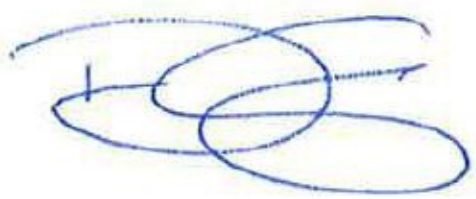
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal F - Invest in well-planned infrastructure and growth

Respectfully Submitted,

Darin Crockett, Senior Construction Inspector

Mike Isom, Development Services Director



_____

Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution 22-051

NOC

Exhibit A

Vicinity Map

Final Maps

F-6 Final Map

RESOLUTION NO. 22-051

RESOLUTION OF THE COUNCIL OF THE CITY OF ROSEVILLE ACCEPTING THE PUBLIC WORK KNOWN AS Fiddyment Ranch Phase 3 Holt Parkway 3A-1, APPROVING THE "NOTICE OF COMPLETION", AND AUTHORIZING AND DIRECTING THE CITY ENGINEER TO EXECUTE SAID NOTICE ON BEHALF OF THE CITY OF ROSEVILLE, THEREFORE, AND ACCEPTING A PORTION OF THE DEDICATIONS OFFERED ON THE RECORDED MAP OF THE SUBDIVISION.

BE IT RESOLVED by the Council of the City of Roseville as follows:

1. The "Notice of Completion" on file in the City Clerk's Department relative to that public work known as the Fiddyment Ranch Phase 3 Holt Parkway 3A-1 is hereby approved and the public work accepted.

2. A portion of the right-of-way and easements offered for dedication on the final maps of Fiddyment Ranch Phase 3 recorded in Book EE of Maps, Page 74 and Fiddyment Ranch Phase 3 Village F-6 recorded in Book FF of Maps, Page 75, in the office of the recorder of Placer County, is hereby accepted by the City in part as said dedications relates to the improvement plan set known as Fiddyment Ranch Phase 3 Holt Parkway 3A-1
3. The City Engineer is hereby authorized and directed to execute said Notice on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville, this _____ day of _____, 20_____, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

CITY CLERK
CITY OF ROSEVILLE
311 VERNON STREET
ROSEVILLE, CA 95678

Exempt from recording fees
Pursuant to Gov't Code §27383

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the public work of improvement known as the _____ Project was completed and accepted by the City of Roseville on _____. The location is situated in the City of Roseville, County of Placer, State of California and is indicated on the attached map, marked as Exhibit "A" and incorporated herein by this reference. The real property herein described is owned by the City of Roseville, 311 Vernon Street, Roseville CA 95678.

The direct/general contractor on said project was _____.

The surety on said project was _____

_____.

_____

City of Roseville
Owner

ATTEST:

_____
Carmen Avalos, City Clerk

State of California)
County of Placer)

I,_____, being first duly sworn, depose and say: I am the _____ of the City of Roseville, a municipal corporation in the State of California, owner of the property described in the above Notice. I am duly authorized to make this verification for and on behalf of the City of Roseville. I have read the Notice of Completion and know its contents and the facts stated therein are true.

_____

City of Roseville

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Placer)

Subscribed and sworn to (or affirmed) before me on this _____ day of _____,

20___, _____

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

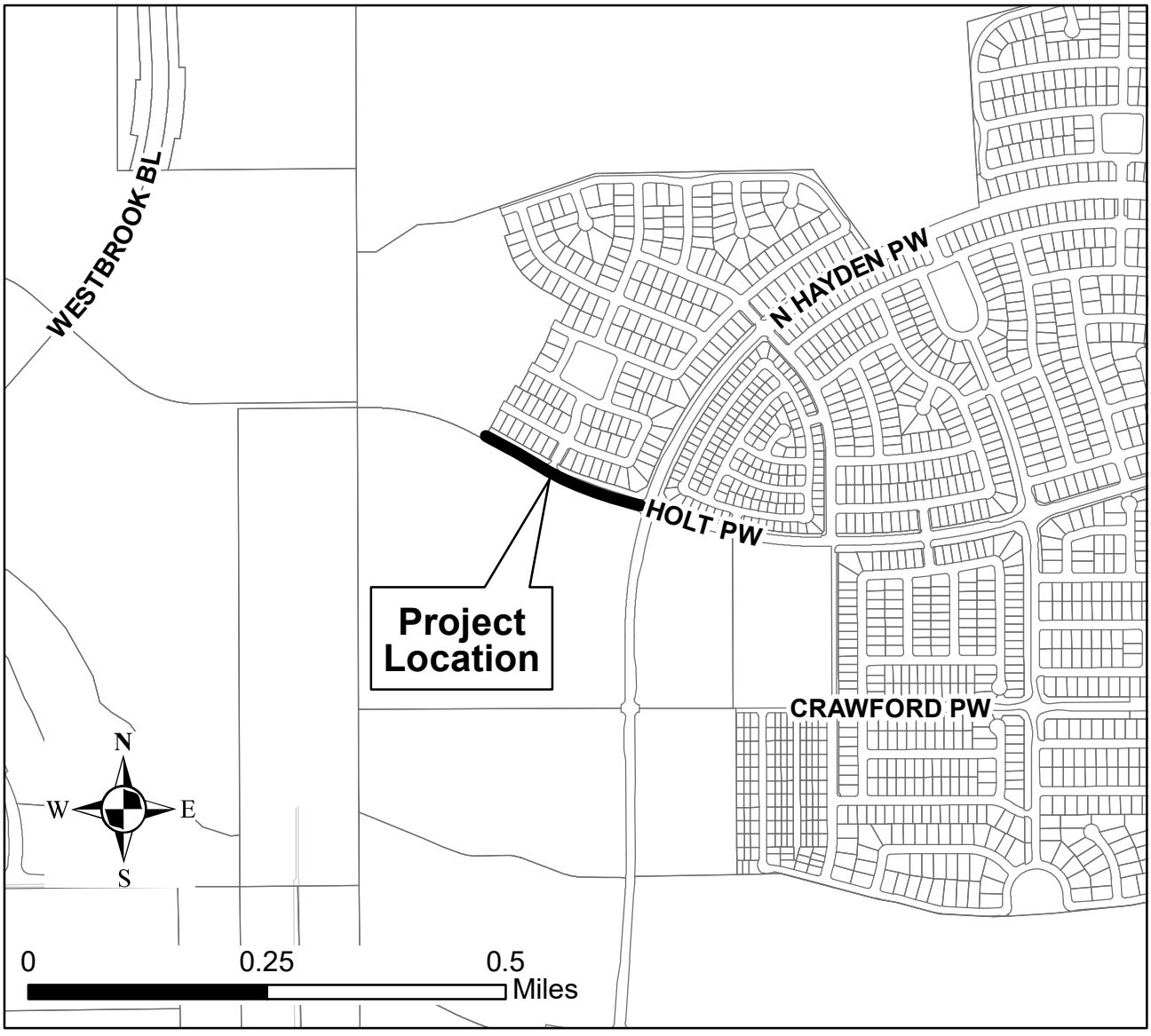
_____

Place Notary Seal and/or Stamp Above

Signature of Notary Public

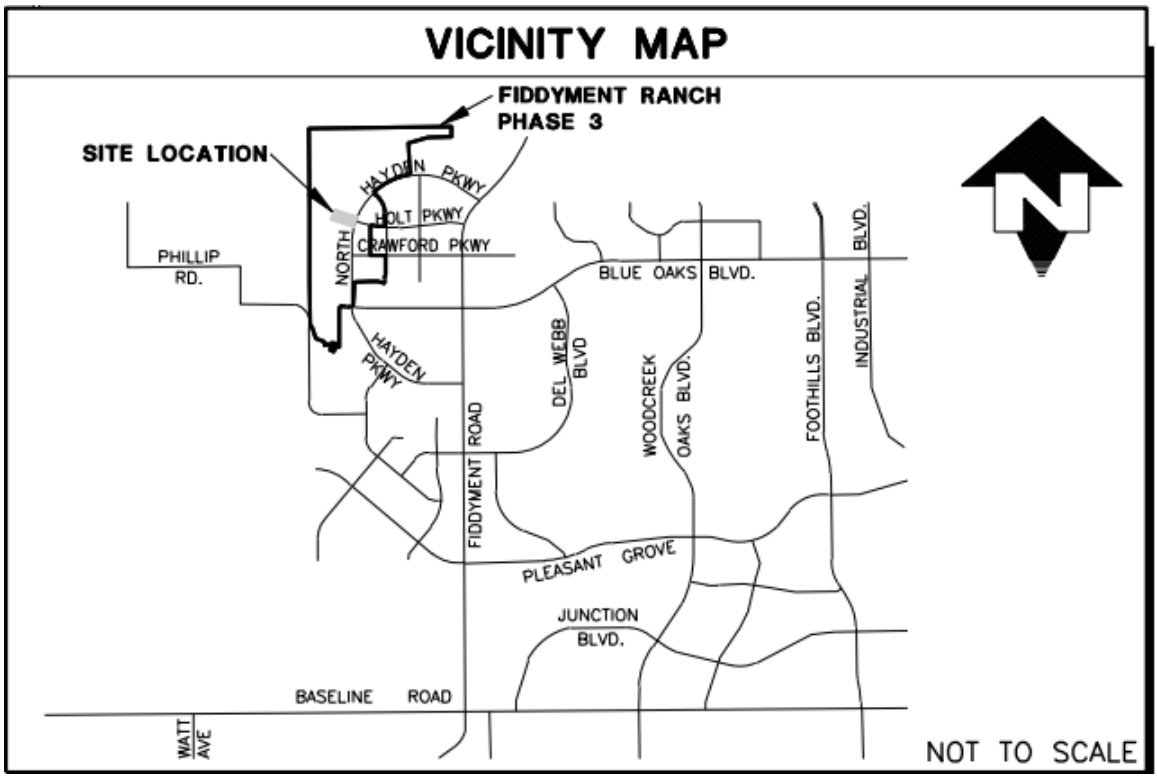
EXHIBIT A

City of Roseville
Fiddyment Ranch - Phase 3
Holt Parkway 3A-1



VICINITY MAP

Fiddyment Ranch-Phase 3 Holt Parkway 3 A-1 City of Roseville



VICINITY MAP

Fiddyment Ranch-Phase 3 Holt
Parkway 3 A-1
City of Roseville

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION

SUBDIVISION NO. PL-0364

BEING THE DESIGNATED REMAINDER AND LOT 19 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2A, FILED IN BOOK DD OF MAPS, AT PAGE 88 OF O.R.P.C. AND SITUATE IN SECTIONS 13 AND 24, T11N., R.5E., M.D.M.
CITY OF ROSEVILLE COUNTY OF PLACER STATE OF CALIFORNIA

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
3301 C St. Bldg. 100-B Tel 916.341.7760
Sacramento, CA 95816 Fax 916.341.7767

SEPTEMBER 2019

Sheet 1 of 10

1027.152

OWNER'S STATEMENT

THE UNDERSIGNED HEREBY CERTIFY THAT THEY ARE THE ONLY PERSONS HAVING ANY RECORD TITLE INTEREST IN THE REAL PROPERTY INCLUDED WITHIN THE BOUNDARIES OF THIS SUBDIVISION MAP, "FINAL MAP OF FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION" AS SHOWN UPON THIS MAP, AND DO HEREBY CONSENT TO THE PREPARATION AND RECORDING OF SAID MAP AND THAT THE CONSENT OF NO OTHER PERSON IS NECESSARY. WE HEREBY OFFER FOR DEDICATION AND DO HEREBY DEDICATE FOR SPECIFIC PURPOSES THE FOLLOWING:

THE REAL PROPERTY DESCRIBED BELOW IS IRREVOCABLY OFFERED IN FEE FOR PUBLIC PURPOSES:

A. LOT 9 AS A PUBLIC PARK.

B. AS PUBLIC RIGHT-OF-WAY, THE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "IOD/RW" (IRREVOCABLE OFFER OF DEDICATION OF RIGHT OF WAY).

C. LOTS 1 AND 5 AS PUBLIC OPEN SPACE.

THE REAL PROPERTY DESCRIBED BELOW IS IRREVOCABLY OFFERED AS AN EASEMENT FOR PUBLIC PURPOSES:

A. PUBLIC EASEMENTS FOR THE INSTALLATION, CONSTRUCTION AND MAINTENANCE OF, BUT NOT LIMITED TO, WATER, SANITARY SEWER, GAS AND DRAINAGE PIPES; ELECTROLIERS, TRAFFIC CONTROL APPURTENANCES, AND FOR ELECTRIC, TELEVISION, AND TELEPHONE SERVICES, TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO, ON, OVER, UNDER AND ACROSS THE STRIPS OF LAND SHOWN HEREON AND DESIGNATED AS "IOD/PUE" (IRREVOCABLE OFFER OF DEDICATION/PUBLIC UTILITY EASEMENT) AND "IOD/RW" (IRREVOCABLE OFFER OF DEDICATION/RIGHT OF WAY).

B. PUBLIC EASEMENT FOR ACCESS, CONSTRUCTION, AND MAINTENANCE OF TRAIL FACILITIES ON, OVER, AND ACROSS THAT 50 FOOT STRIP OF LAND SHOWN HEREON AND DESIGNATED "TRAIL ESMT" (PUBLIC TRAIL EASEMENT).

C. PUBLIC EASEMENT FOR INSTALLATION AND MAINTENANCE OF A BUS SHELTER TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER AND ACROSS THOSE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "BUS SHELTER EASEMENT".

D. PUBLIC EASEMENT FOR PEDESTRIAN ACCESS ACROSS THOSE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "PE" (PEDESTRIAN EASEMENT).

THE REAL PROPERTY BELOW IS BEING DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSE:

A. PUBLIC EASEMENT FOR THE INSTALLATION AND MAINTENANCE OF SANITARY SEWER PIPES AND ALL APPURTENANCES THERETO ON, OVER, UNDER, AND ACROSS THAT STRIP OF LAND SHOWN HEREON AND DESIGNATED AS "SSE" (SANITARY SEWER EASEMENT).

THE REAL PROPERTY DESCRIBED BELOW IS RESERVED FOR PUBLIC PURPOSES:

A. LOT 8 IS HEREBY RESERVED TO BE DEDICATED IN FEE IN THE FUTURE AS A PUBLIC SCHOOL SITE.

ATC REALTY ONE, LLC
A DELAWARE LIMITED LIABILITY COMPANY

BY: _____
DAVID L. ASH
ITS: SENIOR VICE PRESIDENT

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION AND FIND IT TO BE SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP ON FILE AND ANY APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ALL APPLICABLE CITY ORDINANCES HAVE BEEN COMPLIED WITH.

_____ 9/5/19
MARC STOUT DATE
CITY ENGINEER, CITY OF ROSEVILLE
R.C.E. #69879 EXPIRATION DATE 09/30/2020

I HEREBY STATE THAT I AM SATISFIED THAT THIS FINAL MAP OF FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION IS TECHNICALLY CORRECT.

FOR MARC STOUT, CITY ENGINEER, CITY OF ROSEVILLE

_____
TIMOTHY G. BLAIR, P.L.S. 8278
EXPIRATION DATE: 12/31/2019

9/9/19
DATE

PROFESSIONAL LAND SURVEYOR TIMOTHY G. BLAIR No. 8278 EXP. 12/31/19 STATE OF CALIFORNIA

NOTARY'S ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF San Francisco) SS

AUXILIADORA RIOS Notary Public - California San Francisco County Commission # 2188278 My Comm. Expires Mar 25, 2021

ON 28 DAY OF August, 2019 BEFORE ME, Auxiliadora Rios, A NOTARY PUBLIC PERSONALLY APPEARED David L. Ash

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: _____

PRINTED NAME: Auxiliadora Rios

MY PRINCIPLE PLACE OF BUSINESS IS IN THE COUNTY OF: San Francisco

MY COMMISSION EXPIRES: March 25, 2021

MY COMMISSION No.: 2188278

CITY CLERK'S STATEMENT

I HEREBY STATE THAT THE CITY COUNCIL, CITY OF ROSEVILLE HAS APPROVED THIS FINAL MAP OF FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION AND HAS ACCEPTED ON BEHALF OF THE PUBLIC THE SANITARY SEWER EASEMENT OFFERED HEREON, BUT HAS REJECTED AT THIS TIME; BUT RESERVES THE RIGHT TO ACCEPT AT A LATER DATE, ON BEHALF OF THE PUBLIC, ALL IRREVOCABLE OFFERS OF LANDS, RIGHTS-OF-WAY AND EASEMENTS OFFERED HEREON, IN ACCORDANCE WITH THE TERMS OF THOSE OFFERS AND HAS APPROVED THE ABANDONMENT OF THE IRREVOCABLE OFFERS OF DEDICATION FOR THE RIGHTS-OF-WAY AND PUBLIC UTILITY EASEMENTS LISTED WITHIN NOTE 5 ON SHEET 2.

09/9/19
DATE

CITY CLERK, CITY OF ROSEVILLE
BY: _____
ASSISTANT CITY CLERK

RECORDER'S STATEMENT

FILED THIS 8th DAY OF November, 2019, AT 9:44 A.M. IN BOOK EE OF MAPS, AT PAGE 74, AT THE REQUEST OF WOOD RODGERS, INC.

FEE: $ 110.00 DOCUMENT NO.: 2019-0089384

BY: Ryan Ronco BY: _____
RYAN RONCO DEPUTY RECORDER
COUNTY RECORDER
COUNTY OF PLACER

SURVEYOR'S STATEMENT

THIS FINAL MAP OF FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF ATC REALTY ONE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, IN MAY 2019. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP; THAT ALL THE MONUMENTS SHOWN HEREON ARE OF THE CHARACTER AND WILL OCCUPY THE POSITIONS AS INDICATED, OR THAT THEY WILL BE SET BY SEPTEMBER 31, 2021 AND THAT THE MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

WOOD RODGERS, INC.

PROFESSIONAL LAND SURVEYOR DENNIS L. BARBER EXP:12-31-19 No. 8067 STATE OF CALIFORNIA

_____
DENNIS L. BARBER
P.L.S. 8067 EXP. 12/31/2019

8/27/19
DATE

REFERENCES:

(1)	BB MAPS 24	FINAL MAP OF FIDDYMENT RANCH PHASE 2 – LARGE LOT SUBDIVISION
(2)	DD MAPS 9	FINAL MAP OF FIDDYMENT RANCH PHASE 2 – VILLAGES F-9 &F-19
(3)	DD MAPS 73	FINAL MAP OF FIDDYMENT RANCH PHASE 2 – VILLAGE F-13B1
(4)	2015-0081570	GRANT DEED TO CITY OF ROSEVILLE
(5)	DD MAPS 88	FINAL MAP OF FIDDYMENT RANCH PHASE 2A – LARGE LOT SUBDIVISION

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE NORTH LINE OF SECTION 13, T.11N., R.5E., M.D.M. SAID BEARING IS TAKEN AS NORTH 89°26'37" EAST PER THE FINAL MAP OF FIDDYMENT RANCH PHASE 2 – LARGE LOT SUBDIVISION, FILED IN BOOK BB OF MAPS, AT PAGE 24, O.R.P.C.

LEGEND

●	FOUND 5/8" REBAR WITH CAP STAMPED "LS 6815" PER DD MAPS 9
◉	FOUND 5/8" REBAR WITH CAP STAMPED "LS 8067" PER DD MAPS 73
▣	FOUND MONUMENT AS DESCRIBED
⌖	FOUND SECTION CORNER AS DESCRIBED
⊕	FOUND QUARTER CORNER AS DESCRIBED
▣	FOUND 5/8" REBAR WITH CAP STAMPED "LS 8067" PER DD MAPS 88
◉	BRASS DISK STAMPED "LS 6046" IN MONUMENT WELL TO BE SET PER BB MAPS 24
◎	FOUND BRASS DISK STAMPED "LS 6046" IN MONUMENT WELL PER AA MAPS 10
◉	FOUND BRASS DISK STAMPED "LS 8067" IN MONUMENT WELL PER DD MAPS 73
●	FOUND BRASS DISK STAMPED "LS 8067" IN MONUMENT WELL
○	SET 5/8" REBAR WITH CAP STAMPED "LS 8067"
(CL)	CENTERLINE DIMENSION
IOD	IRREVOCABLE OFFER OF DEDICATION
N.A.P.O.T.S.	NOT A PART OF THIS SUBDIVISION
(OA)	OVERALL DIMENSION
O.R.P.C.	OFFICIAL RECORDS OF PLACER COUNTY
PE	PEDESTRIAN EASEMENT
PUE	PUBLIC UTILITY EASEMENT
(R)	RADIAL BEARING
REF	INDICATES REFERENCE NUMBER
RW	RIGHT-OF-WAY
SSE	SANITARY SEWER EASEMENT

NOTES

1. ALL CURVES DIMENSIONED WITH RADIUS, DELTA, ARC LENGTH, CHORD BEARING, AND CHORD LENGTH. CHORD LENGTHS MAY CONTAIN SOME ROUNDING ERROR.
2. ALL DISTANCES SHOWN HEREON ARE EXPRESSED IN FEET AND DECIMALS THEREOF.
3. DUE TO ROUNDING THE SUM OF THE INDIVIDUAL DIMENSIONS MAY NOT EQUAL THE OVERALL DIMENSION.
4. TOTAL AREA FOR THIS "FINAL MAP OF FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION" SUBDIVISION IS 377.88± ACRES, CONSISTING OF 6 DEVELOPMENT LOTS, 1 PUBLIC PARK LOT, 1 SCHOOL SITE LOT, AND 2 OPEN SPACE LOTS.
5. PURSUANT TO SECTION 66434(g) OF THE GOVERNMENT CODE, THE FOLLOWING PUBLIC IRREVOCABLE OFFERS OF DEDICATION/RIGHTS OF WAY (IOD/RW) AND PUBLIC UTILITY EASEMENTS ARE HEREBY ABANDONED:
   A. THOSE PORTIONS OF THE IOD/RW FOR PRUETT DRIVE AS DEPICTED ON THE MAP ENTITLED "FIDDYMENT RANCH PHASE 2A – LARGE LOT SUBDIVISION", FILED IN BOOK DD OF MAPS, AT PAGE 88, O.R.P.C., WHICH LIE WITHIN THE BOUNDARY OF THIS MAP THAT ARE NOT SHOWN HEREON.
   B. THOSE PORTIONS OF THE RIGHT-OF-WAY FOR HAYDEN PARKWAY AND THE PUBLIC UTILITY EASEMENT ADJACENT THERETO AS DEPICTED ON THE MAP ENTITLED "FIDDYMENT PHASE 2 – LARGE LOT MAP SUBDIVISION". FILED IN BOOK BB OF MAPS, AT PAGE 24, O.R.P.C., WHICH LIE WITHIN THE BOUNDARY OF THIS MAP THAT ARE NOT SHOWN HEREON.
6. THE FOLLOWING TABLE IS TO RELATE THE LOT NUMBERS SHOWN HEREON TO THAT OF THE APPROVED TENTATIVE MAP AND THE WEST ROSEVILLE SPECIFIC PLAN:

LOT NUMBERING		
FINAL MAP	TENTATIVE MAP	WEST ROSEVILLE SPECIFIC PLAN
1	F-8D	F-8D
2	F-10A-1/F-10A-2/F-10B-1/F-10B-2/F-10C-1/F-10C-2/F-9A	F-10A/F-10B/F-10C/F-9A
3	F-6A-/F-6A-2/F-6B/F-6D	F-6A-/F-6B/F-6D
4	F-6C-1/F-6C-2	F-6C
5	F-8E	F-8E
6	F-8A	F-8A
7	F-8B	F-8B
8	F-7I	F-7I
9	F-5I	F-5I
10	F-11B	F-11B

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION

SUBDIVISION NO. PL-0364

BEING THE DESIGNATED REMAINDER AND LOT 19 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2A, FILED IN BOOK DD OF MAPS, AT PAGE 88 OF O.R.P.C. AND SITUATE IN SECTIONS 13 AND 24, T.11N., R.5E., M.D.M.
CITY OF ROSEVILLE COUNTY OF PLACER STATE OF CALIFORNIA

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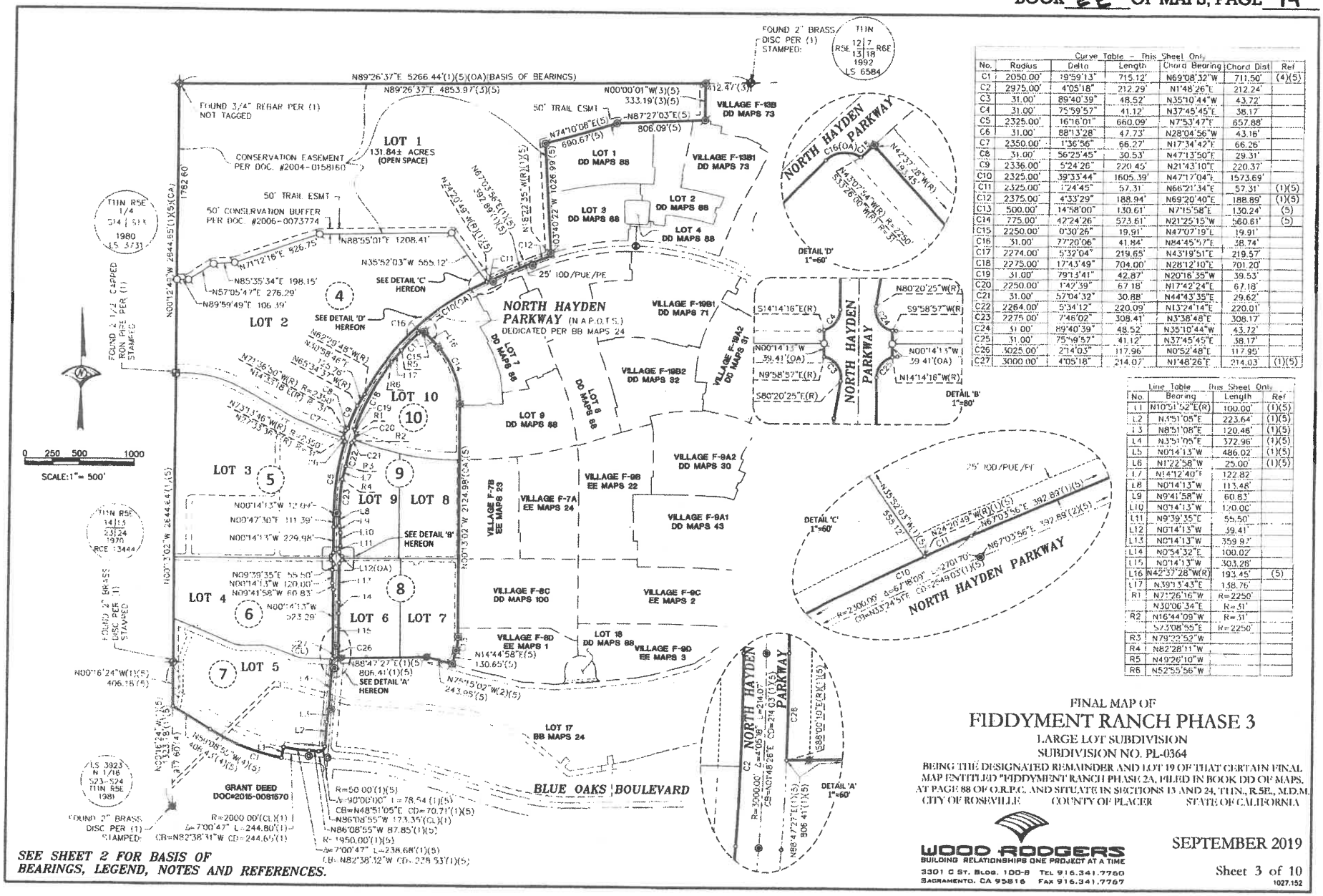

Curve Table – This Sheet Only

No.	Radius	Delta	Length	Chord Bearing	Chord Dist	Ref
C1	2050.00'	19°59'13"	715.12'	N69°08'32"W	711.50'	(4)(5)
C2	2975.00'	4°05'18"	212.29'	N1°48'26"E	212.24'	
C3	31.00'	89°40'39"	48.52'	N35°10'44"W	43.72'	
C4	31.00'	75°59'57"	41.12'	N37°45'45"E	38.17'	
C5	2325.00'	16°16'01"	660.09'	N7°53'47"E	657.88'	
C6	31.00'	88°13'28"	47.73'	N28°04'56"W	43.16'	
C7	2350.00'	1°36'56"	66.27'	N17°34'42"E	66.26'	
C8	31.00'	56°25'45"	30.53'	N47°13'50"E	29.31'	
C9	2336.00'	5°24'26"	220.45'	N21°43'10"E	220.37'	
C10	2325.00'	39°33'44"	1605.39'	N47°17'04"E	1573.69'	
C11	2325.00'	1°24'45"	57.31'	N66°21'34"E	57.31'	(1)(5)
C12	2375.00'	4°33'29"	188.94'	N69°20'40"E	188.89'	(1)(5)
C13	500.00'	14°58'00"	130.61'	N7°15'58"E	130.24'	(5)
C14	775.00'	42°24'26"	573.61'	N21°25'15"W	560.61'	(5)
C15	2250.00'	0°30'26"	19.91'	N47°07'19"E	19.91'	
C16	31.00'	77°20'06"	41.84'	N84°45'57"E	38.74'	
C17	2274.00'	5°32'04"	219.65'	N43°19'51"E	219.57'	
C18	2275.00'	17°43'49"	704.00'	N28°12'10"E	701.20'	
C19	31.00'	79°13'41"	42.87'	N20°16'35"W	39.53'	
C20	2250.00'	1°42'39"	67.18'	N17°42'24"E	67.18'	
C21	31.00'	57°04'32"	30.88'	N44°43'35"E	29.62'	
C22	2264.00'	5°34'12"	220.09'	N13°24'14"E	220.01'	
C23	2275.00'	7°46'02"	308.41'	N3°38'48"E	308.17'	
C24	31.00'	89°40'39"	48.52'	N35°10'44"W	43.72'	
C25	31.00'	75°59'57"	41.12'	N37°45'45"E	38.17'	
C26	3025.00'	2°14'03"	117.96'	N0°52'48"E	117.95'	
C27	3000.00'	4°05'18"	214.07'	N1°48'26"E	214.03'	(1)(5)

Line Table – This Sheet Only

No.	Bearing	Length	Ref
L1	N10°51'52"E(R)	100.00'	(1)(5)
L2	N3°51'05"E	223.64'	(1)(5)
L3	N8°51'08"E	120.46'	(1)(5)
L4	N3°51'05"E	372.96'	(1)(5)
L5	N0°14'13"W	486.02'	(1)(5)
L6	N1°22'58"W	25.00'	(1)(5)
L7	N14°12'40"E	122.82'	
L8	N0°14'13"W	113.46'	
L9	N9°41'58"W	60.83'	
L10	N0°14'13"W	120.00'	
L11	N9°39'35"E	55.50'	
L12	N0°14'13"W	39.41'	
L13	N0°14'13"W	359.92'	
L14	N0°54'32"E	100.02'	
L15	N0°14'13"W	303.28'	
L16	N42°37'28"W(R)	193.45'	(5)
L17	N39°13'43"E	138.76'	
R1	N7°26'16"W	R=2250'	
	N30°06'34"E	R=51'	
R2	N16°44'09"W	R=31'	
	S73°08'55"E	R=2250'	
R3	N79°22'52"W		
R4	N82°28'11"W		
R5	N49°26'10"W		
R6	N52°55'56"W		

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION

SUBDIVISION NO. PL-0364

BEING THE DESIGNATED REMAINDER AND LOT 19 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2A, FILED IN BOOK DD OF MAPS, AT PAGE 88 OF O.R.P.C. AND SITUATE IN SECTIONS 13 AND 24, T11N., R.5E., M.D.M. CITY OF ROSEVILLE COUNTY OF PLACER STATE OF CALIFORNIA

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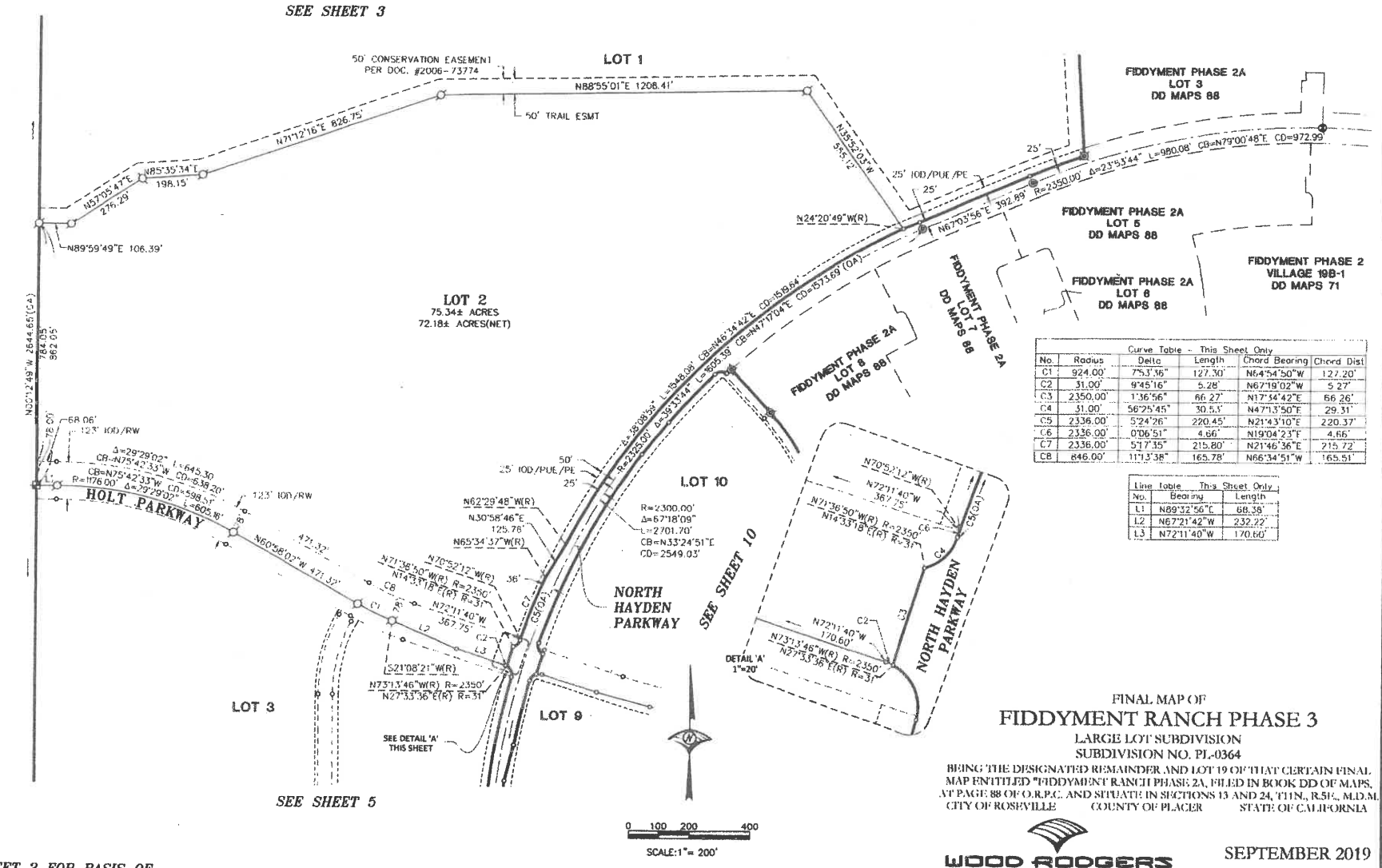

Curve Table - This Sheet Only					
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	924.00'	7°53'36"	127.30'	N64°54'50"W	127.20'
C2	31.00'	9°45'16"	5.28'	N67°19'02"W	5.27'
C3	2350.00'	1°36'56"	66.27'	N17°34'42"E	66.26'
C4	31.00'	56°25'45"	30.53'	N47°13'50"E	29.31'
C5	2336.00'	5°24'26"	220.45'	N21°43'10"E	220.37'
C6	2336.00'	0°06'51"	4.66'	N19°04'23"E	4.66'
C7	2336.00'	5°17'35"	215.80'	N21°46'36"E	215.72'
C8	846.00'	11°13'38"	165.78'	N66°34'51"W	165.51'

Line Table - This Sheet Only		
No.	Bearing	Length
L1	N89°32'56"E	68.38'
L2	N67°21'42"W	232.22'
L3	N72°11'40"W	170.60'

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION
SUBDIVISION NO. PL-0364

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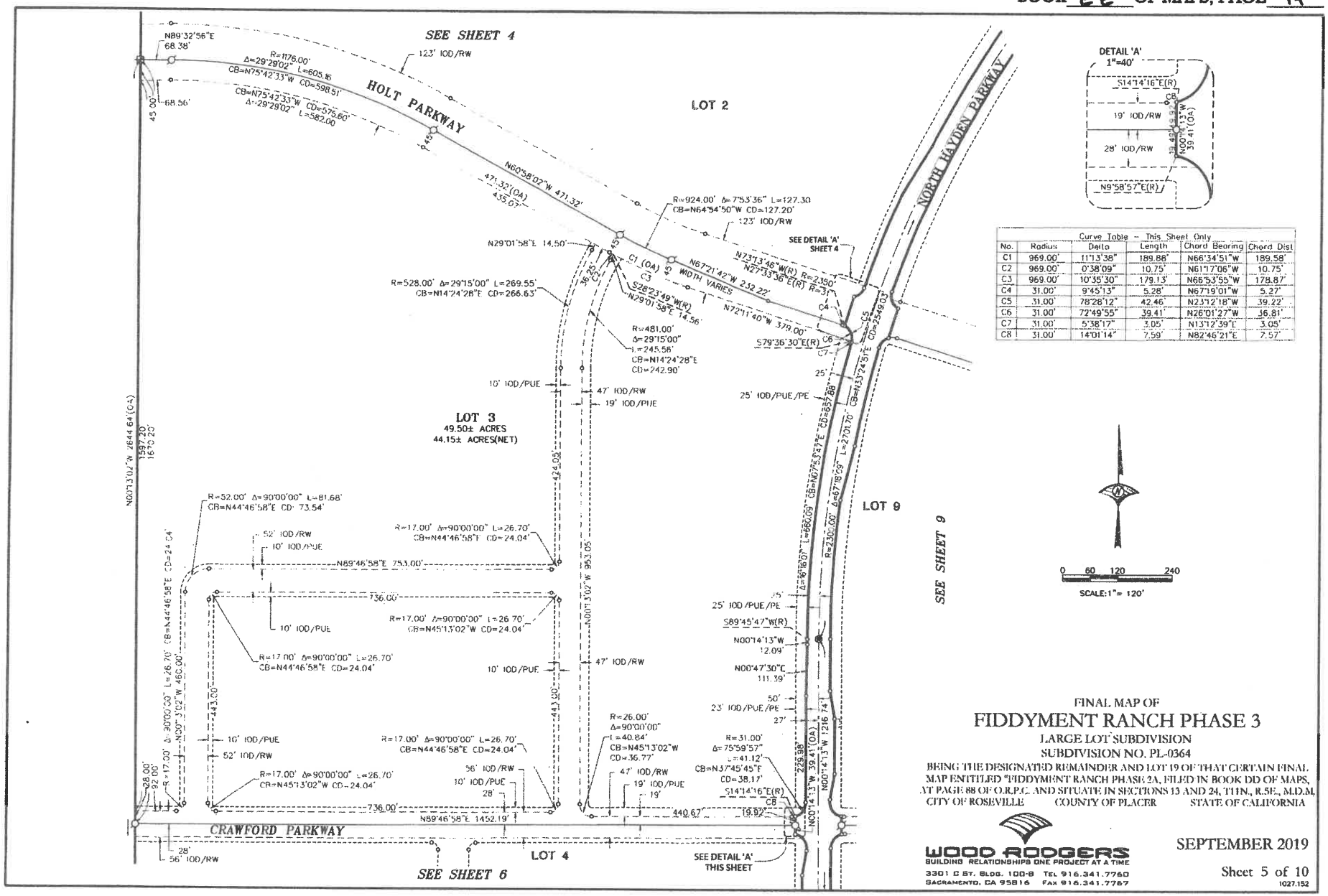
BOOK EE OF MAPS, PAGE 74



Curve Table – This Sheet Only					
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	969.00'	11°13'38"	189.86'	N66°34'51"W	189.58'
C2	969.00'	0°38'09"	10.75'	N61°17'06"W	10.75'
C3	969.00'	10°35'30"	179.13'	N66°53'55"W	178.87'
C4	31.00'	9°45'13"	5.28'	N67°19'01"W	5.27'
C5	31.00'	78°28'12"	42.46'	N23°12'18"W	39.22'
C6	31.00'	72°49'55"	39.41'	N26°01'27"W	36.81'
C7	31.00'	5°38'17"	3.05'	N13°12'39"E	3.05'
C8	31.00'	14°01'14"	7.59'	N82°46'21"E	7.57'

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION

SUBDIVISION NO. PL-0364

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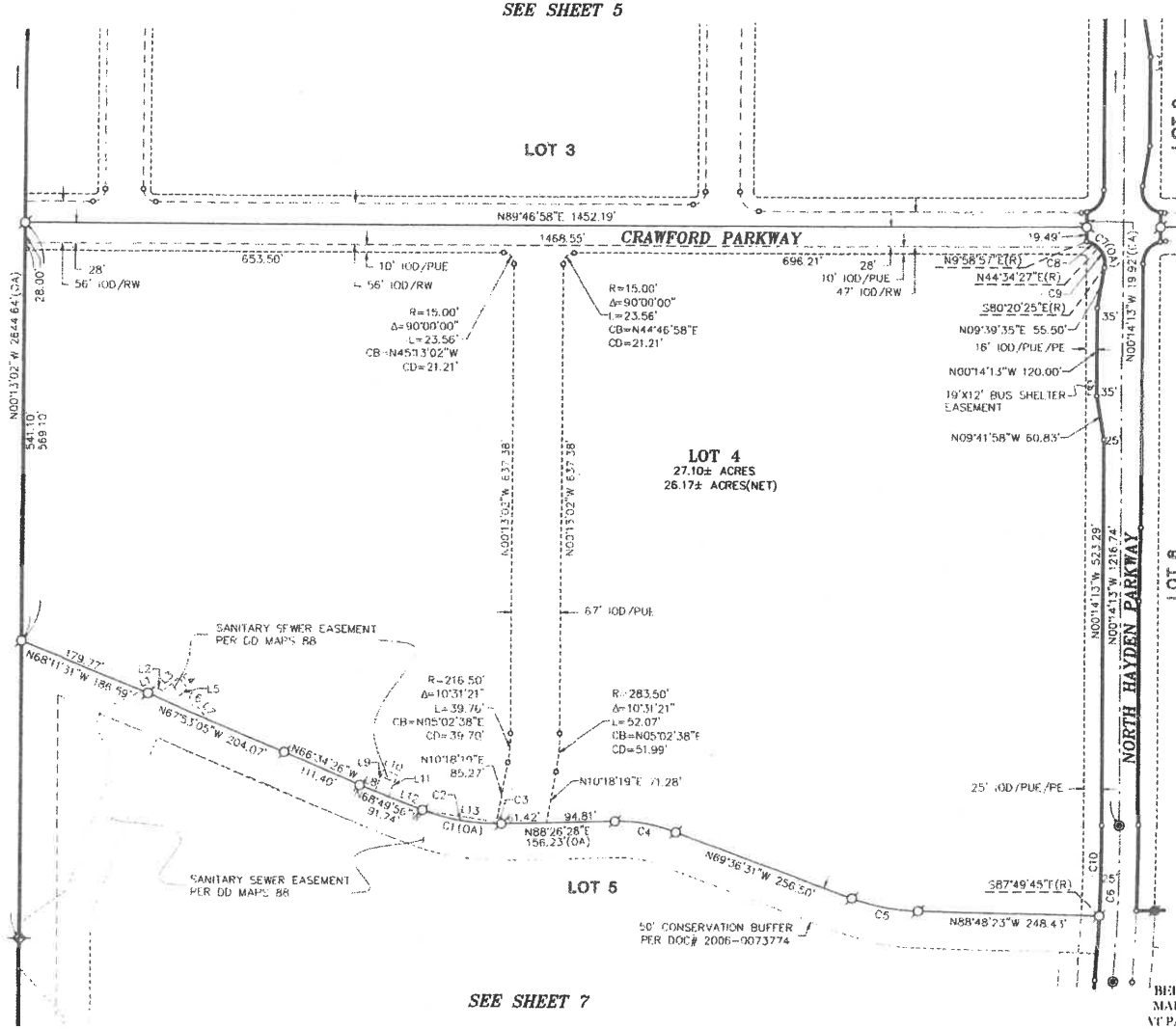

Curve Table – This Sheet Only

No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	276.00'	22°43'36"	109.48'	N80°11'44"W	108.76'
C2	276.00'	21°16'07"	102.45'	N79°27'59"W	101.87'
C3	276.00'	1°27'29"	7.02'	N89°10'13"E	7.02'
C4	224.00'	21°57'01"	85.82'	N80°35'01"W	85.29'
C5	276.00'	19°11'52"	92.48'	N79°12'27"W	92.05'
C6	3000.00'	4°05'18"	214.07'	N1°48'26"E	214.03'
C7	31.00'	89°40'39"	48.52'	N35°10'44"W	43.72'
C8	31.00'	34°35'30"	18.72'	N62°43'18"W	18.43'
C9	31.00'	55°05'09"	29.80'	N17°52'59"W	28.67'
C10	2975.00'	2°24'28"	125.02'	N0°58'01"E	125.01'

Line Table – This Sheet Only

No.	Bearing	Length
L1	N67°13'35"E	14.94'
L2	N67°12'28"W	15.12'
L3	N49°13'48"E	28.23'
L4	N40°46'12"W	20.00'
L5	N49°13'48"E	18.29'
L6	N67°12'28"W	31.78'
L7	N37°52'25"W	19.37'
L8	N68°49'56"W	22.57'
L9	N22°17'31"E	32.20'
L10	N67°42'29"W	20.00'
L11	N22°17'31"E	31.81'
L12	N68°52'41"W	54.06'
L13	N81°14'31"W	109.32'

0 40 80 160
SCALE:1"= 80'

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION
SUBDIVISION NO. PL-0364

BEING THE DESIGNATED REMAINDER AND LOT 19 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2A, FILED IN BOOK DD OF MAPS, AT PAGE 88 OF O.R.P.C. AND SITUATE IN SECTIONS 13 AND 24, T11N., R.5E., M.D.M.
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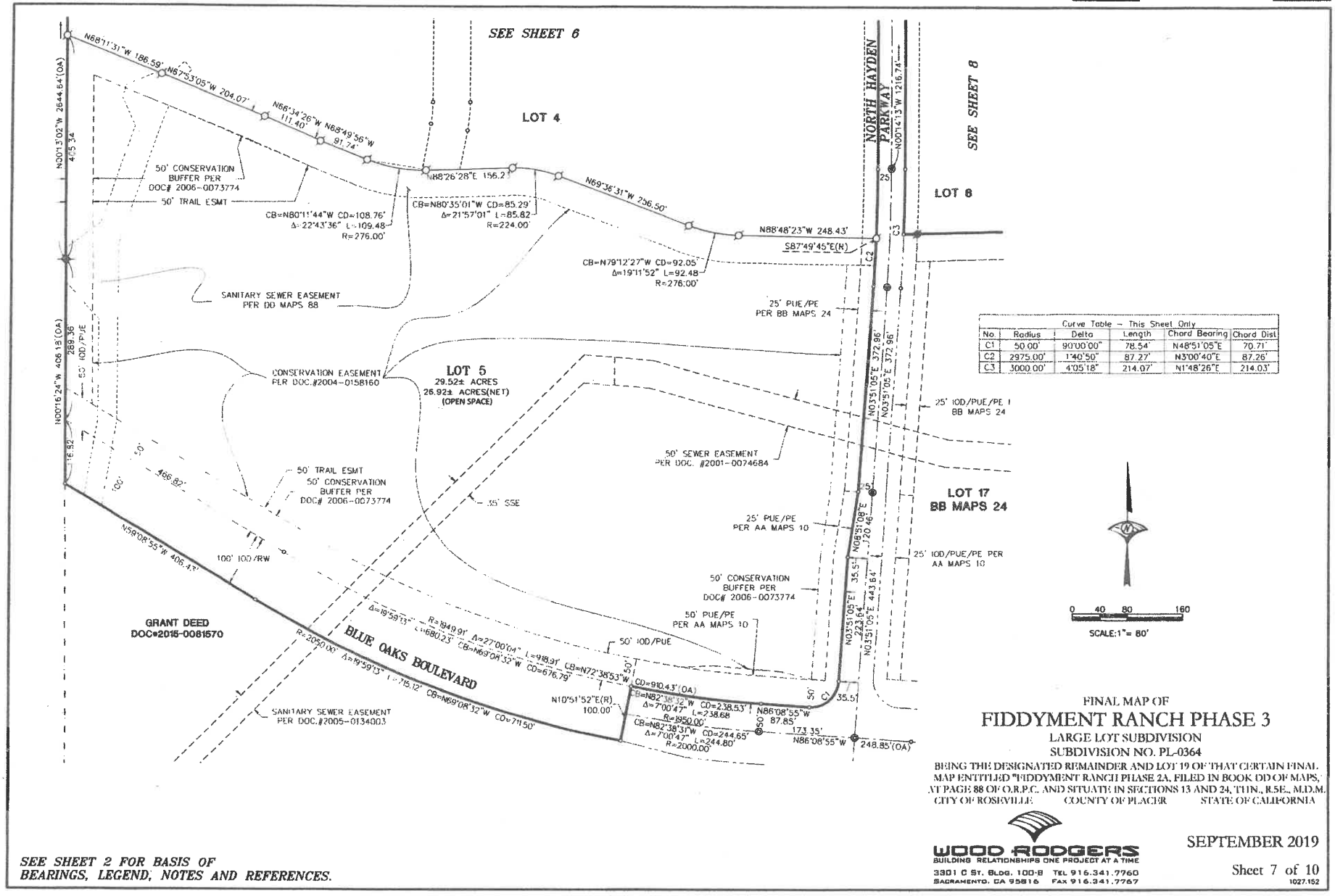

Curve Table – This Sheet Only

No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	50.00'	90°00'00"	78.54'	N48°51'05"E	70.71'
C2	2975.00'	1°40'50"	87.27'	N3°00'40"E	87.26'
C3	3000.00'	4°05'18"	214.07'	N1°48'26"E	214.03'

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION
SUBDIVISION NO. PL-0364

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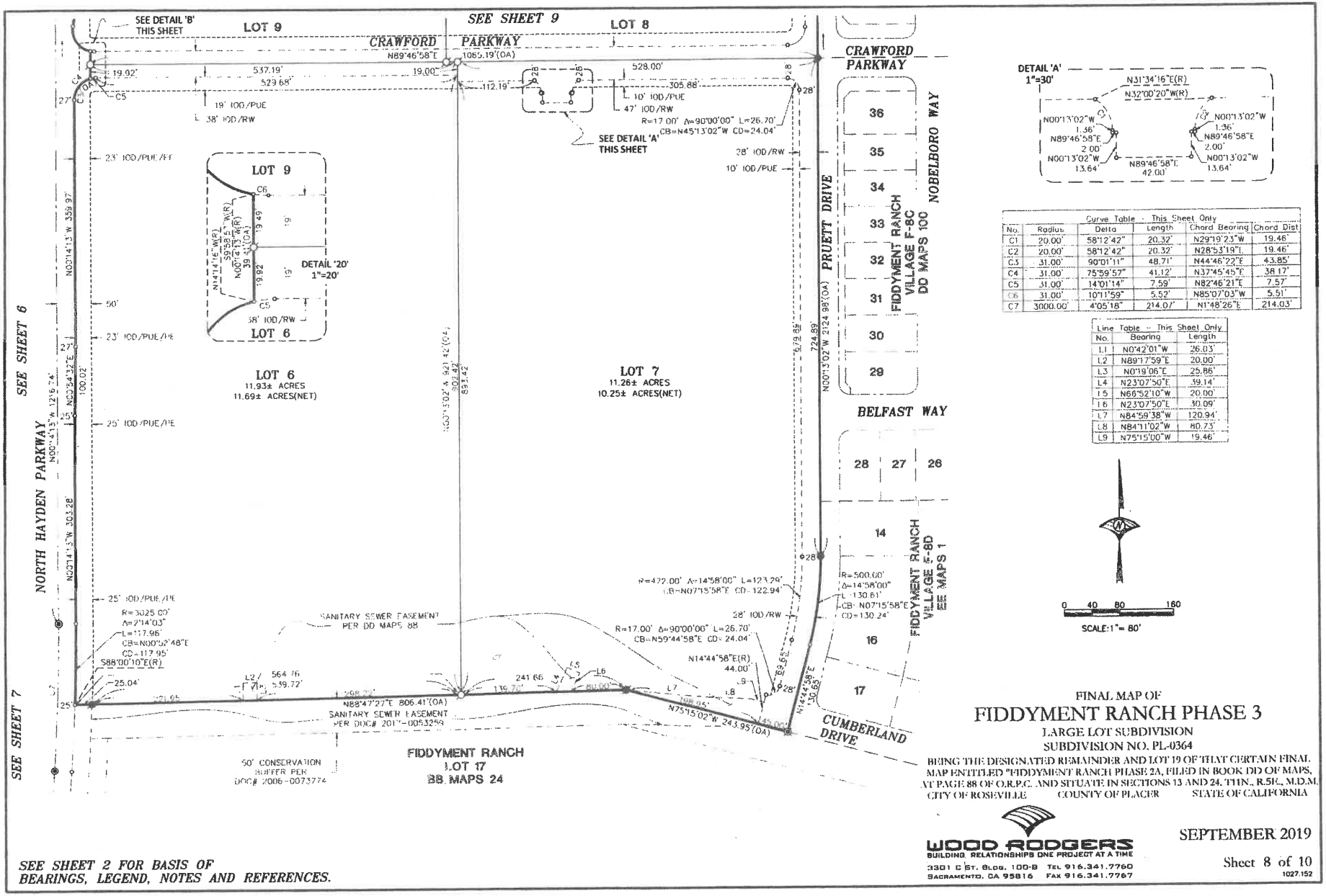

DETAIL 'A' 1"=30'

Curve Table - This Sheet Only

No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	20.00'	58°12'42"	20.32'	N29°19'23"W	19.46'
C2	20.00'	58°12'42"	20.32'	N28°53'19"E	19.46'
C3	31.00'	90°01'11"	48.71'	N44°46'22"E	43.85'
C4	31.00'	75°59'57"	41.12'	N37°45'45"E	38.17'
C5	31.00'	14°01'14"	7.59'	N82°46'21"E	7.57'
C6	31.00'	10°11'59"	5.52'	N85°07'03"W	5.51'
C7	3000.00'	4°05'18"	214.07'	N1°48'26"E	214.03'

Line Table - This Sheet Only

No.	Bearing	Length
L1	N0°42'01"W	26.03'
L2	N89°17'59"E	20.00'
L3	N0°19'06"E	25.86'
L4	N23°07'50"E	39.14'
L5	N66°52'10"W	20.00'
L6	N23°07'50"E	30.09'
L7	N84°59'38"W	120.94'
L8	N84°11'02"W	80.73'
L9	N75°15'00"W	19.46'

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION
SUBDIVISION NO. PL-0364

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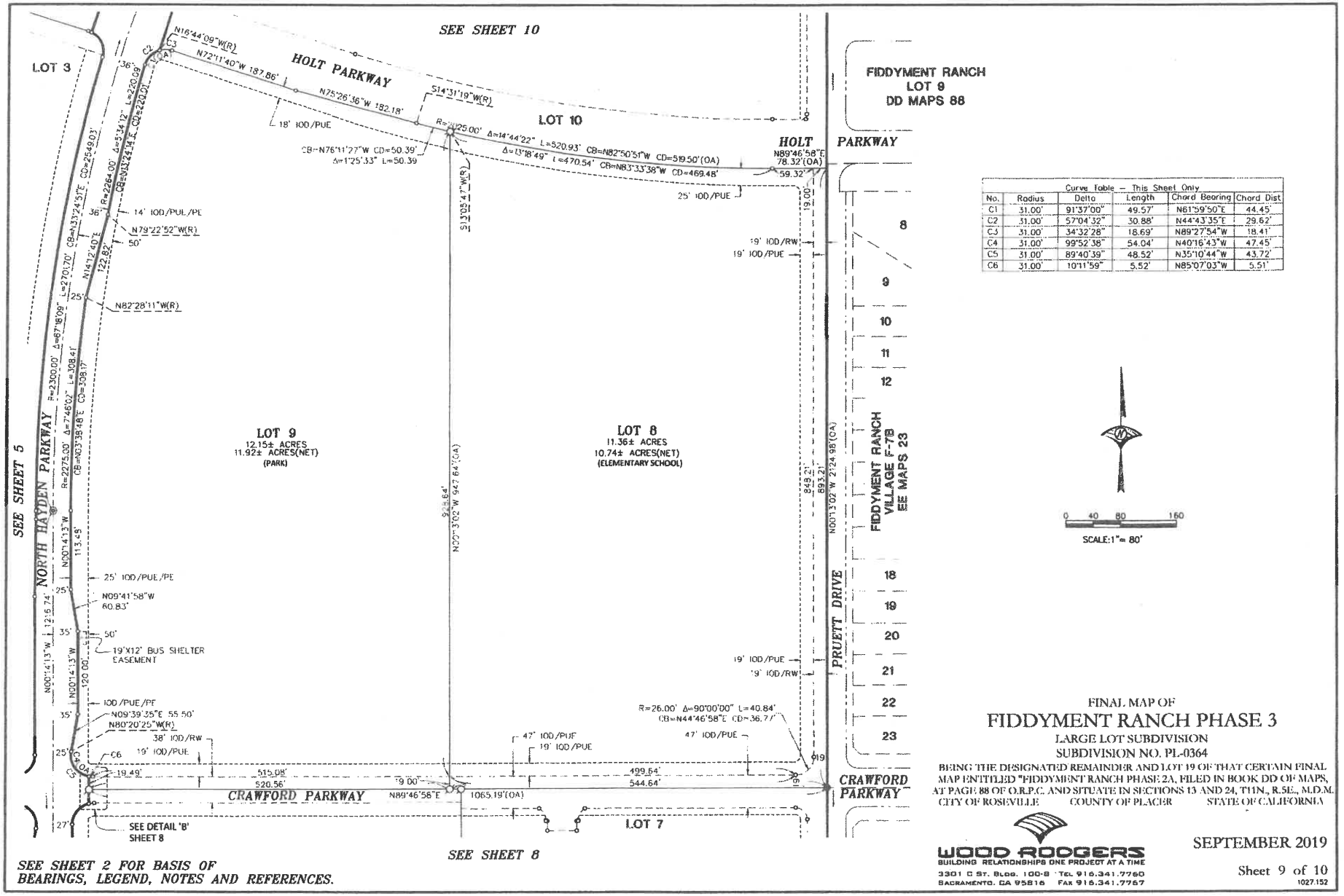


Curve Table – This Sheet Only					
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	31.00'	91°37'00"	49.57'	N61°59'50"E	44.45'
C2	31.00'	57°04'32"	30.88'	N44°43'35"E	29.62'
C3	31.00'	34°32'28"	18.69'	N89°27'54"W	18.41'
C4	31.00'	99°52'38"	54.04'	N40°16'43"W	47.45'
C5	31.00'	89°40'39"	48.52'	N35°10'44"W	43.72'
C6	31.00'	10°11'59"	5.52'	N85°07'03"W	5.51'

0 40 80 160

SCALE:1"= 80'

SEE SHEET 2 FOR BASIS OF BEARINGS, LEGEND, NOTES AND REFERENCES.

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION

SUBDIVISION NO. PL-0364

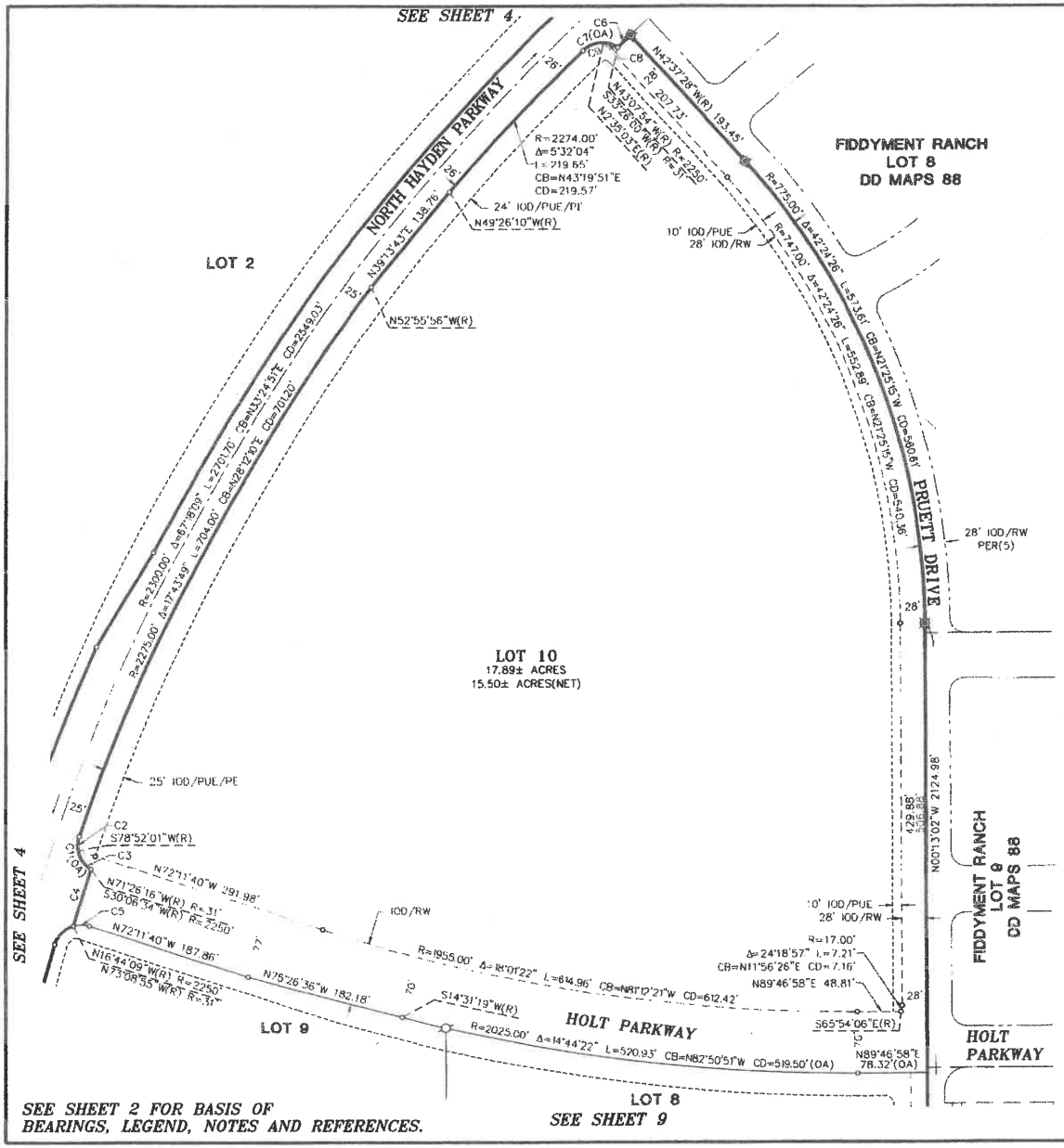
BEING THE DESIGNATED REMAINDER AND LOT 19 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2A, FILED IN BOOK DD OF MAPS, AT PAGE 88 OF O.R.P.C. AND SITUATE IN SECTIONS 13 AND 24, T11N., R.5E., M.D.M.

CITY OF ROSEVILLE COUNTY OF PLACER STATE OF CALIFORNIA

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
3301 C St. Bldg. 100-B Tel 916.341.7760
Sacramento, CA 95816 Fax 916.341.7767

SEPTEMBER 2019

1027.152



SEE SHEET 2 FOR BASIS OF BEARINGS, LEGEND, NOTES AND REFERENCES.

Curve Table - This Sheet Only

No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	31.00'	79°13'41"	42.87'	N20°16'35"W	39.53'
C2	31.00'	30°28'14"	16.49'	N4°06'08"E	16.29'
C3	31.00'	48°45'27"	26.38'	N35°30'42"W	25.59'
C4	2250.00'	1°42'39"	67.18'	N17°42'24"E	67.18'
C5	31.00'	34°32'28"	18.69'	N89°27'54"W	18.41'
C6	2250.00'	0°30'26"	19.91'	N47°07'19"E	19.91'
C7	31.00'	77°20'06"	41.84'	N84°45'57"E	38.74'
C8	31.00'	30°50'57"	16.69'	N71°59'29"W	16.49'
C9	31.00'	46°29'10"	25.15'	N69°20'28"E	24.47'

0 40 80 160

SCALE:1"= 80'

FINAL MAP OF

FIDDYMENT RANCH PHASE 3

LARGE LOT SUBDIVISION

SUBDIVISION NO. PL-0364

BEING THE DESIGNATED REMAINDER AND LOT 19 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2A, FILED IN BOOK DD OF MAPS, AT PAGE 88 OF O.R.P.C. AND SITUATE IN SECTIONS 13 AND 24, T11N., R5E., M.D.M. CITY OF ROSEVILLE COUNTY OF PLACER STATE OF CALIFORNIA

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SEPTEMBER 2019

Sheet 10 of 10

1027.152

OWNER'S STATEMENT

THE UNDERSIGNED HEREBY CERTIFY THAT THEY ARE THE ONLY PERSONS HAVING ANY RECORD TITLE INTEREST IN THE REAL PROPERTY INCLUDED WITHIN THE BOUNDARIES OF THIS SUBDIVISION MAP, "FINAL MAP OF FIDDYMENT RANCH PHASE 3 LARGE – VILLAGE F–6 LARGE LOT SUBDIVISION" AS SHOWN UPON THIS MAP, AND DO HEREBY CONSENT TO THE PREPARATION AND RECORDING OF SAID MAP AND THAT THE CONSENT OF NO OTHER PERSON IS NECESSARY. WE HEREBY OFFER FOR DEDICATION AND DO HEREBY DEDICATE FOR SPECIFIC PURPOSES THE FOLLOWING:

THE REAL PROPERTY DESCRIBED BELOW IS IRREVOCABLY OFFERED IN FEE FOR PUBLIC PURPOSES:

A. AS PUBLIC RIGHT–OF–WAY, THE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "IOD/RW" (IRREVOCABLE OFFER OF DEDICATION OF RIGHT OF WAY).

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES:

A. PUBLIC EASEMENTS FOR THE INSTALLATION, CONSTRUCTION AND MAINTENANCE OF, BUT NOT LIMITED TO, WATER, SANITARY SEWER, GAS AND DRAINAGE PIPES; ELECTROLIERS, TRAFFIC CONTROL APPURTENANCES, AND FOR ELECTRIC, TELEVISION, AND TELEPHONE SERVICES, TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO, ON, OVER, UNDER AND ACROSS THE STRIPS OF LAND SHOWN HEREON AND DESIGNATED AS "PUE" (PUBLIC UTILITY EASEMENT), "PUE/PE" (PUBLIC UTILITY EASEMENT/PEDESTRIAN EASEMENT) AND "IOD/RW" (IRREVOCABLE OFFER OF DEDICATION/RIGHT OF WAY).

B. PUBLIC EASEMENT FOR PEDESTRIAN ACCESS ACROSS THOSE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "PE" (PEDESTRIAN EASEMENT).

JEN CALIFORNIA 15, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____
CLIFTON TAYLOR

TITLE: VICE PRESIDENT

FINAL MAP OF

FIDDYMENT RANCH - PHASE 3
VILLAGE F-6

LARGE LOT SUBDIVISION
WEST ROSEVILLE SPECIFIC PLAN PARCEL F-6A/F-6B/F-6C/F-6D
SUBDIVISION NO. PL16-0364
BEING ALL OF LOT 3 AND LOT 4 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION", SUBDIVISION NO. PL-0364, BOOK EE OF MAPS, PAGE 74, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

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JULY 2021

Sheet 1 of 5

1027.187

NOTARY'S ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF Placer) SS

ON 28 DAY OF June, 2021 BEFORE ME, Anton Garcia
A NOTARY PUBLIC PERSONALLY APPEARED
Clifton Taylor
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: _____

PRINTED NAME: Anton Garcia

MY PRINCIPLE PLACE OF BUSINESS IS IN THE COUNTY OF: placer

MY COMMISSION EXPIRES: Oct. 9, 2024

MY COMMISSION No.: 2335122

CITY CLERK'S STATEMENT

I HEREBY STATE THAT THE CITY COUNCIL, CITY OF ROSEVILLE HAS APPROVED THIS FINAL MAP OF FIDDYMENT RANCH PHASE 3 – VILLAGE F–6 LARGE LOT SUBDIVISION AND HAS ACCEPTED ON BEHALF OF THE PUBLIC THE PEDESTRIAN EASEMENT AND PUBLIC UTILITY EASEMENT OFFERED HEREON, BUT HAS REJECTED AT THIS TIME, BUT RESERVES THE RIGHT TO ACCEPT AT A LATER DATE, ON BEHALF OF THE PUBLIC, ALL IRREVOCABLE OFFERS OF RIGHTS–OF–WAY OFFERED HEREON, IN ACCORDANCE WITH THE TERMS OF THOSE OFFERS AND HAS APPROVED THE ABANDONMENT OF THE IRREVOCABLE OFFERS OF DEDICATION FOR THE RIGHTS–OF–WAY AND EASEMENTS LISTED WITHIN NOTE 7 ON SHEET 2.

8/5/2021
DATE

Ilona Ortega
CITY CLERK, CITY OF ROSEVILLE

BY: _____
ASSISTANT CITY CLERK

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF FIDDYMENT RANCH PHASE 3 – VILLAGE F–6 LARGE LOT SUBDIVISION AND FIND IT TO BE SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP ON FILE AND ANY APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ALL APPLICABLE CITY ORDINANCES HAVE BEEN COMPLIED WITH.

_____ 7/12/21
MARC STOUT DATE
CITY ENGINEER, CITY OF ROSEVILLE
R.C.E. #69879 EXPIRATION DATE 09/30/2022

I HEREBY STATE THAT I AM SATISFIED THAT THIS FINAL MAP OF FIDDYMENT RANCH PHASE 3 VILLAGE F–6 LARGE LOT SUBDIVISION IS TECHNICALLY CORRECT.

FOR MARC STOUT, CITY ENGINEER, CITY OF ROSEVILLE

_____
TIMOTHY G. BLAIR, P.L.S. 8278

7/21/21
DATE

PROFESSIONAL LAND SURVEYOR ☆ TIMOTHY G. BLAIR ☆ No. 8278 EXP. 12/31/21 ☆ STATE OF CALIFORNIA

RECORDER'S STATEMENT

FILED THIS 28th DAY OF September, 2021, AT 11:30 A.M., IN BOOK FF OF MAPS, AT PAGE 75, AT THE REQUEST OF WOOD RODGERS, INC.

FEE: $ 95 DOCUMENT NO.: 2021-0121037

BY: Ryan Ronco
RYAN RONCO
COUNTY RECORDER
COUNTY OF PLACER,
STATE OF CALIFORNIA

BY: _____
DEPUTY RECORDER

SURVEYOR'S STATEMENT

THIS FINAL MAP OF FIDDYMENT RANCH PHASE 3 – VILLAGE F–6 LARGE LOT SUBDIVISION WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF JEN CALIFORNIA 15, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN JANUARY 2021. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP; THAT ALL THE MONUMENTS SHOWN HEREON ARE OF THE CHARACTER AND WILL OCCUPY THE POSITIONS AS INDICATED, OR THAT THEY WILL BE SET BY JULY 31, 2023 AND THAT THE MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

WOOD RODGERS, INC.

PROFESSIONAL LAND SURVEYOR ☆ DENNIS L. BARBER ☆ No. 8067 ☆ STATE OF CALIFORNIA

_____
DENNIS L. BARBER
P.L.S. 8067

6/24/21
DATE

REFERENCES:

(1)	EE MAPS 74	FINAL MAP OF FIDDYMENT RANCH PHASE 3 – LARGE LOT SUBDIVISION
(2)	FF MAPS 31	FINAL MAP OF FIDDYMENT RANCH PHASE 3 – VILLAGE F-10 PHASE 1

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE WEST LINE OF LOT 3 AS SAID LOT IS SHOWN ON THAT CERTAIN FINAL MAP OF FIDDYMENT RANCH PHASE 3 – LARGE LOT SUBDIVISION FILED IN BOOK EE OF MAPS, AT PAGE 74, O.R.P.C., SAID LINE IS TAKEN TO BEAR NORTH 00°13'02" WEST. DISTANCES SHOWN HERON ARE GROUND BASED.

NOTES

1. ALL CURVES DIMENSIONED WITH RADIUS, DELTA, ARC LENGTH, CHORD BEARING, AND CHORD LENGTH. CHORD LENGTHS MAY CONTAIN SOME ROUNDING ERROR.
2. ALL DISTANCES SHOWN HEREON ARE EXPRESSED IN FEET AND DECIMALS THEREOF.
3. DUE TO ROUNDING THE SUM OF THE INDIVIDUAL DIMENSIONS MAY NOT EQUAL THE OVERALL DIMENSION.
4. TOTAL AREA FOR THIS "FINAL MAP OF FIDDYMENT RANCH PHASE 3 – VILLAGE F-6 LARGE LOT SUBDIVISION" SUBDIVISION IS 76.60± ACRES, CONSISTING OF 6 DEVELOPMENT LOTS.
5. A GEOTECHNICAL ENGINEERING REPORT TITLED "FIDDYMENT RANCH PHASE-3" WAS PREPARED BY MID PACIFIC ENGINEERING, INC., MPE NO. 02525-33, DATED SEPTEMBER 9, 2019. A COPY OF THIS REPORT IS ON FILE FOR PUBLIC INSPECTION AT THE PUBLIC WORKS DEPARTMENT OF THE CITY OF ROSEVILLE (FILE NUMBER 308-922).
6. 5/8" REBAR CAPPED "LS 8067" WILL BE SET AT ALL REAR LOT CORNERS, ALONG WITH ALL LOT LINE ANGLE POINTS OR AT A 2.00 FOOT PROJECTION ALONG LOT LINES ADJACENT TO WALLS (2.00 FOOT BY 2.00 FOOT OFFSETS FOR ANGLE POINTS ADJACENT TO WALLS). FRONT CORNERS WILL BE SET WITH A 1" BRASS DISK STAMPED "LS 8067" AT A 1.00 FOOT PROJECTION OF THE PROPERTY LINE ONTO THE SIDEWALK.
7. PURSUANT TO SECTION 66434(g) OF THE GOVERNMENT CODE, THE FOLLOWING PUBLIC IRREVOCABLE OFFERS OF DEDICATION/RIGHTS OF WAY (IOD/RW), IRREVOCABLE OFFERS OF DEDICATION/PUBLIC UTILITY EASEMENTS (IOD/PUE) AND IRREVOCABLE OFFERS OF DEDICATION/PUBLIC UTILITY EASEMENT/PEDESTRAIN EASEMENT (IOD/PUE/PE) ARE HEREBY ABANDONED:

   7.1. THOSE PORTIONS OF THE IOD/RW DEPICTED ON THE MAP ENTITLED "FIDDYMENT RANCH PHASE 3 – LARGE LOT SUBDIVISION", FILED IN BOOK EE OF MAPS, AT PAGE 74, O.R.P.C., WHICH LIE WITHIN THE BOUNDARY OF THIS MAP THAT ARE NOT SHOWN HEREON.

   7.2. THOSE PORTIONS OF THE IOD/PUE DEPICTED ON THE MAP ENTITLED "FIDDYMENT RANCH PHASE 3 – LARGE LOT SUBDIVISION", FILED IN BOOK EE OF MAPS, AT PAGE 74, O.R.P.C., WHICH LIE WITHIN THE BOUNDARY OF THIS MAP THAT ARE NOT SHOWN HEREON.

   7.3. THOSE PORTIONS OF THE IOD/PUE/PE DEPICTED ON THE MAP ENTITLED "FIDDYMENT RANCH PHASE 3 – LARGE LOT SUBDIVISION", FILED IN BOOK EE OF MAPS, AT PAGE 74, O.R.P.C., WHICH LIE WITHIN THE BOUNDARY OF THIS MAP THAT ARE NOT SHOWN HEREON.

8. THE FOLLOWING TABLE IS TO RELATE THE LOT NUMBERS SHOWN HEREON TO THAT OF THE APPROVED TENTATIVE MAP AND THE WEST ROSEVILLE SPECIFIC PLAN:

LOT NUMBERING		
FINAL MAP	TENTATIVE MAP	WEST ROSEVILLE SPECIFIC PLAN
1	F-6A-1	F-6A
2	F-6A-2	F-6A
3	F-6C-1	F-6C
4	F-6C-2	F-6C
5	F-6B	F-6B
6	F-6D	F-6D

LEGEND

⊙	FOUND 5/8" REBAR WITH CAP STAMPED "LS 8067" PER DD MAPS 73
✦	FOUND SECTION CORNER AS DESCRIBED
⊕	FOUND QUARTER CORNER AS DESCRIBED
◉	FOUND BRASS DISK STAMPED "LS 8067" IN MONUMENT WELL
(CL)	CENTERLINE DIMENSION
IOD	IRREVOCABLE OFFER OF DEDICATION
(OA)	OVERALL DIMENSION
O.R.P.C.	OFFICIAL RECORDS OF PLACER COUNTY
PE	PEDESTRIAN EASEMENT
PUE	PUBLIC UTILITY EASEMENT
(R)	RADIAL BEARING
REF	INDICATES REFERENCE NUMBER
RW	RIGHT-OF-WAY
SSE	SANITARY SEWER EASEMENT

FINAL MAP OF

FIDDYMENT RANCH - PHASE 3
VILLAGE F-6

LARGE LOT SUBDIVISION
WEST ROSEVILLE SPECIFIC PLAN PARCEL F-6A/F-6B/F-6C/F-6D
SUBDIVISION NO. PL16-0364
BEING ALL OF LOT 3 AND LOT 4 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION", SUBDIVISION NO. PL-0364, BOOK EE OF MAPS, PAGE 74, O.R.P.C.
LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

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JULY 2021

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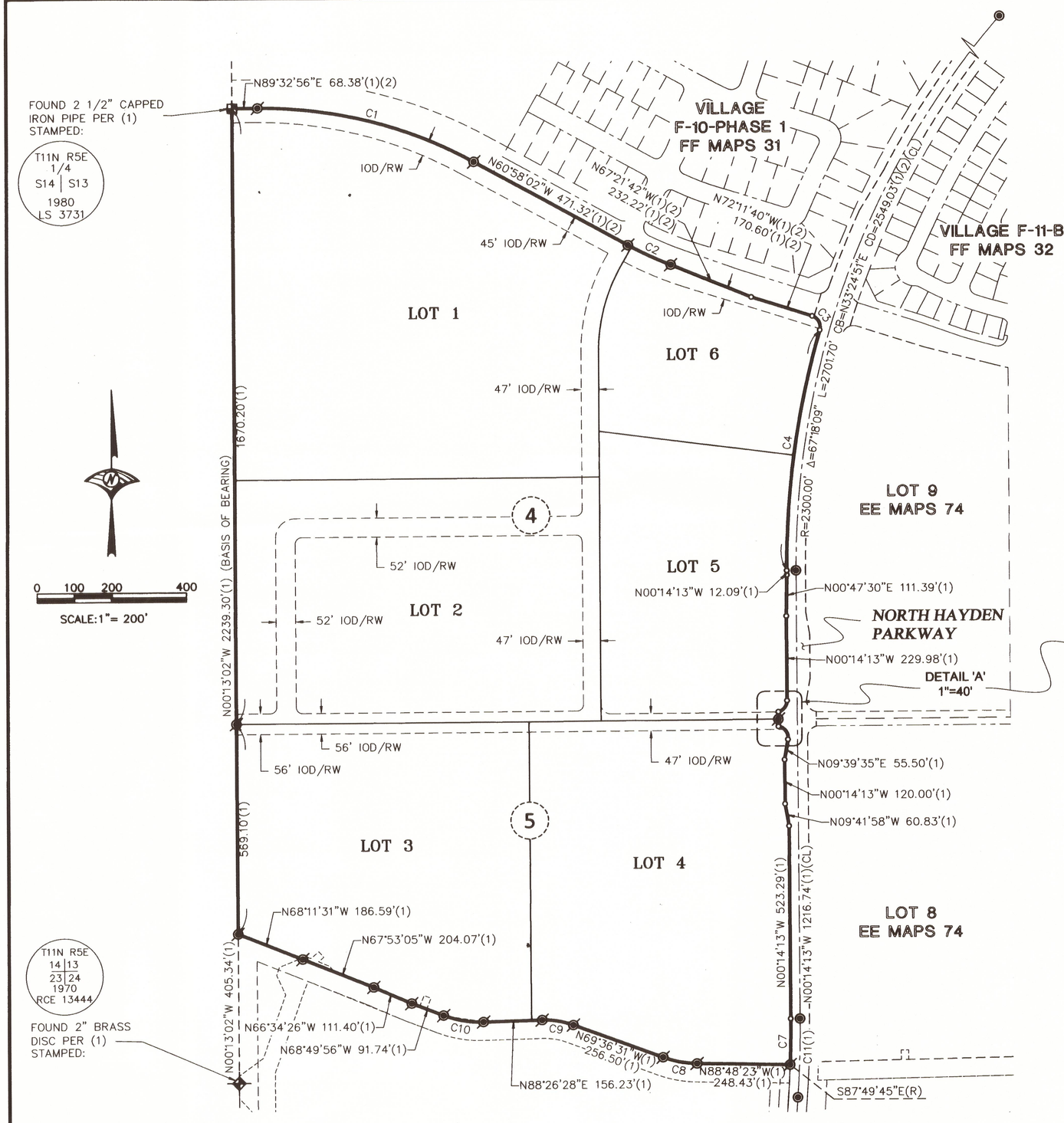

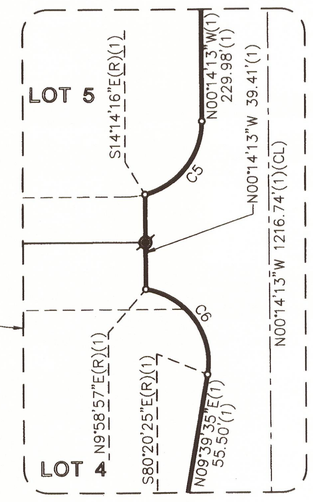

CURVE TABLE – THIS SHEET ONLY						
No.	Radius	Delta	Length	Chord Bearing	Chord Dist	Ref
C1	1176.00'	29°29'02"	605.16'	N75°42'33"W	598.51'	(1)(2)
C2	924.00'	7°53'36"	127.30'	N64°54'50"W	127.20'	(1)(2)
C3	31.00'	88°13'28"	47.73'	N28°04'56"W	43.16'	(1)
C4	2325.00'	16°16'01"	660.09'	N7°53'47"E	657.88'	(1)
C5	31.00'	75°59'57"	41.12'	N37°45'45"E	38.17'	(1)
C6	31.00'	89°40'39"	48.52'	N35°10'44"W	43.72'	(1)
C7	2975.00'	2°24'28"	125.02'	N0°58'01"E	125.01'	(1)
C8	276.00'	19°11'52"	92.48'	N79°12'27"W	92.05'	(1)
C9	224.00'	21°57'01"	85.82'	N80°35'01"W	85.29'	(1)
C10	276.00'	22°43'36"	109.48'	N80°11'44"W	108.76'	(1)
C11	3000.00'	4°05'18"	214.07'	N1°48'26"E	214.03'	(1)

FINAL MAP OF

FIDDYMENT RANCH - PHASE 3
VILLAGE F-6

LARGE LOT SUBDIVISION
WEST ROSEVILLE SPECIFIC PLAN PARCEL F-6A/F-6B/F-6C/F-6D
SUBDIVISION NO. PL16-0364
BEING ALL OF LOT 3 AND LOT 4 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION", SUBDIVISION NO. PL-0364, BOOK EE OF MAPS, PAGE 74, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

JULY 2021

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' SEE SHEET 2 FOR BASIS OF BEARINGS, LEGEND, NOTES AND REFERENCES.

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DESIGNATED REMAINDER
FF MAPS 31

FIDDYMENT RANCH - PHASE 3
VILLAGE F-10 PHASE 1
FF MAPS 31

FIDDYMENT RANCH - PHASE 3
VILLAGE F-11B
FF MAPS 32

FIDDYMENT RANCH
PHASE 3
LOT 3
EE MAPS 74

HOLT PARKWAY
WIDTH VARIES

NORTH HAYDEN PARKWAY

CRAWFORD PARKWAY

PUBLIC UTILITY EASEMENT
PER DOC. 2021-0019433-00

78' IOD/RW PER (1)

45' IOD/RW

47' IOD/RW

25' PUE/PE

10' PUE

19' PUE/PE

56' IOD/RW

52' IOD/RW

N89°32'56"E 68.38'
R=1176.00' Δ=29°29'02" L=605.16' CB=N75°42'33"W CD=598.51'
R=1131.00' Δ=29°29'02" L=582.00' CB=N75°42'33"W CD=575.60'
N89°32'56"E 56.15'
38.00'
N60°58'02"W 471.32'
N60°58'02"W 449.29'
S28°21'58"W(R)
N29°01'58"E 14.50'
N67°21'42"W 232.22'
S28°23'49"W(R)
N72°11'40"W 170.60'
N72°11'40"W 379.00'
S79°36'30"E(R)
N82°31'26"W(R) 525.21'
970.20'
1008.20'
2239.30'(OA)
424.05'(OA)
336.05'
212.23'
998.05'(OA)
740.83'
785.83'
662.00'
634.00'
460.00'
443.00'
2549.03'(CL)
1216.74'(CL)
229.98'
55.50'
N00°14'13"W 39.41'(OA)
N09°39'35"E
S14°14'16"E(R)
N9°58'57"E(R)
N44°34'27"E(R)
S80°20'25"E(R)
LOT 5
CRAWFORD
19.92'
19.49'
PARKWAY
DETAIL 'A'
1"=40'
C1(OA) R=528.00' Δ=29°15'00" L=269.55 CB=N14°24'28"E CD=266.63'
C2 R=481.00' Δ=29°15'00" L=245.56 CB=N14°24'28"E CD=242.90'
C3 R=924.00' Δ=7°53'36" L=127.30 CB=N64°54'50"W CD=127.20'
C4(OA) R=2325.00' Δ=16°16'01" L=660.09' CB=N07°53'47"E CD=657.88'(OA)
C5 R=31.00' Δ=88°13'28" L=47.73' CB=N28°04'56"W CD=43.16'
C6 R=31.00' Δ=5°38'17" L=3.05' CB=N13°12'39"E CD=3.05'
C7 R=31.00' Δ=75°59'57" L=41.12' CB=N37°45'45"E CD=38.17'
C8(OA) R=2300.00' Δ=67°18'09" L=2701.70' CB=N33°24'57"E CD=2549.03'(CL)
C9 R=31.00' Δ=14°01'14" L=7.59' CB=N82°46'21"E CD=7.57'
C10(OA) R=31.00' Δ=89°40'39" L=48.52' CB=N35°10'44"W CD=43.72'
C11 R=31.00' Δ=34°35'30" L=18.72' CB=N62°43'18"W CD=18.43'
C12 R=31.00' Δ=55°05'09" L=29.80' CB=N17°52'59"W CD=28.67'
C13 R=969.00' Δ=10°35'30" L=179.13' CB=N66°53'55"W CD=178.87'
Δ=8°33'13" L=347.10 CB=N11°45'17"E CD=346.78'
Δ=7°42'48" L=313.00 CB=N03°37'11"E CD=312.76'
N00°14'13"W 1216.74'(CL)
N00°47'30"E 111.39'
N00°14'13"W 12.09'
S89°45'47"W(R)
N89°46'58"E 978.00'(OA)
931.00'
N89°46'58"E 753.00'
N89°46'58"E 1452.19'(OA)
736.00'
978.00'
440.67'
474.19'
N00°13'02"W 2239.30'(OA)
N00°13'02"W 460.00'
R=52.00' Δ=90°00'00" L=81.68' CB=N44°46'58"E CD=73.54'
R=17.00' Δ=90°00'00" L=26.70' CB=N44°46'58"E CD=24.04'
R=17.00' Δ=90°00'00" L=26.70' CB=N45°13'02"W CD=24.04'
R=26.00' Δ=90°00'00" L=40.84' CB=N45°13'02"W CD=36.77'
88.00'
47.00'
28.00'
92.00'
28'
LOT 1
20.41± ACRES GROSS
18.63± ACRES(NET)
LOT 2
14.86± ACRES GROSS
12.00± ACRES(NET)
LOT 3
LOT 4
LOT 5
8.65± ACRES GROSS
8.44± ACRES(NET)
LOT 6
5.58± ACRES GROSS
5.14± ACRES(NET)
(COMMERCIAL)
SEE DETAIL 'A' THIS SHEET
SEE SHEET 5

CURVE TABLE – THIS SHEET ONLY					
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	924.00'	7°53'36"	127.30'	N64°54'50"W	127.20'
C2	924.00'	0°40'00"	10.75'	N61°18'02"W	10.75'
C3	924.00'	7°13'36"	116.54'	N65°14'50"W	116.47'
C4	31.00'	88°13'28"	47.73'	N28°04'56"W	43.16'
C5	31.00'	82°35'11"	44.68'	N30°54'05"W	40.91'
C6	31.00'	5°38'17"	3.05'	N13°12'39"E	3.05'
C7	31.00'	75°59'57"	41.12'	N37°45'45"E	38.17'
C8	31.00'	90°01'11"	48.71'	N44°46'22"E	43.85'
C9	31.00'	14°01'14"	7.59'	N82°46'21"E	7.57'
C10	31.00'	89°40'39"	48.52'	N35°10'44"W	43.72'
C11	31.00'	34°35'30"	18.72'	N62°43'18"W	18.43'
C12	31.00'	55°05'09"	29.80'	N17°52'59"W	28.67'
C13	969.00'	10°35'30"	179.13'	N66°53'55"W	178.87'

Line Table – This Sheet Only		
No.	Bearing	Length
L1	N29°01'58"E	14.56'
L2	N29°01'58"E	45.00'
L3	N29°01'58"E	59.56'

0 60 120 240
SCALE:1"= 120'

FINAL MAP OF
FIDDYMENT RANCH - PHASE 3
VILLAGE F-6
LARGE LOT SUBDIVISION
WEST ROSEVILLE SPECIFIC PLAN PARCEL F-6A/F-6B/F-6C/F-6D
SUBDIVISION NO. PL16-0364
BEING ALL OF LOT 3 AND LOT 4 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION", SUBDIVISION NO. PL-0364, BOOK EE OF MAPS, PAGE 74, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

JULY 2021

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
3301 C St, Bldg. 100-B Tel 916.341.7760
Sacramento, CA 95816 Fax 916.341.7767

1027.187

SEE SHEET 4

LOT 2

LOT 5

SEE DETAIL 'A' SHEET 4

FIDDYMENT RANCH PHASE 3 LOT 9 EE MAPS 74

CRAWFORD PARKWAY N89°46'58"E 1452.19'(OA)

784.00' 784.00' 672.50' 28.00' 668.19' 684.55' 454.21'

28' 56' IOD/RW

10' PUE 56' IOD/RW

28.00'

N00°13'02"W 2239.30'(OA)

541.10' 569.10'

141.50' 186.00'(OA) 44.50'

C9 C10 C11 C12 L15 L15

28' 10' PUE 47' IOD/RW

S80°20'25"E(R) N09°39'35"E 55.50'

16' PUE/PE

N00°14'13"W 120.00'

19'X12' BUS SHELTER EASEMENT PER (1)

C13 35' 35' 25'

N09°41'58"W 60.83'

NORTH HAYDEN PARKWAY

N00°14'13"W 1216.74'(CL)

N00°14'13"W 523.29'

FIDDYMENT RANCH - PHASE 3 LOT 8 EE MAPS 74

LOT 3
12.96± ACRES GROSS
12.46± ACRES(NET)

LOT 4
14.14± ACRES GROSS
13.71± ACRES(NET)

N00°13'02"W 652.38' N00°13'02"W 652.38' N00°13'02"W 782.68' N00°13'02"W 810.68'(OA) N00°13'02"W 695.15' N00°13'02"W 720.35'

44.50'

67' PUE

67' PUE

25' PUE/PE

SANITARY SEWER EASEMENT PER DD MAPS 88

N68°11'31"W 186.59' 179.77'

L1 L2 L3 L4 L5 L6 L7

N67°53'05"W 204.07'

N66°34'26"W 111.40'

L8 L9 L10 L11 L12 C2 L13 C1

R=216.50'
Δ=10°31'21"
L=39.76'
CB=N05°02'38"E
CD=39.71'

N10°18'19"E 85.24'

C8 C3 65.44' N88°26'28"E 156.23'(OA)

N10°18'19"E 71.19'

L14 28.51' C4 23.41' 71.58' N69°36'31"W 256.50' 161.51' C5 N88°48'23"W 248.43'

S87°49'45"E(R)

C6 C7

N68°49'56"W 91.74'

SANITARY SEWER EASEMENT PER DD MAPS 88

DETAIL 'A' 1"=10'

FIDDYMENT RANCH - PHASE 3 LOT 5 EE MAPS 74

50' CONSERVATION BUFFER PER DOC# 2006-0073774

SANITARY SEWER EASEMENT PER DD MAPS 88

67' PUE L13 C3 C2 C1 N88°26'28"E 156.23'(OA)

Line Table – This Sheet Only		
No.	Bearing	Length
L1	N67°13'35"E	14.94'
L2	N67°12'28"W	15.12'
L3	N49°13'48"E	28.23'
L4	N40°46'12"W	20.00'
L5	N49°13'48"E	18.29'
L6	N67°12'28"W	31.78'
L7	N37°52'25"W	19.37'
L8	N68°49'56"W	22.57'
L9	N22°17'31"E	32.20'
L10	N67°42'29"W	20.00'
L11	N22°17'31"E	31.81'
L12	N68°52'41"W	54.06'
L13	N81°14'31"W	109.32'
L14	N88°26'28"E	62.28'
L15	N0°13'02"W	16.00'

Curve Table – This Sheet Only				
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	276.00'	22°43'36"	109.48'	N80°11'44"W	108.76'
C2	276.00'	22°05'59"	106.46'	N79°52'55"W	105.80'
C3	276.00'	0°37'37"	3.02'	N88°45'17"E	3.02'
C4	224.00'	21°57'01"	85.82'	N80°35'01"W	85.29'
C5	276.00'	19°11'52"	92.48'	N79°12'27"W	92.05'
C6	2975.00'	2°24'28"	125.02'	N0°58'01"E	125.01'
C7	3000.00'	4°05'18"	214.07'	N1°48'26"E	214.03'
C8	283.50'	10°31'21"	52.07'	N5°02'38"E	51.99'
C9	216.50'	9°35'55"	36.27'	N4°34'55"E	36.23'
C10	283.50'	9°35'55"	47.49'	N4°34'55"E	47.44'
C11	216.50'	9°35'55"	36.27'	N4°34'55"E	36.23'
C12	283.50'	9°35'55"	47.49'	N4°34'55"E	47.44'

0 50 100 200

SCALE:1"= 100'

FINAL MAP OF

FIDDYMENT RANCH - PHASE 3
VILLAGE F-6

LARGE LOT SUBDIVISION
WEST ROSEVILLE SPECIFIC PLAN PARCEL F-6A/F-6B/F-6C/F-6D
SUBDIVISION NO. PL16-0364
BEING ALL OF LOT 3 AND LOT 4 OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 3 LARGE LOT SUBDIVISION", SUBDIVISION NO. PL-0364, BOOK EE OF MAPS, PAGE 74, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

JULY 2021

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Sacramento, CA 95816 Fax 916.341.7767

1027.187

SEE SHEET 2 FOR BASIS OF BEARINGS, LEGEND, NOTES AND REFERENCES.

COUNCIL COMMUNICATION

CC #: 1937
File #: 0500

Title:	Litigation, Labor, and Employment Services - Legal Services Agreement
Contact:	Gretchen Hakala 916-774-5325 ghakala@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.6.

RECOMMENDATION TO COUNCIL

Staff recommends City Council adopt a resolution approving the Agreement for Legal Services with Burke, Williams & Sorensen, LLP, and authorize the City Manager to execute it.

BACKGROUND

The City of Roseville requires outside legal services from time to time to advise, assist, and represent the City as co-counsel with the City Attorney with respect to litigation, and to assist the City with respect to transaction matters. We are updating the current Legal Services Agreement with Burke, Williams & Sorensen, LLP from 2012 to match our current contractual terms. Burke, Williams & Sorensen will continue to assist the Human Resources department with Labor and Employment matters.

FISCAL IMPACT

Legal services provided by this contract will be dependent upon needs as they occur during the year and thus cannot be forecast. All expenses will be paid from the Human Resources Department operating budget in the General Fund, as needed.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) only applies to projects which have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. (CEQA Guidelines §15061(b)(3)).

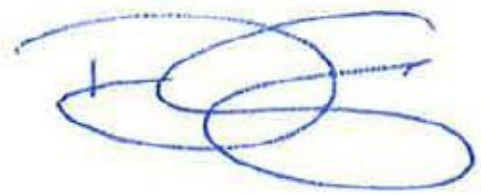
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal A - Remain fiscally responsible in a changing world
Goal E - Deliver exceptional city services

Respectfully Submitted,

Gretchen Hakala, Paralegal

Michelle Sheidenberger, City Attorney



_____
Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution 22-048

Legal Services Agreement

RESOLUTION NO. 22-048

APPROVING AN AGREEMENT FOR LEGAL SERVICES, BY AND BETWEEN THE CITY OF ROSEVILLE AND BURKE, WILLIAMS & SORENSEN, LLP, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an agreement for legal services, by and between the City of Roseville and Burke, Williams & Sorensen, LLP, has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this____day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____

AGREEMENT FOR LEGAL SERVICES

THIS AGREEMENT is made and entered into this ___ day of _____, 2022, by and between the City of Roseville, a municipal corporation ("CITY"), and the law firm Burke, Williams & Sorensen, LLP, a California limited liability partnership ("ATTORNEY"); and

WITNESSETH:

WHEREAS, CITY from time to time is in need of attorneys to provide legal services and assistance to the Roseville City Attorney ("City Attorney"); and

WHEREAS, ATTORNEY is willing to provide such representation on an hourly and non-contingency fee basis.

NOW, THEREFORE, the parties agree as follows:

1. Scope of Services and Duties. CITY employs and retains ATTORNEY to provide legal services from time to time upon the request of the City Attorney to advise, assist and represent CITY as co-counsel with the City Attorney with respect to such litigation and transactional matters as may be referred to ATTORNEY by the City Attorney. ATTORNEY shall list the City Attorney as co-counsel of record on all pleadings and papers in referred cases, unless directed otherwise by the City Attorney.

Services shall also include an annual audit letter provided by ATTORNEY at no charge to CITY.

2. Specific Work Assignments. ATTORNEY shall receive work assignments from the City Attorney. The work assignments shall generally be communicated by written notice from the City Attorney to ATTORNEY. If a work assignment is communicated orally, ATTORNEY shall provide a written confirmation to the City Attorney describing the work assignment.

ATTORNEY shall take reasonable steps to keep CITY (and City Attorney) informed in writing of progress and immediately following any significant developments and/or meetings, and to respond to CITY inquiries. ATTORNEY shall list the City Attorney as co-counsel of record on all pleadings and papers in referred cases. The City Attorney's Office shall be promptly provided a copy of all research work product, pleadings, briefs, documents and correspondence.

Work performed for CITY shall be performed by and/or supervised by attorneys who are approved by the City Attorney and experienced in the practice area in which the services are being performed.

3. Attorney-Client Relationship. This Agreement creates an attorney-client relationship between CITY and ATTORNEY. Accordingly, the legal services performed pursuant to this Agreement will be protected by the attorney-client privilege unless the CITY waives the privilege or a court determines that the legal services are not subject to the privilege.

4. Fees for Services. For legal services performed under this Agreement, CITY shall pay ATTORNEY in accordance with the following rates:

Principal Attorneys:	$ 340 per hour
Other Partners:	$ 325 per hour
Senior Associates	$ 300 per hour
Associates	$ 290 per hour

Any proposed increase in the effective rates for future cases or matters must be preceded by at least a 90-day written notice to the City Attorney.

5. Costs and Expenses. In addition to compensation for fees, the CITY shall reimburse ATTORNEY for out-of-pocket costs and expenses actually incurred by ATTORNEY in connection with the legal services provided by ATTORNEY. Out-of-pocket costs and expenses, including, but not limited to, reasonable travel expenses, costs of serving pleadings, filing fees, other charges assessed by courts and other public agencies, court reporter's fees, jury and witness fees, computer-assisted research charges, consultant and expert witness fees.

Reproduction costs incurred in the normal course of business, postage, long distance phone charges and fax transmission charges shall be considered ATTORNEY overhead and not directly charged to CITY.

Research exceeding one hour and multiple revisions of documents relating to single topics, although understandably necessary in situations that are unique or extremely complex, must be avoided and are subject to being disallowed for payment unless approved in advance by the City Attorney.

6. Statements and Payments. ATTORNEY shall provide monthly invoices to the CITY for all fees and expenses. The invoice shall be itemized to include, at a minimum, the time spent by each service provider, the total time spent by each service provider, and a description of services performed during the itemization period. ATTORNEY shall keep time in $1/10^{th}$ of an hour increments. Invoices shall be considered due and payable upon receipt, and shall be overdue thirty (30) calendar days after receipt.

7. Term; Termination; Amendments. This Agreement shall be effective upon approval by the Roseville City Council and shall continue in effect until terminated by either party. This Agreement may be terminated by CITY, with or without cause, at any time upon written notice. However, ATTORNEY may terminate this Agreement only upon the consent of CITY or upon sixty (60) calendar days' written notice. Upon termination, ATTORNEY shall turn over all client files to CITY.

There shall be no amendment or modification to this Agreement except by written agreement between the parties.

8. Certifications. ATTORNEY certifies that ATTORNEY accepts this employment because ATTORNEY has the time, energy and ability necessary to perform the duties required in an efficient, trustworthy and business-like manner. ATTORNEY certifies that ATTORNEY will do its utmost to serve CITY effectively and represent CITY's interests vigorously and efficiently. ATTORNEY certifies that neither ATTORNEY nor any of its personnel assigned under this Agreement has personal or financial interest in, nor any connection with, the matter or litigation which is the subject of this agreement, or with any of the personnel, officers, agents or employees of the parties to such matter or litigation.

9. Independent Contractor. ATTORNEY is and shall be considered an independent contractor with respect to the performance of legal services under this Agreement.

10. Insurance. ATTOREY agrees to continuously maintain, in full force and effect, the following minimum policies of insurance during the term of this Agreement.

COVERAGE	LIMITS OF LIABILITY
Workers' Compensation	Statutory
Commercial General Liability	$2,000,000 each occurrence $4,000,000 aggregate Personal Injury: $2,000,000 each occurrence $4,000,000 aggregate
Automobile Liability	$1,000,000 combined single limit
Professional Liability (errors and omissions)	$2,000,000 per claim

a. Form. ATTORNEY shall submit a certificate evidencing such coverage for the period covered by this Agreement in a form satisfactory to Risk Management and the City Attorney, prior to undertaking any work hereunder. Any insurance written on a claims made basis is subject to the approval of Risk Management and the City Attorney.

b. Additional Insureds. ATTORNEY shall also provide a separate endorsement form or section of the policy showing CITY, its officers, agents, employees and volunteers as additional insureds for each type of coverage, except for Workers' Compensation and Professional Liability. Such insurance shall specifically cover the contractual liability of ATTORNEY. The additional insured coverage under the ATTORNEY's policy shall be primary and noncontributory, as evidenced by a separate endorsement or section of the policy, and shall

not seek contribution from CITY's insurance or self-insurance. In addition, the additional insured coverage shall be at least as broad as the Insurance Services Office ("ISO") CG 20 01 Endorsement. Any available insurance proceeds in excess of the specified minimum insurance coverage requirements and limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the full coverage and maximum limits of any insurance proceeds available to the named insureds, whichever is greater.

c. Cancellation/Modification. ATTORNEY shall provide ten (10) calendar days' written notice to CITY prior to cancellation or modification of any insurance required by this Agreement.

d. Umbrella/Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and excess insurance. Any excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of CITY (if agreed to in a written contract) before CITY's own insurance shall be called upon to protect it as a named insured.

e. Subconsultants. ATTORNEY agrees to include in its contracts with all subconsultants the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subconsultant's work. Furthermore, ATTORNEY shall require its subconsultants to agree to be bound to ATTORNEY and CITY in the same manner and to the same extent as ATTORNEY is bound to CITY under this Agreement. Additionally, ATTORNEY shall obligate its subconsultants to comply with these same provisions with respect to any tertiary subconsultant, regardless of tier. A copy of CITY's indemnity and insurance provisions will be furnished to the subconsultant or tertiary subconsultant upon request.

f. Self-Insured Retentions. All self-insured retentions ("SIR") must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or CITY. CITY reserves the right to obtain a full certified copy of any insurance policy and endorsements. The failure to exercise this right shall not constitute a waiver of such right.

g. Waiver of Subrogation. ATTORNEY hereby agrees to waive subrogation which any insurer of ATTORNEY may acquire from ATTORNEY by virtue of the payment of any loss under a Workers Compensation, Commercial General Liability or Automobile Liability policy. All Workers Compensation, Commercial General Liability and Automobile Liability policies shall be endorsed with a waiver of subrogation in favor of CITY, its officers, agents, employees and volunteers for all worked performed by ATTORNEY, its employees, agents and subconsultants.

h. Liability/Remedies. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve ATTORNEY of liability in excess of such coverage, nor

shall it preclude CITY from taking such other actions as are available to it under any other provisions of this Agreement or law.

11. Indemnification. To the fullest extent allowed by law, ATTORNEY shall defend, indemnify, and save and hold harmless CITY, its officers, agents, employees and volunteers from any claims, suits or actions of every name, kind and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the public), or damage to property, resulting from or arising out of ATTORNEY's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Agreement, except those matters arising from CITY's sole negligence or willful misconduct. The parties intend that this provision shall be broadly construed.

ATTORNEY's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnity obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

12. Notice. All notices, invoices, reports or other communication required by this Agreement shall be properly given if delivered in person, or sent by first class mail, facsimile, or overnight delivery to the following addresses:

CITY:	ATTORNEY:
Roseville City Attorney 311 Vernon Street Roseville, CA 95678	Tim Davis, Esquire 60 South Market Street, Ste. 1000 San Jose, CA 95113-2336

Either party may amend its address for notice by giving notice to the other party.

13. Disclaimer of Guarantee. ATTORNEY has made no promises or guarantees to CITY about the outcome of CITY's matter, and nothing in this Agreement shall be construed as such a promise or guarantee. ATTORNEY's comments about the outcome of CITY's matter are expressions of opinion only.

14. Assignment. Neither party to this Agreement shall assign any of its rights or obligations under this Agreement, except with the prior written consent of the other party. No assignment of this Agreement shall relieve the assigning party of any of its obligations under this Agreement until such obligations have been assumed by the assignee. Any assignment in violation of this paragraph shall be void.

15. Attorney's Fees; Venue; Governing Law. If either party commences any legal action against the other party arising out of this Agreement or the performance hereof, the prevailing party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California,

regardless of where else venue may lie. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

16. Severability. If any of the provisions contained in this Agreement are for any reason held invalid or unenforceable, such holding shall not affect the remaining provisions or the validity and enforceability of the Agreement as a whole.

17. Integrated Agreement. This is an integrated Agreement and contains all of the terms, considerations, understandings and promises of the parties. It shall be read as whole.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. 22-_____, adopted by the Council of the City of Roseville on the ___ day of _____, 2022, and ATTORNEY has caused this Agreement to be executed.

CITY OF ROSEVILLE, a municipal corporation:

BY: _____
DOMINICK CASEY
City Manager

ATTEST:

BY: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

BY: _____
MICHELLE SHEIDENBERGER
City Attorney

BURKE, WILLIAMS & SORENSEN, LLP, a California limited liability partnership

BY: _____

its: Partner

and

BY: _____

its: _____

COUNCIL COMMUNICATION

CC #: 1944
File #: 0704-01 & 0201-01

Title: Park Rehabilitation Projects - Budget Adjustment
Contact: Tara Gee 916-774-5253 tgee@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.7.

RECOMMENDATION TO COUNCIL

Staff requests City Council adopt an ordinance to approve a budget adjustment to redirect $4,000 from the Paving Repairs project for Olympus, Elliott and Crestmont Parks to the Mahany Park Patio project, and to redirect $16,800 from the Maidu Museum & Historical Site Trail Repair project to the Shade Structure at the Mahany All Weather Field.

BACKGROUND

The Paving Repair project was approved in FY2019-20 and the Maidu Museum Trails Repair project was approved in FY2020-21. Both projects were funded through the Parks, Recreation & Libraries Capital Projects Fund (Fund 3130). Both are 90% complete and are projected to have remaining budgets after completion.

For the Mahany Patio Shade project, existing tree wells in the patio area are proposed to be filled with concrete as the new shade canopy will be erected over this area. Currently, no trees are in these planters and with the new shade canopy, the trees will not be replanted. The cost to fill the tree wells is $4,000. The budget adjustment proposes to redirect $4,000 of the Paving Repair project to the Mahany Patio Shade project to cover this added scope of work. The updated total amount for the Mahany Patio Shade project will $24,000.

For the Shade Structure at the Mahany All-Weather Field, the cost to add shade over the second set of bleachers came in higher than anticipated. The budget adjustment seeks to redirect $16,800 from the Maidu Museum Trail Repair project to fully fund this project. Pending Council approval, the Contract Purchase Agreement will be executed. The updated total amount for the new shade canopy at the Mahany All-Weather Field will be $56,800.

FISCAL IMPACT

This request seeks City Council approval of a budget adjustment to redirect existing funds in the Parks, Recreation & Libraries Capital Projects Fund for approved park rehabilitation projects. $4,000 is requested from the Paving Repair project approved in FY2019-20 to the Mahany Patio

Shade project. $16,800 is requested from the Maidu Museum Trails Repair project approved in FY2020-21 to the Mahany Shade project at the All-Weather Field. Both the Paving Repair project and the Maidu Museum Trails Repair project are projected to have remaining project budgets to support this request. No additional funding is being requested.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. The approval of a budget adjustment meets the above criteria and is not subject to CEQA. No additional environmental review is required.

CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal E - Deliver exceptional city services
Goal F - Invest in well-planned infrastructure and growth

Respectfully Submitted,

Tara Gee, Park Planning & Development Superintendent

Jill Geller, Parks, Recreation & Libraries Director

_____
Dominick Casey, City Manager

ATTACHMENTS:

Description

Ordinance 6459

Budget Adjustment

ORDINANCE NO. 6459

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE FISCAL YEAR 2021-22 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. The City of Roseville Annual Budget, Fiscal Year 2021-22, is hereby amended by transferring appropriations for park rehabilitation projects.

SECTION 2. This ordinance is hereby declared to be an appropriation measure, immediately effective pursuant to the provisions of Section 5.03 of the Charter.

SECTION 3. The City Clerk is hereby authorized and directed to post a true copy of the foregoing ordinance in each of three (3) conspicuous locations in the City and she shall immediately after such posting enter in the ordinance book, under the record of the ordinance, a certificate under her hand stating the time and place of such publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville, this _____ day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

REQUEST FOR BUDGET ADJUSTMENT

REQUESTER NAME & TITLE: Tara Gee, Park Planning & Development Superinten
FISCAL YEAR: 2021-22

PREPARER NAME & TITLE: Kathy Cullen, Management Analyst II
COUNCIL DATE (if applicable): 3/2/22

DEPARTMENT/DIVISION: Parks, Recreation & Libraries
ORDINANCE:

EXPENDITURES/EXPENSES/TRANSFERS OUT

ACCOUNT STRING				BUDGET ($)	DESCRIPTION
Fund	Account	Center	Project	Adjustment	
3130	5301	58130		4,000	Increase to expenditures for the Mahany patio shade
3130	6587	84001	500074	(4,000)	Decrease the Paving Repairs for Olympus, Elliott and Crestmont project to redirect to the Mahany patio shade expenditures
3130	5301	84001	500106	16,800	Increase to expenditures for the Mahany all-weather field shade cover
3130	6587	84001	400136	(16,800)	Decrease the Maidu Trail improvements project to redirect to the Mahany all-weather field shade cover project
			TOTAL	-	

REVENUES/TRANSFERS IN

ACCOUNT STRING				BUDGET ($)	DESCRIPTION
Fund	Account	Center	Project	Adjustment	
			TOTAL	-	

NET ADJUSTMENT	-	

FUND BALANCE

ACCOUNT STRING				BUDGET ($)	DESCRIPTION
Fund	Account	Center	Project	Adjustment	
			TOTAL	-	

Justification for Budget Adjustment:

The Parks, Recreation & Libraries Department is requesting to re-direct $4,000.00 of the Paving Repairs for Olympus, Elliott and Crestmont project to the Mahany Patio Shade project to cover the cost to fill in the vacant tree wells on the Mahany patio with concrete. A new shade structure will be erected over the area where the vacant tree wells are located. The Parks, Recreation & Libraries department is also requesting $16,800.00 be redirected from the Maidu Trail improvements project to the Mahany all-weather field shade cover project to cover increased cost to add shade over the second set of bleachers. Bids for that shade cover came in higher than anticipated. This request does not impact the fund balance in the Parks Recreation and Library Capital Projects Fund (3130).

REQUIRED APPROVALS:

REQUESTING DEPARTMENT HEAD / DESIGNEE	DATE 01/28/2022	BUDGET MANAGER / DESIGNEE	DATE
CHIEF FINANCIAL OFFICER / DESIGNEE	DATE	CITY MANAGER / DESIGNEE	DATE

BUDGET DEPARTMENT USE ONLY:

POSTED BY	DATE

Revised: June 24, 2019

COUNCIL COMMUNICATION

CC #: 1943
File #: 0709-02-01

Title:	HOUSING AUTHORITY/CITY COUNCIL - Quarterly Status Update
Contact:	Suzi Cook-Turner 916-774-5414 smcook-turner@roseville.ca.us Trisha Isom 916-746-1239 tisom@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.8.

RECOMMENDATION TO COUNCIL

Memo from Housing Supervisor Suzi Cook-Turner and Economic Development Director Melissa Anguiano recommending the City Council receive a quarterly report on the Housing Authority's Housing Choice Voucher Program. This report is for informational purposes only and has no impact on the City's General Fund.

BACKGROUND

Pursuant to the bylaws of the Roseville Housing Authority, the City Council, acting as the governing board for the Housing Authority, holds its quarterly meeting the first Wednesday of March, June, September, and December, or as soon as possible thereafter. Staff has prepared the following status report regarding lease-up activity for the Housing Choice Voucher (HCV) Program. The HCV Program provides income-qualified households in Roseville and Rocklin with rental assistance using funding from the US Department of Housing and Urban Development (HUD). This assistance is utilized at rental units that meet program specific housing standards, are owned by a willing landlord, and are within Roseville or Rocklin city limits. This rental assistance ensures that the household is able to afford to live in safe and decent housing.

RHA is authorized to provide 785 households with HCV rental assistance. This total includes 75 vouchers allocated specifically for families on the waiting list with a head-of-household or spouse that are non-elderly and disabled (NED vouchers), 65 Veterans Affairs Supportive Housing (VASH) vouchers used with veteran households that come by referral from the Veterans Affairs (VA) Department, and 33 Mainstream vouchers that assist households who have a non-elderly adult person with a disability and are transitioning out of institutional and other segregated settings, or are currently homeless or at risk of becoming homeless.

Roseville Housing Authority received notice of an award for 50 Emergency Housing Vouchers (EHVs) to begin administering July 2021. EHVs will provide rental assistance to individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human

trafficking; or were recently homeless and for whom providing rental assistance will prevent the individual or family's homelessness or high risk of housing instability. EHVs are filled through a direct referral process from the Coordinated Entry System managed by the Homeless Resource Council of the Sierras. In conjunction with HRCS participating agencies, staff issued 15 vouchers and leased 3 in the fourth quarter. At year end 2021 a total of 31 EHV vouchers had been issued with 6 families leased. Participants have access to additional resources such as application fees, deposit assistance, landlord incentives, and utility assistance. These resources are funded through HUD issued Service Provider Fees. As these vouchers were made available due to the pandemic, they are not a permanent addition to RHA's budget authority. Issued EHVs that subsequently become available may be re-issued until September 30, 2023.

In October 2021, RHA released a Request For Proposals (RFP) from property owners and developers for the Project-Based Voucher (PBV) Program for "New Construction and Newly Rehabilitated" housing units with the focus of using these vouchers in projects that create new opportunities for affordable housing. RHA made up to 75 project based vouchers available under the RFP. RHA reserved the right to award either Veterans Affairs Supportive Housing (VASH) or conventional Housing Choice Vouchers under the RFP process, depending upon the request and specifics of an application and voucher availability. RHA received 6 applications from developers and will award 60 PBV vouchers in total for all the projects.

Each Housing Authority is required to be at least 95% leased-up for its voucher allocation or utilizing at least 95% of its annual budget authority to remain in compliance with HUD's requirements. The term "lease-up" refers to the number of families receiving rental assistance from RHA. The lease-up rate for a calendar year cannot exceed 100% of its allocation of vouchers (per voucher type), and/or 100% expenditure of its annual budget allocation for the program. Agencies leasing up or expending 98% or more of its allocated vouchers and/or budget can reach high-performing status. RHA continues to meet HUD program requirements for high-performing status through 100% expenditure of its annual budget allocation.

Lease-up has stayed consistent during the fourth quarter; and although it appears the EHV utilization is low, this is due to the time and energy it takes to coordinate with the referring agencies to house voucher holders experiencing housing instability. Funding for the EHV program has allowed RHA to offer landlords a monetary incentive when they lease an EHV household with the goal of increasing voucher utilization. Staff attends bi-monthly check in meetings to work with the Homeless Resource Council of the Sierras (HRCS) and referring agencies to address any barriers to housing that may arise.

Currently, there are 556 vouchers being utilized in the City of Roseville, 112 vouchers being utilized in the City of Rocklin and 2 vouchers approved to transfer out of the area and to other jurisdictions. The attached table provides a monthly summary of RHA's voucher programs for calendar year 2021.

RHA continues to look for ways to improve service to its participants, the public and our community partners. RHA administers the Family Self-Sufficiency Program (FSS), which is a component of the HCV Program that provides additional assistance to families who are working to become free of all public assistance. Staff is revamping the FSS program in collaboration with Placer County Housing Authority to ensure the program is relevant to today's challenges and barriers for families wanting be become self-sufficient. RHA continues to be grateful for its established and new community partners and continues its efforts to build owner relationships and

increase additional housing inventory.

FISCAL IMPACT

The HCV Program is federally-funded through the US Department of Housing and Urban Development (HUD). Through this HUD-funded program, RHA provides an important social service locally to ensure safe and affordable housing for residents, which is an essential component of the foundation of the community's economic stability. Through monthly rental assistance payments, the HCV Program invests $6.1 million into the local rental economy annually.

This Housing Authority status report does not create any additional cost to the City's General Fund.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378.

The Roseville Housing Authority Quarterly Report meets the above criteria and is not subject to CEQA. No additional environmental review is required

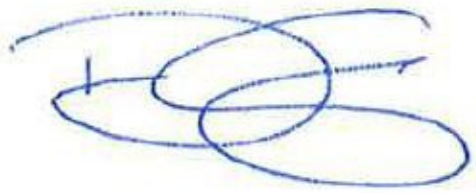
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal C - Maintain a safe and healthy community
Goal D - Enhance economic vitality

Respectfully Submitted,

Suzi Cook-Turner, Housing Supervisor

Melissa Anguiano, Economic Development Director



_____
Dominick Casey, City Manager

ATTACHMENTS:

Description

Monthly Summary Voucher Lease-up CY2021

Roseville Housing Authority Voucher Lease-up 2021

2021	Actual Lease-up of Regular	HUD Regular (562)	Actual Lease-up of Non-Elderly Disabled	HUD Non-Elderly Disabled (75)	Actual Lease-up of VASH	HUD VASH (65)	Actual Lease-up of Mainstream	HUD Mainstream (33)	Actual Lease-up of EHV	HUD Emergency Housing Vouchers (EHVs) (50)
Jan-21	499	562	76	75	30	65	28	33	0	0
Feb-21	499	562	76	75	29	65	29	33	0	0
Mar-21	499	562	75	75	45	65	28	33	0	0
Apr-21	509	562	74	75	52	65	29	33	0	0
May-21	507	562	74	75	56	65	29	33	0	0
Jun-21	513	562	74	75	48	65	29	33	0	0
Jul-21	521	562	72	75	37	65	28	33	0	**50**
Aug-21	527	562	76	75	39	65	31	33	0	**50**
Sep-21	532	562	72	75	36	65	30	33	0	**50**
Oct-21	526	562	69	75	36	65	29	33	2	**50**
Nov-21	533	562	69	75	36	65	29	33	2	**50**
Dec-21	535	562	75	75	38	65	30	33	3	**50**
YTD Total	**6200**	**6744**	**882**	**900**	**482**	**780**	**349**	**396**	**7**	**300**
YED % Leas	**91.9%**		**98.0%**		**61.8%**		**88.1%**		**2.3%**	

COUNCIL COMMUNICATION

CC #: 1950
File #: 0400-06-03 & 0400-07

Title: Roseville Junction Final Map
Contact: Kerry Andrews 916-774-5346 kandrews@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.9.

RECOMMENDATION TO COUNCIL

It is recommended that the City Council approve the final map on file with the City Clerk and accept on behalf of the public the easements offered thereon; and approve the abandonment of the easements listed thereon.

BACKGROUND

The Development Services Department, Engineering section, has reviewed the subject final map and found that it is in compliance with the Subdivision Map Act and the City's Subdivision Ordinance and all conditions of the tentative map have been met. This map will create 6 commercial lots.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund associated with this approval.

ENVIRONMENTAL REVIEW

Approval of the Roseville Junction final map is an action that is subject to California Environmental Quality Act (CEQA). Project level CEQA compliance for the Roseville Junction final map was accomplished with the preparation of an Addendum to the Roseville Hotel and Conference Center Project EIR (SCH #2013112058, certified August 6, 2014). The Addendum was adopted by the City of Roseville on September 9, 2021. Because the Roseville Junction final map is consistent with the project evaluated in the Addendum, no new effects would be expected to occur and all applicable mitigation measures identified from the Addendum will be implemented. As such, no additional CEQA action is required at this time.

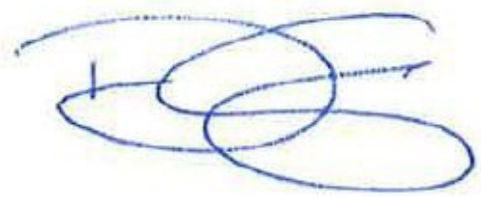
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal F - Invest in well-planned infrastructure and growth

Respectfully Submitted,

Kerry Andrews, Assistant Engineer

Mike Isom, Development Services Director



_____

Dominick Casey, City Manager

ATTACHMENTS:

Description

Final Map

Vicinity Map

BOOK _____ OF MAPS, PAGE _____

FINAL MAP OF
ROSEVILLE JUNCTION
SUBDIVISION NO. PL21-0153
BEING A SUBDIVISION OF PARCEL 2 (35 P.M. 55)
CONFERENCE CENTER DRIVE (N.C.R.S.P. PARCEL 40(a))
BEING A PORTION OF SECTION 26, T.11N., R.6E., M.D.M.
CITY OF ROSEVILLE, COUNTY OF PLACER, CALIFORNIA
MARCH 2022
MORTON & PITALO, INC.

OWNER'S STATEMENT

THE UNDERSIGNED BEING THE ONLY PERSONS HAVING ANY RECORD TITLE INTEREST IN THE LANDS SUBDIVIDED HEREON, HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS FINAL MAP OF "ROSEVILLE JUNCTION".

THE FOLLOWING ARE DEDICATIONS OF EASEMENTS TO THE CITY OF ROSEVILLE:

A. PUBLIC UTILITY EASEMENTS FOR THE INSTALLATION AND MAINTENANCE OF WATER AND SANITARY SEWER SERVICES TOGETHER WITH ANY AND ALL APPURTENANCES THERETO ON, OVER, UNDER AND ACROSS THOSE STRIPS OF LAND 20 FEET WIDE SHOWN HEREON AND DESIGNATED (20' WATER & SEWER EASEMENT).

B. PUBLIC ACCESS / MAINTENANCE EASEMENT FOR THE INGRESS AND EGRESS OF VEHICLES, ON, OVER AND ACROSS LOTS 3, 4, AND 5, BEING 40 FEET WIDE OVER THE MOST NORTHERLY STRIP OF LAND SHOWN HEREON AND DESIGNATED (PUBLIC ACCESS/MAINTENANCE EASEMENT).

ROSEVILLE JUNCTION, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: APRR MANAGEMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, MANAGER

BY: _____ _____
ROHIT RANCHHOD, MANAGING MEMBER CHIRAYU PATEL, MANAGING MEMBER

DATE: _____ DATE: _____

WOODLAND PARTNERS I, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____ _____
ROHIT RANCHHOD, MANAGING MEMBER CHIRAYU PATEL, MANAGING MEMBER

DATE: _____ DATE: _____

NOTARY'S STATEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF _____

COUNTY OF _____

ON _____, 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, STATE OF_____

PRINT NAME _____

MY PRINCIPAL PLACE OF BUSINESS IS _____ COUNTY

MY COMMISSION NO. _____

MY COMMISSION EXPIRES _____

NOTARY'S STATEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF _____

COUNTY OF _____

ON _____, 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, STATE OF_____

PRINT NAME _____

MY PRINCIPAL PLACE OF BUSINESS IS _____ COUNTY

MY COMMISSION NO. _____

MY COMMISSION EXPIRES _____

CITY CLERK'S STATEMENT

I HEREBY STATE THAT THE CITY COUNCIL OF THE CITY OF ROSEVILLE HAS APPROVED THIS FINAL MAP OF "ROSEVILLE JUNCTION" AND HAS ACCEPTED ON BEHALF OF THE PUBLIC, ALL EASEMENTS OFFERED HEREON FOR DEDICATION AND HAS APPROVED THE ABANDONMENT OF THE EASEMENTS LISTED WITHIN NOTE 1, ON SHEET 3.

DATED _____ _____
CITY CLERK, CITY OF ROSEVILLE

BY_____
ASSISTANT CLERK, CITY OF ROSEVILLE

SURVEYOR'S STATEMENT

THIS FINAL MAP OF "ROSEVILLE JUNCTION" WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES AT THE REQUEST OF THE CITY OF ROSEVILLE, A MUNICIPAL CORPORATION, IN JUNE 2021. I HEREBY STATE THAT THIS FINAL MAP OF "ROSEVILLE JUNCTION" SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, AND THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR THAT THEY WILL BE SET IN THOSE POSITIONS ON OR BEFORE DECEMBER 31, 2022 AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

DATED _____

_____
MICHAEL J. CHIARA
P.L.S. 9058

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF "ROSEVILLE JUNCTION" AND FIND IT TO BE SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP ON FILE AND ANY APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ALL APPLICABLE CITY ORDINANCES HAVE BEEN COMPLIED WITH.

DATED _____

_____
MARC STOUT, CITY ENGINEER, CITY OF ROSEVILLE
R.C.E. 69879
EXP. DATE: 9/30/2022

I HEREBY STATE THAT I AM SATISFIED THAT THIS FINAL MAP OF "ROSEVILLE JUNCTION" IS TECHNICALLY CORRECT.

FOR MARC STOUT, CITY ENGINEER, CITY OF ROSEVILLE

DATED _____

_____
TIMOTHY G. BLAIR, P.L.S. 8278
EXP. DATE: 12/31/2023

PROFESSIONAL LAND SURVEYOR
TIMOTHY G. BLAIR
No. 8278
STATE OF CALIFORNIA

RECORDER'S STATEMENT

ACCEPTED FOR RECORD AND FILED WITH THE OFFICE OF THE RECORDER OF PLACER COUNTY, STATE OF CALIFORNIA, AT _____ MINUTES AFTER _____ O'CLOCK ___.M. ON THE _____ DAY OF _____, 20___ AND RECORDED IN BOOK _____ OF MAPS, AT PAGE _____, AT THE REQUEST OF MORTON & PITALO, INC.

FILE NO. _____ _____
RECORDER OF PLACER COUNTY
FEE $ _____ STATE OF CALIFORNIA

BY _____
DEPUTY

TRUSTEE'S STATEMENT

PLACER TITLE COMPANY, TRUSTEE UNDER THE DEED OF TRUST RECORDED JUNE 29, 2021, IN DOCUMENT NO. 2021-84231-00, OFFICIAL RECORDS OF PLACER COUNTY.

BY: _____ BY: _____

PRINT NAME: _____ PRINT NAME: _____

PRINT TITLE: _____ PRINT TITLE: _____

DATE: _____ DATE: _____

NOTARY'S STATEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF _____

COUNTY OF _____

ON _____, 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, STATE OF_____

PRINT NAME _____

MY PRINCIPAL PLACE OF BUSINESS IS _____ COUNTY

MY COMMISSION NO. _____

MY COMMISSION EXPIRES _____

FINAL MAP OF

ROSEVILLE JUNCTION

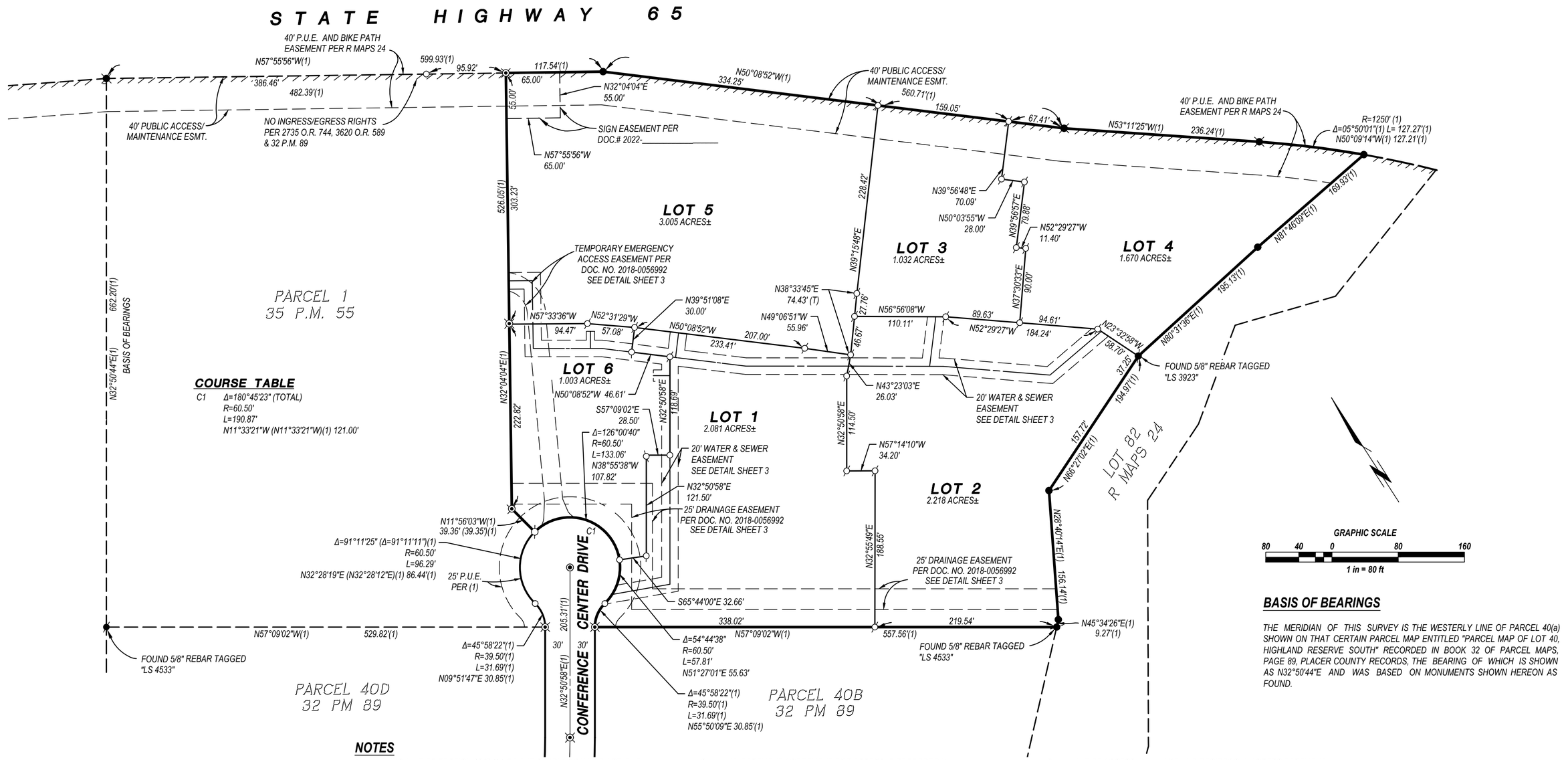
SUBDIVISION NO. PL21-0153

BEING A SUBDIVISION OF PARCEL 2 (35 P.M. 55)
CONFERENCE CENTER DRIVE (N.C.R.S.P. PARCEL 40(a))
BEING A PORTION OF SECTION 26, T.11N., R.6E., M.D.M.

CITY OF ROSEVILLE, COUNTY OF PLACER, CALIFORNIA

MARCH 2022

MORTON & PITALO, INC.



COURSE TABLE

C1 Δ=180°45'23" (TOTAL)
R=60.50'
L=190.87'
N11°33'21"W (N11°33'21"W)(1) 121.00'

BASIS OF BEARINGS

THE MERIDIAN OF THIS SURVEY IS THE WESTERLY LINE OF PARCEL 40(a) SHOWN ON THAT CERTAIN PARCEL MAP ENTITLED "PARCEL MAP OF LOT 40, HIGHLAND RESERVE SOUTH" RECORDED IN BOOK 32 OF PARCEL MAPS, PAGE 89, PLACER COUNTY RECORDS, THE BEARING OF WHICH IS SHOWN AS N32°50'44"E AND WAS BASED ON MONUMENTS SHOWN HEREON AS FOUND.

LEGEND

- ○ .....DIMENSION POINT, NOTHING FOUND OR SET
- ⦿ .....FOUND MONUMENT AS NOTED
- ⊠ .....FOUND 5/8" REBAR TAGGED "LS 3923" PER (1)
- ● .....FOUND 5/8" REBAR, NO TAG PER (1)
- ⊛ .....FOUND 1" GALVANIZED IRON PIPE W/ PLASTIC CAP LS 7350 PER 35 P.M. 55
- ○ .....SET 1" GALVANIZED IRON PIPE WITH PLASTIC PLUG STAMPED L.S. 9058
- ◉ .....FOUND CENTER PUNCHED COPPERWELD MONUMENT STAMPED LS 7350

P.U.E.....PUBLIC UTILITY EASEMENT

(1).....RECORD DATA PER 35 P.M. 55

(T).....TOTAL DISTANCE

NOTES

1. *PURSUANT TO SECTION 66434(g) OF THE SUBDIVISION MAP ACT, THE FOLLOWING EASEMENTS NOT SHOWN HEREON ARE HEREBY ABANDONED.*

A. *"SIGN EASEMENT" - EASEMENT FOR INSTALLATION AND MAINTENANCE OF SIGNS AS GRANTED ON THE PARCEL MAP OF CONFERENCE CENTER DRIVE FILED FOR RECORD NOVEMBER 6, 2013 IN BOOK 35 OF PARCEL MAPS AT PAGE 55, PLACER COUNTY RECORDS.*

B. *"LINE OF SIGHT EASEMENT" PUBLIC EASEMENT FOR THE PASSAGE OF LINE OF SIGHT AS GRANTED ON THE PARCEL MAP OF CONFERENCE CENTER DRIVE FILED FOR RECORD NOVEMBER 6, 2013 IN BOOK 35 OF PARCEL MAPS AT PAGE 55, PLACER COUNTY RECORDS.*

2. *COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, ASSESSMENMTS, LIENS, CHARGES, TERMS AND PROVISIONS WHICH MAY AFFECT THE LAND SHOWN HEREON ARE RECORDED IN DOCUMENTS NO. 90-07287, ORPC, RE-RECORDED IN DOCUMENT NO. 90-079378 ORPC, AND MODIFIED PER DOCUMENT NOS. 95-0024499, 97-80505, 98-019773 AND 2015-0092732-00 ORPC.*

3. *AN EASEMENT AGREEMENT FOR ACCESS IS RECORDED IN DOCUMENT NO. 99-0058611 ORPC.*

4. *AN EASEMENT AND MAINTENANCE AGREEMENT PERTAINING TO TRAIL EASEMENTS AND A DRIVEWAY EASEMENT IS RECORDED IN INSTRUMENT NO. 2003-0178320 ORPC.*

5. *A "GRANT OF RECIPROCAL RIGHTS AND DECLARATION OF RESTRICTIONS REGARDING ACCESS, CONSTRUCTION, AND PARKING" IS RECORDED IN INSTRUMENT NO. 2005-106461, ORPC.*

6. *A "NOTICE OF AGREEMENT AFFECTING REAL PROPERTY" STATING THAT THE PROPERTY OWNERS SHALL AGREE TO PARTICIPATE IN A TRANSPORTATION SYSTEM MANAGEMENT PLAN IS RECORDED IN INSTRUMENT NO. 2005-106462, ORPC.*

7. *A "USE RESTRICTION AGREEMENT" AFFECTING THE REAL PROPERTY "STATING THAT THE PROPERTY IS TO BE USED FOR THE OPERATION OF A HOTEL AND CONFERENCE CENTER AND RELATED AND COMPLIMENTARY USES" IS RECORDED IN INSTRUMENT NO. 2005-0108027 ORPC.*

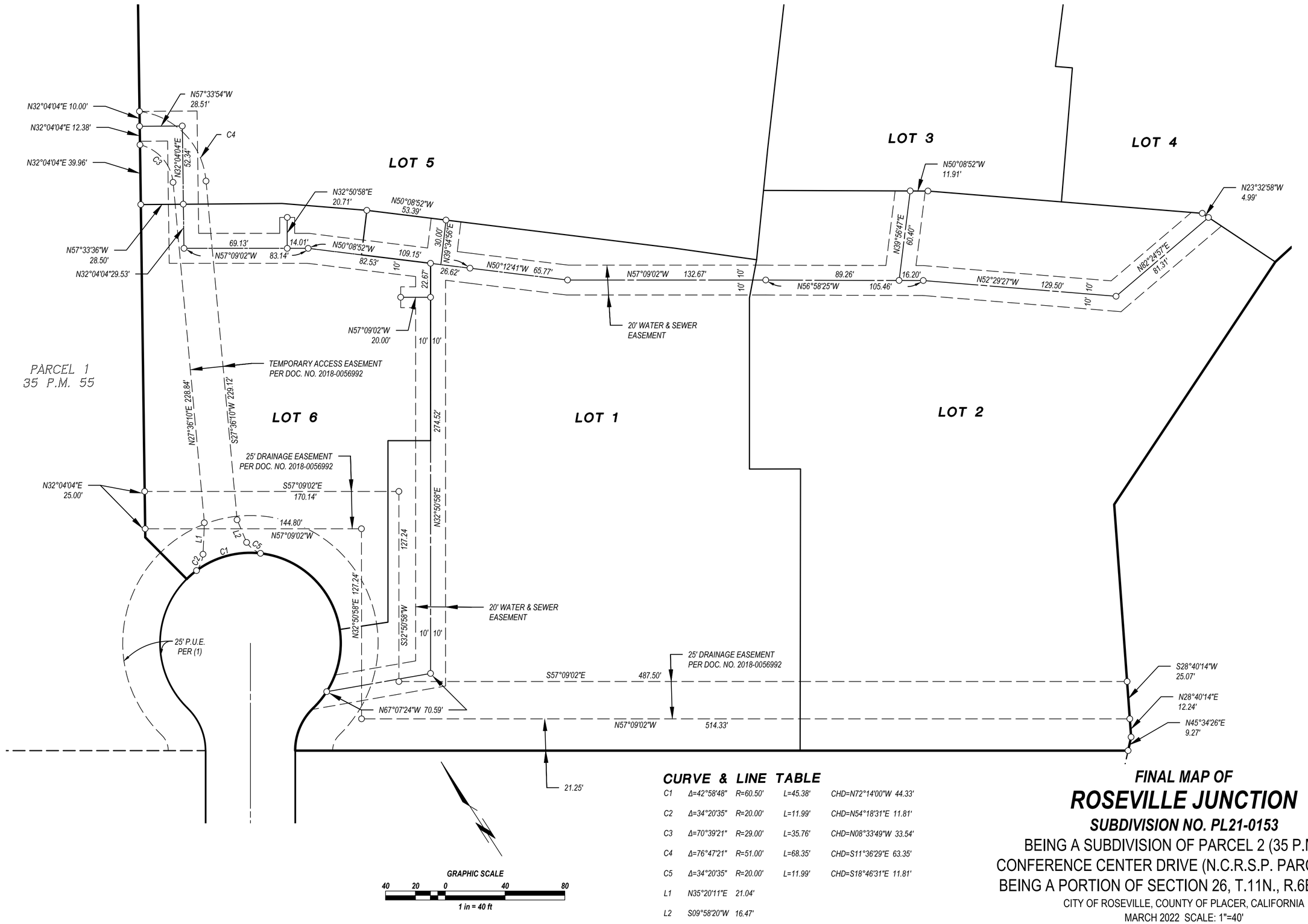
8. *A "FIRE ACCESS, DRAINAGE AND RECIPROCAL ACCESS EASEMENT AGREEMENT IS RECORDED IN INSTRUMENT NO. 2018-0056992-00 ORPC.*

9. *THE TOTAL AREA OF THIS SUBDIVISION IS 11.010 ACRES, CREATING 6 COMMERCIAL LOTS.*

FINAL MAP OF
ROSEVILLE JUNCTION
SUBDIVISION NO. PL21-0153

BEING A SUBDIVISION OF PARCEL 2 (35 P.M. 55)
CONFERENCE CENTER DRIVE (N.C.R.S.P. PARCEL 40(a))
BEING A PORTION OF SECTION 26, T.11N., R.6E., M.D.M.
CITY OF ROSEVILLE, COUNTY OF PLACER, CALIFORNIA
MARCH 2022 SCALE: 1"=80'

MORTON & PITALO, INC.



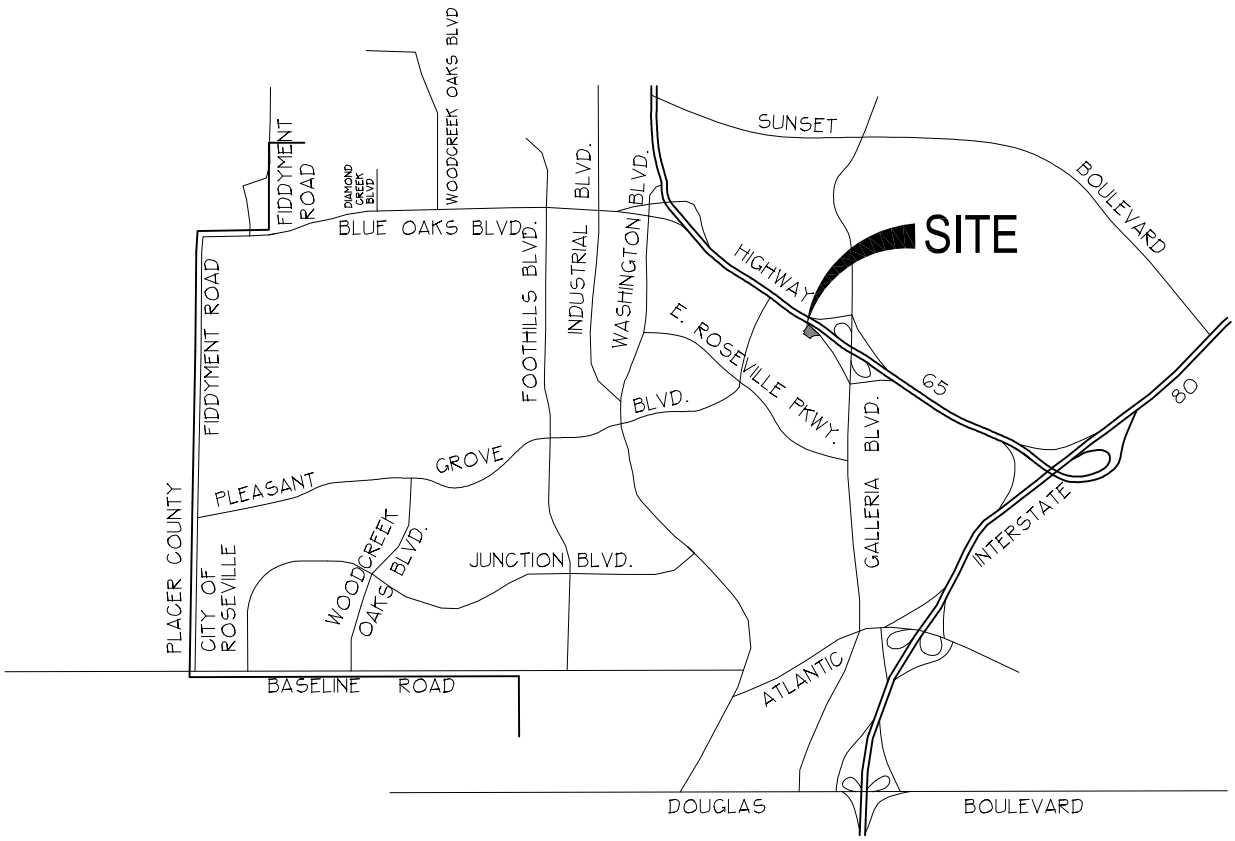
CURVE & LINE TABLE

C1	Δ=42°58'48"	R=60.50'	L=45.38'	CHD=N72°14'00"W 44.33'
C2	Δ=34°20'35"	R=20.00'	L=11.99'	CHD=N54°18'31"E 11.81'
C3	Δ=70°39'21"	R=29.00'	L=35.76'	CHD=N08°33'49"W 33.54'
C4	Δ=76°47'21"	R=51.00'	L=68.35'	CHD=S11°36'29"E 63.35'
C5	Δ=34°20'35"	R=20.00'	L=11.99'	CHD=S18°46'31"E 11.81'
L1	N35°20'11"E	21.04'		
L2	S09°58'20"W	16.47'		

FINAL MAP OF
ROSEVILLE JUNCTION
SUBDIVISION NO. PL21-0153

BEING A SUBDIVISION OF PARCEL 2 (35 P.M. 55)
CONFERENCE CENTER DRIVE (N.C.R.S.P. PARCEL 40(a))
BEING A PORTION OF SECTION 26, T.11N., R.6E., M.D.M.
CITY OF ROSEVILLE, COUNTY OF PLACER, CALIFORNIA
MARCH 2022 SCALE: 1"=40'

MORTON & PITALO, INC.



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MORTON & PITALO, INC.
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600 Coolidge Drive, Suite #140
Folsom, CA 95630
phone: (916) 984-7621
web: www.mpengr.com

DRAWN:	MJC	JOB NO:	210012
CHECKED:	MJC	DATE:	FEBRUARY 2022
SCALE:	N/A	SHEET:	1 of 1

VICINITY MAP

ROSEVILLE JUNCTION
SUBDIVISION NO. PL21-0153

CITY OF ROSEVILLE, CALIFORNIA

COUNCIL COMMUNICATION

CC #: 1938
File #: 0600-02

Title: Out-of-State Travel Request - Police Department
Contact: Mark Peinado 916-774-5021 mcpeinado@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.10.

RECOMMENDATION TO COUNCIL

Staff requests that City Council approve out-of-state travel for one Police Officer to attend a Credit Card Skimmers course in Hoover, Alabama from March 8th to March 10th, 2022.

BACKGROUND

The National Computer Forensics Institute (NCFI) is a federally funded training center dedicated to instructing state and local officials in digital evidence and cyber crime investigations. The NCFI has approved for one Roseville Police Officer to attend a Credit Card Skimmers course at the NCFI Facility in Hoover, Alabama. The 3-day course is designed to train first responders in the identification and recovery of illicit credit card skimmers, and investigative practices to disrupt criminal groups who deploy these devices. Through classroom instruction and hands-on experience, students will learn to locate and extract skimmers from gas pump and point of sale terminals.

FISCAL IMPACT

This course is fully funded by the NCFI. The NCFI will pay for training and travel expenses, including hotel and per diem for meals. There is no cost to the City or fiscal impact to the General Fund.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. Approval of out-of-state travel meets the above criteria and is not subject to CEQA. No additional environmental review is required.

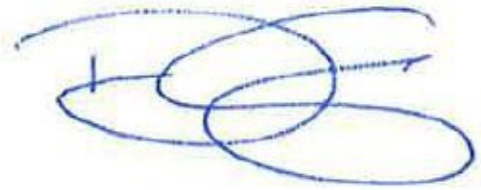
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal C - Maintain a safe and healthy community

Respectfully Submitted,

Mark Peinado, Management Analyst

Troy Bergstrom, Police Chief



Dominick Casey, City Manager

ATTACHMENTS:

Description

Training Flyer

View Course

SKH

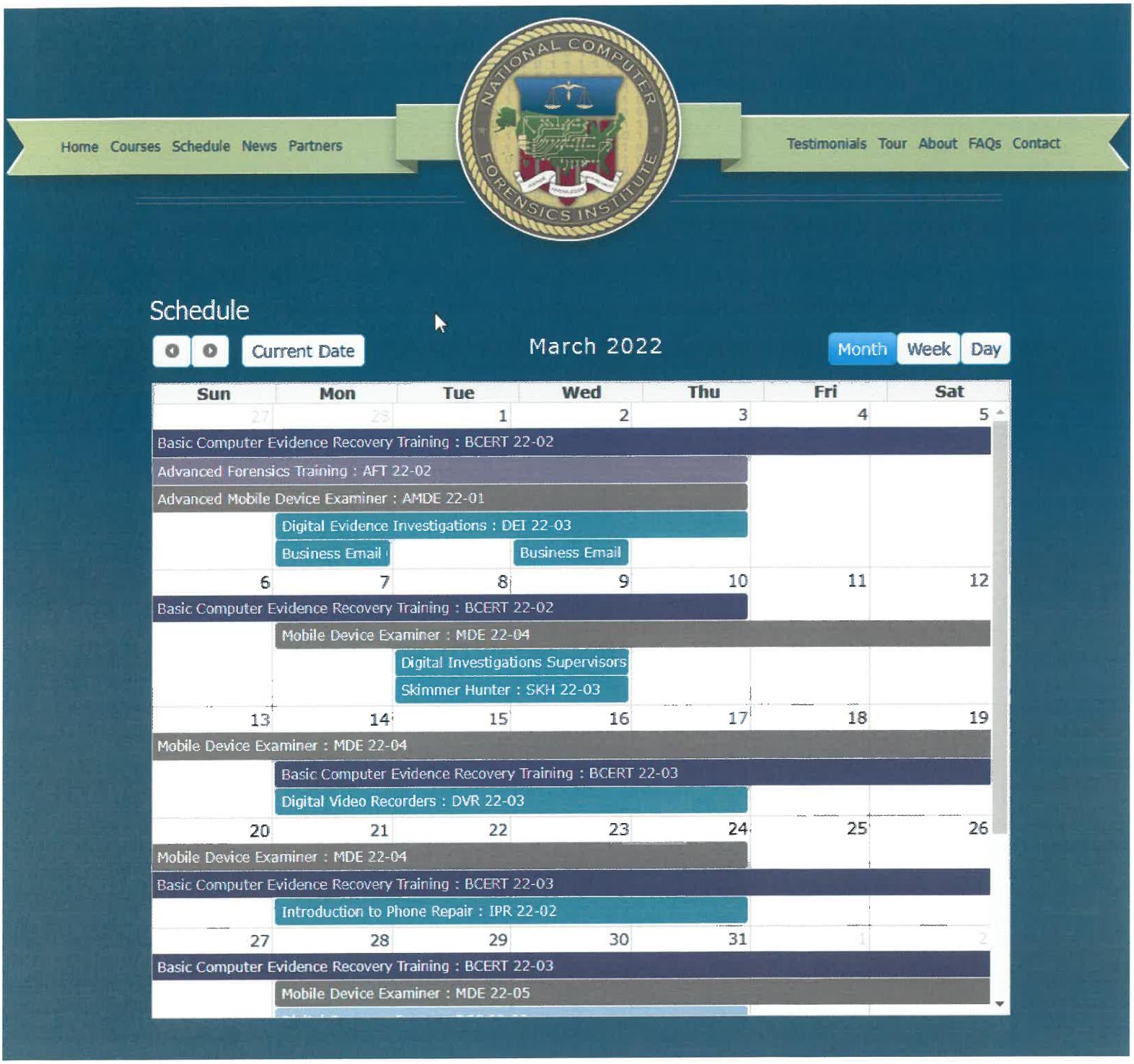
Skimmer Hunter

A 3-day course, which trains first responders in the identification and recovery of Illicit Credit Card Skimmers, and investigative practices to disrupt criminal groups who deploy these devices. Through classroom instruction and hands-on experience, students learn to locate and extract skimmers from Gas Pump and Point of Sale Terminals. Graduates return home with issued equipment necessary to locate remote devices and conduct a thorough criminal investigation.

N/A

Contact your local U.S. Secret Service office.

Close


Home Courses Schedule News Partners
NATIONAL COMPUTER FORENSICS INSTITUTE
Testimonials Tour About FAQs Contact
Schedule
Current Date
March 2022
Month Week Day
Sun Mon Tue Wed Thu Fri Sat
27 28 1 2 3 4 5
Basic Computer Evidence Recovery Training : BCERT 22-02
Advanced Forensics Training : AFT 22-02
Advanced Mobile Device Examiner : AMDE 22-01
Digital Evidence Investigations : DEI 22-03
Business Email
Business Email
6 7 8 9 10 11 12
Basic Computer Evidence Recovery Training : BCERT 22-02
Mobile Device Examiner : MDE 22-04
Digital Investigations Supervisors
Skimmer Hunter : SKH 22-03
13 14 15 16 17 18 19
Mobile Device Examiner : MDE 22-04
Basic Computer Evidence Recovery Training : BCERT 22-03
Digital Video Recorders : DVR 22-03
20 21 22 23 24 25 26
Mobile Device Examiner : MDE 22-04
Basic Computer Evidence Recovery Training : BCERT 22-03
Introduction to Phone Repair : IPR 22-02
27 28 29 30 31 1 2
Basic Computer Evidence Recovery Training : BCERT 22-03
Mobile Device Examiner : MDE 22-05

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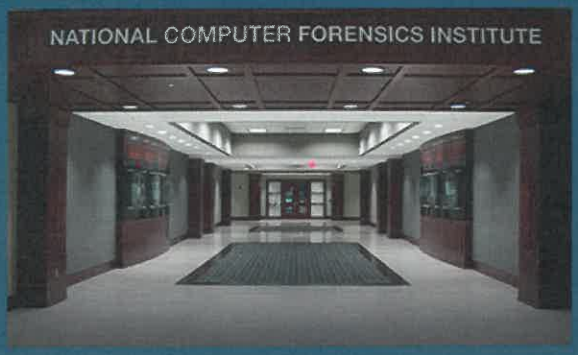
Today's high-tech environment presents new challenges to law enforcement and the justice system as cyber criminals exploit computers, mobile devices and the Internet to threaten our banking, financial and critical infrastructures. Digital technology is used to commit any and every type of crime. Therefore, it is imperative to address the changes in technology by providing training on cyber-investigative techniques and by sharing current expertise.

The National Computer Forensics Institute's (NCFI) innovative facility and strategic partnership serve to substantially enhance law enforcement efforts to suppress the continually evolving and increasing number of electronic crime cases affecting communities nationwide, as well as improve and strengthen the prosecution and adjudication of those cases.

NCFI training courses are offered to state and local law enforcement, prosecutors and judges through funding from the federal government. Travel, lodging, equipment (in some classes), and course fees are provided at no costs to attendees or their agencies.

All nominations must be submitted through your local U.S. Secret Service office. Find your local office here.



COUNCIL COMMUNICATION

CC #: 1939
File #: 0600-02

Title:	Out-of-State Travel Request - Police Department
Contact:	Josh Simon 916-774-5059 jsimon@roseville.ca.us Mark Peinado 916-774-5021 mcpeinado@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 6.11.

RECOMMENDATION TO COUNCIL

Staff requests that City Council approve out-of-state travel for one Community Service Officer and one Crime Analyst to examine and evaluate a Real Time Crime Center (RTCC) at Forsyth County Sheriff's Office (FCSO), an agency of similar size to the Roseville Police department, located in Winston-Salem, North Carolina, from March 13th to March 17th, 2022.

BACKGROUND

The Roseville Police Department is in the process of researching and developing a Real Time Crime Center (RTCC). The purpose of the RTCC is to provide real time information to field personnel in an effort to help make efficient and effective decisions when responding to in-progress incidents. We are seeking to integrate multiple available data sources into one platform to assist with making police response to active incidents faster, more efficient, and safer for our officers and the community. The RTCC will also serve as a command center for significant incidents and large scale planned events. The scope of the project includes a video wall display with processor, and integration software.

After a significant amount of research and speaking with various vendors and law enforcement agencies, staff requests to travel specifically to Forsyth County Sheriff's Office in North Carolina to further explore specific integration software we are interested in potentially purchasing, at an agency with an RTCC deployment that aligns with our future vision. They have a similar size RTCC unit in terms of personnel, they have other accompanying similar software integrations, and they function in a real time capacity providing their field personnel with critical information as they are coming on scene. They are the best fit we have located for a comparable agency in terms of size, scope of work, and software.

On this trip we are looking to complete our research and understanding of the Fusus software, specifically to:

- Learn how the FCSO operators are navigating the software during real-time rapidly evolving incidents,
- Determine the functionality available in the software and evaluate if it is a good fit for the

City's RTCC, and
- Inquire about best practices, vendor support, and their overall experience with the software.

FISCAL IMPACT

The total cost to send two professional staff members will be approximately $3,400. This amount includes travel, lodging, meals and incidental expenses. There are sufficient funds in the FY2021-22 Police Department budget in the General Fund to cover the expense; no additional funds are being requested.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. Approval of out-of-state travel meets the above criteria and is not subject to CEQA. No additional environmental review is required.

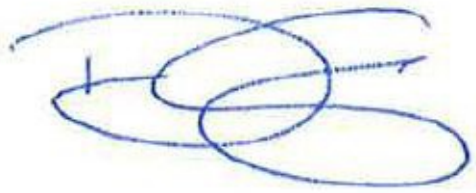
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal C - Maintain a safe and healthy community

Respectfully Submitted,

Mark Peinado, Management Analyst

Troy Bergstrom, Police Chief



_____
Dominick Casey, City Manager

COUNCIL COMMUNICATION

CC #: 1941
File #: 0400-09-01

Title:	Community Facilities District No. 3 (Municipal Services) - Annexation No. 27 (Torrente at Sierra Vista) - Annexation of Territory
Contact:	Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 7.1.

RECOMMENDATION TO COUNCIL

Staff recommends that Council adopt the following resolutions:

- A Resolution of Annexation of Territory to Community Facilities District No. 3 (Municipal Services), Authorizing the Levy of a Special Tax and Submitting Levy of Tax to Qualified Electors
- A Resolution Declaring Results of Special Annexation Election for Community Facilities District No. 3 (Municipal Services), Determining Validity of Prior Proceedings, and Directing Recording of Amended Notice of Special Tax Lien.

BACKGROUND

The landowner is obligated under their Development Agreement by and between the City of Roseville and the Cyril G. Barbaccia Irrevocable Trust dated December 15, 1976 relative to Sierra Vista Specific Plan, to annex into the existing Municipal Services Community Facilities (CFD) No. 3.

The annexation into CFD No. 3 will incorporate the identified parcels (see Exhibit C of the Amended Notice of Special Tax Lien) as an annexation named Community Facilities District No. 3 (Municipal Services), Annexation No. 27 (Torrente at Sierra Vista), under the Mello-Roos Community Facilities Act of 1982, as amended. The landowner submitted the required property owner ballots to the City Clerk, agreeing to be annexed into CFD No. 3. The landowner agrees to pay the approved special tax sufficient to pay the costs of the CFD, levied annually among the parcels within the CFD, at the maximum special tax rates identified in the Amended Notice of Special Tax for CFD No. 3.

On February 2, 2022, the City Council adopted Resolution of Intention #22-029, to Annex Territory to the Community Facilities District and to Authorize the Levy of Special Taxes Therein, City of Roseville, Community Facilities District No. 3 (Municipal Services), Annexation No. 27 (Torrente at Sierra Vista), and set March 2, 2022, at 6:00 p.m. at the City of Roseville Civic Center

Council Chambers at 311 Vernon Street, Roseville, California as the time and place to conduct a public hearing.

FISCAL IMPACT

The CFD will generate special taxes levied on the landowner's annual property tax bill. Annexation into Community Facilities District No. 3 (Municipal Services) helps offset the property's impact on City General Fund resources available to pay for municipal services and therefore will not negatively impact the General Fund.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. Adoption of the resolutions meets the above criteria and is not subject to CEQA. No additional environmental review is required.

CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal A - Remain fiscally responsible in a changing world

Respectfully Submitted,

Jeannine Thrash, Management Analyst

Dennis Kauffman, Assistant City Manager/Chief Financial Officer

_____

Dominick Casey, City Manager

ATTACHMENTS:

Description

Notice of Public Hearing

Resolution 22-049

Resolution 22-050

Amended Notice of Special Tax Lien

NOTICE OF PUBLIC HEARING

CITY OF ROSEVILLE
Community Facilities District No. 3
(Municipal Services)

Annexation No. 27 (Torrente)

Notice is hereby given by the City of Roseville (the "City") with respect to its Community Facilities District No. 3 (Municipal Services) (the "CFD") that on February 2, 2022, the City Council of the City, as the legislative body for the CFD, adopted its Resolution No. 22-029, "A Resolution of Intention to Annex Territory to Community Facilities District and to Authorize the Levy of Special Taxes Therein" (the "Resolution of Intention"). Reference is hereby made to the Resolution of Intention, on file with the City Clerk of the City for further particulars. The following is a summary of the provisions of the Resolution of Intention.

Pursuant to the Resolution of Intention, the Council determined that the public convenience and necessity require that certain territory, as more particularly described in the Resolution of Intention, be annexed to the existing CFD, all as provided in the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq., California Government Code (the "Act'). The Resolution of Intention provides that the special taxes heretofore caused to be levied in the CFD for financing the services provided through the CFD shall be levied in the territory proposed to be annexed, subject to public hearing and landowner election proceedings as specified in the Act.

Notice is further given that Wednesday, March 2, 2022 at 6:00 p.m. or as soon as possible thereafter, either virtually (if so noticed by the City) or at the City of Roseville Civic Center Council Chambers located at 311 Vernon Street, Roseville, California 95678, as the time and place when and where the Council of the City as the legislative body for the CFD, will conduct a public hearing on the annexation of the territory described in the Resolution of Intention to the CFD and finally consider and determine whether the public convenience and necessity require the annexation of said territory to the CFD and the levy of special taxes therein.

Notice is further given that at the hearing, the testimony of all interested persons for and against the annexation of said territory to the CFD or the levying of special taxes within the territory proposed to be annexed will be heard.

Dated: _____, 2022

/s/ Carmen Avalos
Carmen Avalos, City Clerk
City of Roseville

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 22-049

A RESOLUTION OF ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS

CITY OF ROSEVILLE
Community Facilities District No. 3
(Municipal Services)

Annexation No. 27 (Torrente)

WHEREAS, the City Council (the "Council") of the City of Roseville (the "City") on February 2, 2022 adopted Resolution No. 22-_, entitled "A Resolution of Intention to Annex Territory to Community Facilities District and to Authorize the Levy of Special Taxes Therein" (the "Resolution of Intention"), stating its intention to annex territory to the City's Community Facilities District No. 3 (Municipal Services) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act");

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the territory to be annexed to the CFD and stating the services to be provided and the rate and method of apportionment of the special tax to be levied within the territory to be annexed to the CFD, is on file with the City Clerk and the provisions thereof are fully incorporated herein by this reference as if fully set forth herein;

WHEREAS, said annexation boundary map, labeled Annexation Map No. 27 of Community Facilities District No. 3 (Municipal Services) (Baseline at Sierra Vista), has been recorded with the County Recorder of the County of Placer at Page____in Book ____of Maps of Assessment and Community Facilities Districts, which map shows the territory to be annexed to the CFD;

WHEREAS, on the date hereof, this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed annexation of territory to the CFD;

WHEREAS, at said hearing all interested persons desiring to be heard on all matters pertaining to the annexation of territory to the CFD and the levy of said special taxes within the area proposed to be annexed were heard and a full and fair hearing was held; and

WHEREAS, prior to the time fixed for said hearing, written protests had not been filed against the proposed annexation of territory to the CFD by (i) 50% or more of the registered voters, or six registered voters, whichever is more, residing in the existing CFD, or (ii) 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be annexed to the CFD, or (iii) owners of one-half or more of the area of land in the territory proposed to be annexed to the CFD.

NOW, THEREFORE, be it resolved by the City Council of the City of Roseville:

1. All prior proceedings taken by this Council with respect to the CFD and the proposed annexation of territory thereto have been duly considered and are hereby determined to be valid and in conformity with the Act, and the CFD has been validly established pursuant to the Act.

2. The description and map of the boundaries of the territory to be annexed to CFD, as described in the aforementioned Annexation Map No. 27 on file with the Clerk are hereby finally approved, are incorporated herein by reference, and shall be included within the boundaries of the CFD, and said territory is hereby ordered annexed to the CFD, subject to voter approval of the levy of the special taxes therein as hereinafter provided.

3. The provisions of the Resolution of Intention as heretofore adopted by this Council are by this reference incorporated herein, as if fully set forth herein.

4. Pursuant to the provisions of the Act, the proposition of the levy of the special tax within the territory to be annexed to the CFD shall be submitted to the voters of the area to be annexed to the CFD at an election called therefor as hereinafter provided.

5. This Council hereby finds that fewer than 12 persons have been registered to vote within the territory proposed to be annexed to the CFD for each of the 90 days preceding the close of the hearing heretofore conducted and concluded by this Council for the purposes of these annexation proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that for purposes of these proceedings the qualified electors are the landowners within the territory proposed to be annexed to the CFD and that the vote shall be by said landowners, each having one vote for each acre or portion thereof such landowner owns in the territory proposed to be annexed to the CFD.

6. Pursuant to Section 53326 of the Act, the election shall be conducted by mail ballot under Section 4000 of the California Elections Code. This Council hereby determines that paragraphs (a), (b), and (c)(1) of said Section 4000 and Section 4108 of the California Elections Code are applicable to this election, provided however, the City has received written waivers from the owner of all the territory to be annexed and the election may be expedited.

7. The Council hereby calls a special election to consider the measure described in the ballot referred to in paragraph 8 below, which election shall be held on March 2, 2022 either virtually (if so noticed by the City) or at the City of Roseville Civic Center Council Chambers located at 311 Vernon Street, Roseville, California 95678.

8. The City Clerk is hereby appointed as the election official to conduct the election and cause to be provided to each landowner(s) in the territory to be annexed to the CFD, a ballot in the form of Exhibit A hereto, which form is hereby approved.

9. The City Clerk shall accept the ballots of the qualified electors received prior to 6:00 p.m. on March 2, 2022, whether received by mail or by personal delivery.

10. This Council hereby further finds that the provision of Section 53326 of the Act requiring a minimum of 90 days to elapse before said election is for the protection of voters, that the voters have waived such requirement and the date for the election hereinabove specified is established accordingly.

11. Under Section 50075.1 of the Government Code, the following accountability provisions shall apply to the special taxes: (a) the provision and/or acquisition of the services

and the incidental costs thereof, all as defined in the Resolution of Intention, shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual audit and report of the CFD.

* * * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the_____day of _____, 2022, by the following vote of the City Council:

AYES: COUNCILMEMBERS
NOES: COUNCILMEMBERS
ABSENT: COUNCILMEMBERS
ABSTAIN: COUNCILMEMBERS

_____
Mayor

ATTEST:

_____
City Clerk of the City of Roseville

EXHIBIT A

CITY OF ROSEVILLE
Community Facilities District No. 3
(Municipal Services)

Annexation No. 27 (Torrente)

OFFICIAL BALLOT
SPECIAL TAX ELECTION

This ballot is for the special landowner election to annex property into City of Roseville Community Facilities District No. 3 (Municipal Service). You must return this ballot to the office of the City Clerk of the City of Roseville **no later than the hour of 6:00 p.m. on March 2, 2022, either by mail or in person**. The Clerk's office is located at 311 Vernon Street, Roseville, CA 95678.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk and obtain another.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

The amount of money at build out that could be raised annually by the special tax levied in the territory to be annexed is $188,724 for Fiscal Year 2021-22 (and subject to escalation annually), the duration of the special tax is perpetual, and the rate of the special tax shall be determined in accordance with the rate, method of apportionment, and manner of collection of special tax for the CFD.

BALLOT MEASURE: Shall the City of Roseville (the "City"), by and for its Community Facilities District No. 3 (Municipal Services) (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in "A Resolution of Annexation of Territory to Community Facilities District, Authorizing the Levy of a Special Tax and Submitting Levy of Tax to Qualified Electors," adopted by the City Council of the City on March 2, 2022?	**YES:**____ **NO:**_____

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the this vote or the application of such waivers.

Number of Acres: _____

Number of Votes: _____

Property Owner:

_____

By:_____

_____

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 22-050

A RESOLUTION DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN

CITY OF ROSEVILLE
Community Facilities District No. 3
(Municipal Services)

Annexation No. 27 (Torrente)

WHEREAS, in proceedings heretofore conducted by the City Council (the "Council") of the City of Roseville (the "City") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), this Council has heretofore adopted a resolution calling a special election of the qualified landowner electors in the territory of land proposed to be annexed to Community Facilities District No. 3 (Municipal Services) (the "CFD");

WHEREAS, pursuant to the terms of the resolution which is hereby incorporated herein by this reference, the special election has been held and the City Clerk has filed a Canvass of Votes Cast in Special Election, a copy of which is attached hereto as Exhibit A; and

WHEREAS, this Council has reviewed the Canvass and hereby approves it;

NOW, THEREFORE, be it resolved by the City Council of the City of Roseville:

1. The issue presented at the special election was the levy of a special tax within the territory annexed to the CFD, to be levied in accordance with the formula heretofore approved by this Council on March 2, 2022, entitled, "A Resolution of Annexation of Territory to Community Facilities District, Authorizing the Levy of a Special Tax and Submitting Levy of Tax to Qualified Electors."

2. Pursuant to the Canvass on file with the City Clerk, the issue presented at the special election was approved by the landowners of the territory annexed to the CFD by more than two-thirds of the landowners voting at the special election.

3. Pursuant to the voter approval, said annexed territory to the CFD is hereby declared to be fully annexed to and part of the CFD and this Council may levy special taxes therein as heretofore provided in these proceedings.

4. It is hereby found that all prior proceedings and actions taken by this Council pursuant to the CFD and the territory annexed thereto were valid and in conformity with the Act.

5. Within 15 days of the date hereof, the City Clerk shall execute and cause to be recorded in the office of the County Recorder of the County of Placer, an amendment to the Notice of Special Tax Lien as required by Section 3117.5 of the California Streets and Highways Code.

* * * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the ____ day of _____, 2022, by the following vote of the City Council:

AYES:	COUNCILMEMBERS
NOES:	COUNCILMEMBERS
ABSENT:	COUNCILMEMBERS
ABSTAIN:	COUNCILMEMBERS

_____
Mayor

ATTEST:

_____
City Clerk of the City of Roseville

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

CITY OF ROSEVILLE
Community Facilities District No. 3
(Municipal Services)

Annexation No. 27 (Torrente)

I hereby certify that on this date, I canvassed the returns of the election held on March 2, 2022 in the territory annexed to City of Roseville Community Facilities District No. 3 (Municipal Services), which election is designated as the Special Tax Annexation Election, and the total number of ballots cast in the territory to be annexed and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Roseville Community Facilities District No. 3 (Municipal Services) Annexation No. 27 (Torrente) Special Tax Annexation Election, March 2, 2022	_____	_____	_____	_____

BALLOT MEASURE: Shall the City of Roseville (the "City"), by and for its Community Facilities District No. 3 (Municipal Services) (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in "A Resolution of Annexation of Territory to Community Facilities District, Authorizing the Levy of a Special Tax and Submitting Levy of Tax to Qualified Electors," adopted by the City Council of the City on March 2, 2022?	**YES:**____ **NO:**_____

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND on March 2, 2022.

By: _____
City Clerk
City of Roseville

RECORDING REQUESTED BY AND
AFTER RECORDATION PLEASE RETURN TO:

City Clerk Department
City of Roseville
311 Vernon Street
Roseville, CA 95678
Telephone: (916) 774-5263

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN

CITY OF ROSEVILLE
COMMUNITY FACILITIES DISTRICT NO. 3 (MUNICIPAL SERVICES)
COUNTY OF PLACER, STATE OF CALIFORNIA

Annexation No. 27 (Torrente)

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended, section 53311, et. seq., of the California Government Code (the "Act"), the undersigned City Clerk of the City of Roseville (the "City"), County of Placer, State of California, hereby gives notice that a lien to secure payment of a special tax which the City is authorized to levy for Community Facilities District No. 3 (Municipal Services) (the "CFD"), County of Placer, State of California, is hereby imposed on the property described herein. The special tax secured by this lien is authorized to be levied for the purpose of paying the costs of public services in and according to the rate and method of apportionment set forth in that certain Notice of Special Tax Lien heretofore recorded in the Office of the County Recorder of the County of Placer, State of California on October 22, 2004, as Document No. 2004-0140669, to which recorded Notice of Special Tax Lien and amendment thereto reference is hereby made and the provisions of which are hereby incorporated by this reference.

This Amended Notice of Special Tax Lien amends the Notice of Special Tax Lien to add to the territory of Community Facilities District No. 3 (Municipal Services) of the City Roseville the lands set forth in that certain "Annexation Map No. 27" to Community Facilities District No. 3 (Municipal Services), County of Placer, State of California," heretofore recorded on February 7, 2022 at Book 4 Maps of Assessment and Community Facilities Districts at Page 51 in the office of the County Recorder of the County of Placer, State of California.

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53324 of the Government Code, the undersigned, City Clerk of the City of Roseville, hereby gives notice that a lien to secure payment of a special tax which the City Council of the City of Roseville, County of Placer, State of California is authorized to levy is hereby imposed.

The special tax secured by this lien is authorized to be levied for the purpose of paying for public services as described in **Exhibit A** attached hereto, and the incidental expenses related thereto.

The assessor's tax parcel(s) numbers of all parcels or any portion thereof which have been annexed to Community Facilities District No. 3 (Municipal Services), as shown in the Annexation Map referred to above, are thus included in this Amended Notice of Special Tax Lien, together with the name(s) of the owner(s) thereof, as they appear on the latest secured assessment roll as of the date of recording hereof or as are otherwise known to the City are as set forth in **Exhibit C** attached hereto and hereby made a part hereof.

The special tax is authorized to be levied against the parcel(s) described in **Exhibit C** attached hereto, which parcel(s) has been annexed into Community Facilities District No. 3 (Municipal Services), City of Roseville, County of Placer, State of California, which has been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect unless the special tax obligation is canceled in accordance with law or the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The amended rate, method of apportionment and the manner of collection of the authorized special tax is shown on **Exhibit B** attached hereto. The rate, method of apportionment, and the manner of collection of the authorized special tax does not contain conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Community Facilities District No. 3 (Municipal Services), City of Roseville, in accordance with Section 3115.5 of the Streets and Highways Code.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the City Administrator of the City of Roseville, 311 Vernon Street, Roseville, CA 95678, telephone number (916) 774-5319.

Dated: As of _____, 2022

By: _____
City Clerk
City of Roseville

EXHIBIT A – List of Authorized Services
EXHIBIT B – Amended Rate and Method of Apportionment
EXHIBIT C – Property Owner(s) and Parcel Number(s)

EXHIBIT A

CITY OF ROSEVILLE
COMMUNITY FACILITIES DISTRICT NO. 3
(MUNICIPAL SERVICES)

LIST OF AUTHORIZED SERVICES

The Community Facilities District No. 3 (Municipal Services) (the "CFD") shall include the City services authorized under Section 53313 of the Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the "Act"), which include the following services, to the extent that such services are in addition to those provided in the territory of the CFD before the CFD was created (or, as to territory which may be annexed to the CFD, before such territory was annexed to the CFD.) In accordance with Section 53313 of the Act, the additional services may not supplant services already available within the territory when the district was created.

(a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services are limited to providing services for jails, detention facilities, and juvenile halls.
(b) Fire protection and suppression services, and ambulance and paramedic services.
(c) Recreation program services, library services, maintenance services for elementary and secondary school sites and structures, and the operation and maintenance of museums and cultural facilities, subject to the limitations contained in Section 53313 of the Act.
(d) Maintenance of parks, parkways, and open space.
(e) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection systems.
(f) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment, subject to the limitations contained in Section 53313 of the Act.

EXHIBIT B

CITY OF ROSEVILLE
COMMUNITY FACILITIES DISTRICT NO. 3
(MUNICIPAL SERVICES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 3 (Municipal Services) [herein "CFD No. 3"] shall be levied and collected according to the tax liability determined by the City Council, acting in its capacity as the legislative body of CFD No. 3, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 3, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acreage" or **"Acre"** means the land area making up an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map or other parcel map recorded at the County Recorder's Office.

"Administrative Expenses" means the costs incurred by the City to determine, levy and collect the Special Tax, including salaries of City employees and fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer the CFD as determined by the Finance Director.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Affordable Housing Director" means, at any point in time, the person within the City who services as head of the department that is in charge of the City's affordable housing program.

"Affordable Unit" means a Unit built on a Parcel for which an Affordable Purchase Development Agreement or similar agreement has been recorded on title of the property designating the Unit as affordable (as determined by the City) and resulting in a deed of trust on the Parcel in favor of the City. The City's Affordable Housing Director shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing which shall contain all designated buildable parcels by tract and lot number. The Affordable Unit Listing shall also be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market Rate Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to the Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to Section C.

"Affordable Unit Assignment" means a reduction in the Maximum Special Tax for a Parcel due to the assignment of an Affordable Unit(s) to the Parcel.

"Annual Tax Escalation Factor" means an annual increase in the Maximum Special Tax following the Base Year in an amount equal to the lesser of: (i) the combined percentage increase, if any, in the City of Roseville General Fund Operating Budget for police and fire services, or (ii) four percent (4%).

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by CFD No. 3 as set forth in the documents adopted by the City Council when the CFD was formed.

"Base Year" means Fiscal Year 2010-11.

"City" means the City of Roseville.

"City Council" means the City Council of the City of Roseville, acting as the legislative body of CFD No. 3.

"County" means the County of Placer.

"Developed Property" means, in any Fiscal Year, both of the following:

- For Condominium Conversion Parcels, all individual Units for which an escrow has closed prior to June 30 of the preceding Fiscal Year; and
- All other Parcels of Taxable Property within the CFD for which a use permit or building permit for new construction of a residential or non-residential structure was issued prior to June 30 of the preceding Fiscal Year.

"**Finance Director**" means the Finance Director for the City of Roseville or his or her designee or successor.

"**Fiscal Year**" means the period starting on July 1 and ending on the following June 30.

"Land Use Designation" means the land use designated to be built on a particular Parcel based on reference to an adopted community plan or specific plan or, to the extent that such a plan has not been approved for a Parcel, to the City's general plan.

"Market Rate Unit" means a Unit that is not an Affordable Unit.

"Multi-Family Property" means, in any Fiscal Year, all Parcels in CFD No. 3 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

"Maximum Special Tax" means the maximum Special Tax determined in accordance with Section C below that can be levied on Taxable Property in any Fiscal Year.

"Public Property" means any property within the boundaries of CFD No. 3 that is owned by the federal government, State of California, County, City, or other public agency.

"Single Family Attached Property" means, in any Fiscal Year, all Parcels in CFD No. 3 for which a building permit was issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale Units, including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

"Single Family Detached Property" means, in any Fiscal Year, all Parcels in CFD No. 3 for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

"Special Tax" means any tax levied to pay for Authorized Services.

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 3 which are not exempt from the Special Tax pursuant to law or Section E below.

"Unit" means an individual single-family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure.

"Zoning Designation" means, for a particular Parcel, the designation of zoning for the Parcel based on the zoning map symbols set forth in the City's zoning ordinance or, if the designation is inconsistent with the City's zoning ordinance, as determined by the Administrator.

B. CATEGORIZING PARCELS FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Developed Property within CFD No. 3. The Administrator shall then identify the Land Use Designation for each Parcel of Developed Property to determine the appropriate Maximum Special Tax pursuant to Section C below. If a Land Use Designation has not been assigned to a Parcel of Developed Property, the Administrator shall determine the Zoning Designation for the Parcel and reference Table 1 below to determine the Maximum Special Tax associated with that Zoning Designation. If the Zoning Designation for the Parcel applies to more than one Land Use Designation as reflected in Table 1, the Administrator shall determine the appropriate Maximum Special Tax rate for the Parcel by identifying the Maximum Special Tax shown in Table 1 for the land use category that is most similar to the land use that will be built on the Parcel.

For Single Family Attached Property or multi-family property, the number of Units shall be determined by referencing the condominium plan, apartment plan, site plan or other development plan for the property. For Condominium Parcels, the Administrator shall also determine the date of which escrow closed for any Units that were sold to individual buyers in the prior Fiscal Year.

For Parcels with a Land Use Designation of Residential, Mixed Use; Village Center – Medium Density Residential; Village Center – High Density Residential; or Commercial, Mixed Use, the Administrator shall determine whether (i) residential units that have been or will be built on the

Parcel will be offered for sale to individual home buyers and (ii) a separate Assessor's Parcel number will be assigned to the airspace parcel associated with each residential unit. Once separate Parcel numbers have been assigned to the residential airspace Parcels, the Administrator shall assign a Maximum Special Tax to the airspace Parcel for each residential unit. In addition, the Administrator shall tax the commercial land uses on the Parcel using the Maximum Special Tax for the appropriate commercial Land Use Designation in Table 1 below. The acreage to be used to calculate the Maximum Special Tax on the commercial uses shall be the full land area of the underlying Assessor's Parcel on which the residential and commercial land uses are located.

Upon recordation of each Final Map creating Single Family Detached Property and/or Single Family Attached Property, the ECS Director is to determine the number of Affordable Units included within the Final Map. When building permits are issued for the Affordable Units designated on each Parcel, the Administrator shall reduce the Maximum Special Tax for each Affordable Unit to fifty percent (50%) of the Maximum Special Tax that applies to the Market Rate Units with the same Zoning Designation. After May 1 of each Fiscal Year, the Administrator shall obtain the Affordable Unit Listing from the Affordable Housing Director to confirm which Parcels qualify for an Affordable Unit Adjustment in the following Fiscal Year.

C. MAXIMUM SPECIAL TAX

All Taxable Property within the CFD shall be subject to a Maximum Special Tax that will be levied each Fiscal Year to pay for Authorized Services. As discussed above, the Administrator shall rely first on the Land Use Designation for a Parcel to determine the appropriate Maximum Special Tax in Table 1 below but, in the absence of an assigned Land Use Designation, the Administrator shall refer to the Zoning Designation and land use to be built on the Parcel. The following Maximum Special Tax rates apply to all Parcels of Developed Property within CFD No. 3:

Table 1 Maximum Special Taxes		
Land Use Designation	**Zoning Designation**	**Maximum Special Tax (Fiscal Year 2010-11) ***
Low Density Residential (LDR)	R1	$355.68 per Unit
Medium Density Residential (MDR)	RS R2	$208.00 per Unit
High Density Residential (HDR)	R3	$104.00 per Unit
Community Commercial	CC	$969.28 per Acre
General Commercial	GC	$969.28 per Acre
Highway Commercial	HC	$969.28 per Acre
Regional Commercial	RC	$969.28 per Acre
Central Business District	CBD	$969.28 per Acre
Business Professional	BP, MP	$833.04 per Acre

* Beginning July 1, 2011 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor. The Maximum Special Tax for Affordable Units within a particular Zoning Designation shall be fifty percent (50%) of the amount shown above for that Zoning Designation, as adjusted by the Annual Tax Escalation Factor.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall levy the Maximum Special Tax on each Parcel of Developed Property in CFD No. 3. The Special Tax for CFD No. 3 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes provided, however, that CFD No. 3 may (under the authority of Government Code Section 53340) in any particular case bill the taxes directly to the property owner off the County tax roll, and the Special Tax will be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on Public Property.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

EXHIBIT C

CITY OF ROSEVILLE
COMMUNITY FACILITIES DISTRICT NO. 3
(MUNICIPAL SERVICES)

Annexation No. 27 (Torrente)

Property Owner(s) and Assessor Parcel Number(s)

Assessor's Parcel No.	Name of Property Owner
498-010-059-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee
498-010-060-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee
498-010-061-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee
498-010-062-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee
498-010-063-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee
498-010-064-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee
498-010-065-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee
498-010-066-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee
498-010-069-00	The Cyril Barbaccia Irrevocable Trust, John J. Guerra, Jr., Trustee

COUNCIL COMMUNICATION

CC #: 1949
File #: 0323

Title:	Military Equipment Policy
Contact:	Troy Bergstrom 916-774-5058 tbergstrom@roseville.ca.us Doug Blake 916-746 1043 dblake@roseville.ca.us

Meeting Date: 3/2/2022
Item #: 8.1.

RECOMMENDATION TO COUNCIL

Staff recommends the City Council adopt findings pursuant to California Assembly Bill 481 and introduce for first reading an ordinance adopting a "Military Equipment" policy authorizing the Roseville Police Department's continued use of "military equipment", as defined by Assembly Bill 481, obtained prior to January 1, 2022 and going forward.

BACKGROUND

AB 481

Assembly Bill 481 ("AB 481" or the "Bill") was signed by Governor Newsom on September 30, 2021, and requires that law enforcement agencies obtain approval from the agency's governing body prior to purchasing, raising funds for, or acquiring "military equipment", using "military equipment", and collaborating with other law enforcement agencies in the deployment or use of "military equipment" within the governing body's territorial jurisdiction.

The term "military equipment", as used in AB 481, in fact does not necessarily indicate equipment that has been used by the military, obtained from the military, or is even considered military grade. Pursuant to AB 481, items deemed to be "military equipment" include, but are not limited to, unmanned aerial or ground vehicles (i.e. drones or bomb disposal robots), armored vehicles, command post vehicles, battering rams, water cannons, pepper balls, "bean bag" launchers, "rubber bullets", long range acoustic devices, and commonly used long rifles.

The Bill's stated intent is to increase transparency, accountability and oversight surrounding the acquisition and use of the designated "military equipment" by state and local law enforcement.

Governing body approval under AB 481 must take the form of an ordinance adopting a publicly released, written military equipment policy, which must address a number of specific topics. These topics include the type, quantity, capabilities, purposes, and authorized uses of each type of "military equipment", the fiscal impact of their acquisition and use, the legal and procedural rules that govern their use, the training required by any officer allowed to use the equipment, the

mechanisms in place to ensure policy compliance, and the procedures by which the public may submit complaints. The governing body is required to consider the proposed military equipment policy in open session and may approve the policy only if it makes the following findings:

A. The military equipment is necessary because there is no reasonable alternative that can achieve the same objective of officer and civilian safety.

B. The proposed military equipment use policy will safeguard the public's welfare, safety, civil rights, and civil liberties.

C. If purchasing the equipment, the equipment is reasonably cost effective compared to available alternatives that can achieve the same objective of officer and civilian safety.

D. Prior military equipment use complied with the military equipment use policy that was in effect at the time, or if prior uses did not comply with the accompanying military equipment use policy, corrective action has been taken to remedy nonconforming uses and ensure future compliance.

Staff believes that all of the above findings can be made and that the Roseville Police Department's use of "military equipment" fully complies with AB 481.

For law enforcement agencies that already have existing "military equipment" (equipment acquired prior to January 1, 2022), AB 481 requires agencies to seek governing body approval for the continued use of such equipment no later than May 1, 2022.

AB 481 also requires law enforcement agencies that receive approval for the use of "military equipment" to submit annual reports to the governing body regarding the use of the equipment, any complaints received, any internal audits or other information about violations of the military equipment use policy, the cost and quantity of each type of military equipment, and the quantity of military equipment if the agency intends to acquire additional military equipment in the next year. The governing body is required to review any ordinance it has adopted at least annually and vote on whether to renew the ordinance at a regular public meeting.

Roseville Police Department's "Military Equipment" Policy

The Roseville Police Department has prepared a proposed "Military Equipment" policy that complies with AB 481 and is based on a model policy utilized by many other law enforcement agencies in California. A copy of the proposed policy is attached as an exhibit to this staff report. Additionally, pursuant to AB 481, the proposed "Military Equipment" policy has also been published on the Roseville Police Department's website for over 30 days. The proposed "Military Equipment" Policy provides a list of the "military equipment" utilized by the Roseville Police Department, much of which is utilized by the Regional Special Weapons and Tactics "SWAT" Team, which inherently uses specialized equipment with heavy training.

AB 481 requires the City Council approve not only the current equipment in use, but also any future acquisition or use. So the proposed ordinance seeks approval of future use of all "military equipment" contemplated by AB 481, subject to the proposed "Military Equipment" policy and all normal purchasing and procurement requirements.

FISCAL IMPACT

There is no fiscal impact associated with the proposed policy as the equipment identified in the "Military Equipment" policy has already been funded and acquired. Any future equipment would be subject to approved budgets at the time of acquisition and approval.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute Section 21065 and CEQA State Guidelines Section 15060(c)(3) and Section 15378. Adoption of the proposed Military Equipment Policy meets the above criteria and is not subject to CEQA. No additional environmental review is required.

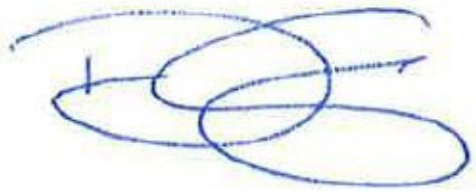
CITY COUNCIL STRATEGIC PLAN/OVERARCHING GOALS

Goal B – Support community engagement and advocacy
Goal C – Maintain a safe and healthy community

Respectfully Submitted,

Doug Blake, Police Captain

Troy Bergstrom, Chief of Police



_____
Dominick Casey, City Manager

ATTACHMENTS:

Description

Ordinance

Military Equipment Policy

ORDINANCE NO. 6461

ADOPTING A MILITARY EQUIPMENT POLICY AND APPROVING THE USE, ACQUISITION, AND SEEKING OF FUNDING FOR MILITARY EQUIPMENT

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1.

A. On September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481, relating to the use of military equipment by law enforcement agencies.

B. Assembly Bill 481, codified at California Government Code sections 7070 through 7075, requires law enforcement agencies to obtain approval of the applicable governing body, by an ordinance adopting a "military equipment" use policy, at a regular meeting held pursuant to open meeting laws, prior to taking certain actions relating to the funding, acquisition, or use of military equipment. The term "military equipment" is defined in California Government Code section 7070(c).

C. Assembly Bill 481 allows the governing body of a city to approve the funding, acquisition, and/or use of military equipment within its jurisdiction only if it makes specified findings.

D. The proposed Roseville Police Department military equipment use policy is titled "Military Equipment", Policy No. 706, within the Roseville Police Department Policy Manual.

E. Roseville Police Department Policy No. 706 "Military Equipment", along with a list of current "military equipment", was published on the Roseville Police Department's internet website on January 28, 2022 and has remained published. The Roseville Police Department Policy No. 706 "Military Equipment" was presented to City Council for the City of Roseville on March 2, 2022.

F. The Roseville Police Department Policy No. 706 "Military Equipment" meets the requirements of California Government Code section 7070(d).

SECTION 2. The Council of the City of Roseville has reviewed the facts and findings made at the March 2, 2022, City Council meeting, and makes the following findings:

A. The "military equipment" (as defined by California Government Code section 7070(c)) is necessary because there is no reasonable alternative that can achieve the same objective of officer and civilian safety;

B. The proposed "Military Equipment" Policy No. 706 will safeguard the public's welfare, safety, civil rights, and civil liberties;

C. The current "military equipment" identified in "Military Equipment" Policy No. 706 and purchasing any future "military equipment" on the list of "military equipment" (as defined by California Government Code section 7070(c)) is reasonably cost effective compared to available alternatives that can achieve the same objective of officer and civilian safety;

D. Prior "military equipment" use complied with the military equipment use policy that was in effect at the time;

E. Roseville Police Department Policy No. 706 "Military Equipment" is approved and adopted and City Council authorizes the use, acquisition, and seeking of funds for all "military equipment" as defined by California Government Code section 7070(c) and Policy No. 706 "Military Equipment".

SECTION 3. This ordinance shall be effective at the expiration of thirty (30) days from the date of its adoption.

SECTION 4. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

_____
MAYOR

ATTEST:

_____
City Clerk

Military Equipment

706.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, use, collaborating in the use, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072).

706.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

Governing body – The elected or appointed body that oversees the Roseville Police Department.

Military equipment – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue firearms and standard-issue ammunition.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices (LRADs).
- Kinetic energy weapons and munitions.
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

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706.2 POLICY

It is the policy of the Roseville Police Department that members of this department comply with the provisions of Government Code § 7071 with respect to military equipment.

706.3 MILITARY EQUIPMENT COORDINATOR

The Chief of Police should designate a member of this department to act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

(a) Acting as liaison to the governing body for matters related to the requirements of this policy.

(b) Identifying department equipment that qualifies as military equipment in the current possession of the Department, or the equipment the Department intends to acquire that requires approval by the governing body.

(c) Conducting an inventory of all military equipment at least annually.

(d) Collaborating with any allied agency that may use military equipment within the jurisdiction of the Roseville Police Department (Government Code § 7071).

(e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:

1. Publicizing the details of the meeting.
2. Preparing for public questions regarding the department's funding, acquisition, and use of equipment.

(f) Preparing the annual military equipment report for submission to the Chief of Police and ensuring that the report is made available on the department website (Government Code § 7072).

(g) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Department will respond in a timely manner.

706.4 MILITARY EQUIPMENT INVENTORY

The following constitutes a list of qualifying equipment for the Department: See attachment: Military Equipment Jan 2022.pdf

706.5 APPROVAL

The Chief of Police or the authorized designee shall obtain approval from the governing body by way of an ordinance adopting the military equipment policy. As part of the approval process, the Chief of Police or the authorized designee shall ensure the proposed military equipment policy is submitted to the governing body and is available on the department website at least 30 days prior to any public hearing concerning the military equipment at issue (Government Code § 7071). The military equipment policy must be approved by the governing body prior to engaging in any of the following (Government Code § 7071):

(a) Requesting military equipment made available pursuant to 10 USC § 2576a.

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(b) Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.

(c) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.

(d) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of this department.

(e) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body.

(f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.

(g) Acquiring military equipment through any means not provided above.

706.6 COORDINATION WITH OTHER JURISDICTIONS

Military equipment should not be used by any other law enforcement agency or member in this jurisdiction unless the military equipment is approved for use in accordance with this policy.The Department should not use military equipment belonging to any other law enforcement agency unless the military equipment is approved for use in that jurisdiction.

Military equipment use and acquisition is often a collaboration with the City of Rocklin and the Rocklin Police Department due to our regional SWAT and EOD teams.

706.7 ANNUAL REPORT

Upon approval of a military equipment policy, the Chief of Police or the authorized designee should submit a military equipment report to the governing body for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Chief of Police or the authorized designee should also make each annual military equipment report publicly available on the department website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in department inventory.

706.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report, the Department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Department should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment.

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706.9 COMPLAINT PROCEDURE

All complaints or concerns regarding this policy will be handled pursuant to the Department's normal complaint process.

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Attachments

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Military Equipment Jan 2022.pdf

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DESCRIPTION (Military item)	**QUANTITY** (sought or possessed)	**CAPABILITIES**	**EXPECTED LIFESPAN**	**PRODUCT DESCRIPTION** (MANUFACTURER)	**PURPOSE** (AUTHORIZED USE)	**FISCAL IMPACT** (INITIAL AND YEARLY COST)	**LEGAL RULES**	**TRAINING** (CA POST OR OTHER)	**COMPLIANCE** (OVERSIGHT)	**COMPLAINT PROCEDURE**
TRV	1	Armored Transportation	Less than 20 years	LENCO Armored Vehicles	Transportation and Ballistic Protection	Initial: $383,692 Yearly: $1K	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - 1098	Roseville Policy 1098
Mobile Command Post	1	Mobile field command and control center for critical incidents	Less than 20 years	LDV Vehicles: Command Vehicle	Critical investigative and public safety incidents for mobile technology ICS functions	Subtotal with Tax: $490,177.38 Yearly: $300	835a PC & Federal and State case precedent	In house orientation and IT support	N/A	Roseville Policy 1098
Rifles (SWAT Issued M4's)	20	Lethal Force	15,000 Rounds	Colt Arms	Lethal Force	Initial: $2k each Yearly: $200	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Shotguns (SWAT Issued)	1 Less Lethal (Orange), 1 Breaching	Less than Lethal/Lethal Force	30,000 Rounds	Remington 870	Less Lethal Force Compliance/Entry Breaching/Lethal Force	Initial: $400. Yearly: $0.00	835a PC & Federal and State case precedent	CA POST Basic SWAT Breaching School/ CA POST Certified Extended Range Projectile Munitions (4hrs)	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
40 MM	2	Less than Lethal Force	10,000 Rounds	LMT	Less Lethal Force Compliance	Initial: $1000 each Yearly: $0.00	835a PC & Federal and State case precedent	CA POST Certified Extended Range Projectile Munitions (4hrs)	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
40 MM Baton Round	52	Less than Lethal Force	10 years	Defense Technologies	Less Lethal Force Compliance	Initial: $20 ea. Yearly: $500 max depending on dispersion.	835a PC & Federal and State case precedent	CA POST Certified Extended Range Projectile	After Action Review, UOF Admin review, Internal Affairs	Roseville Policy 1098

								Munitions (4hrs)	Investigation - Policy 1098	
40 MM Baton Extended	73	Less than Lethal Force	10 years	Defense Technologies	Less Lethal Force Compliance	Initial: $20 ea. Yearly: $500.	835a PC & Federal and State case precedent	CA POST Certified Extended Range Projectile Munitions (4hrs)	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
40 MM OC Round	15	Less than Lethal Force	5 years	Defense Technologies	Less Lethal Force Compliance	Initial: $20 ea. Yearly: $100.	835a PC & Federal and State case precedent	CA POST Certified Extended Range Projectile Munitions (4hrs)	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
40 MM CS Barricade 4330	59	Less than Lethal Force	5 years	CTS Combined Tactical Solution's	Less Lethal Force Compliance	Initial: $22 ea. Yearly: $100.	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Blank Shell Gas	25	Propel Chemical Agents	10 years	CTS Combined Tactical Solution's	Used to propel chemical agents from Gas Launcher Cup	Initial: $50 Yearly: Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Shotgun Bean Bag Round	6	Less than Lethal Force	10 years	Defense Technologies	Less Lethal Force Compliance	Initial: $5. each Yearly: $0.00 Dispersion dependent	835a PC & Federal and State case precedent	CA POST Certified Extended Range Projectile Munitions (4hrs)	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Gas Launcher Cup Attachment	3	Launch Chemical Agents	Unknown	CTS Combined Tactical Solution's	Used to propel chemical agents from Gas Launcher Cup	Initial: $260 ea. Yearly: $0.00	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Gas Spike	1	Introducing Chemical Agents	Unknown	Tomahawk Tactical	Introducing Chemical Agents into structure remotely	Initial: $4K Yearly: $0	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098

Flashbang	9	Less than Lethal Force	5 years	Defense Technology	Light Sound Diversionary Device	Initial: Yearly: Rocklin PD assumed cost	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
9 Bang Flashbang	0	Less than Lethal Force	5 years	Defense Technology	Light Sound Diversionary Device	Initial: Yearly: Rocklin PD assumed cost	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Bang Pole	1	Introduce LSDD's	Unknown	Thunderstick American Tactical Entry Accessories MFG	Introducing LSDD's into specific area remotely	Initial: $500 Yearly: $0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
MP5-SD	1	Lethal Force	15,000 Rounds	Heckler Koch (HK)	Lethal Force	Initial: $1,200 Yearly: $0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Jet Smoke 5210 JL	13	Less than Lethal Force	5 years	CTS Combined Tactical Solution's	Less Lethal Force Compliance	Initial: $34 ea Yearly: $0 Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Baffled Smoke 5210	5	Less than Lethal Force	5 years	CTS Combined Tactical Solution's	Less Lethal Force Compliance	Initial: $35 ea Yearly: $0 Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Baffled CS 5230	25	Less than Lethal Force	5 years	CTS Combined Tactical Solution's	Less Lethal Force Compliance	Initial: $28 ea Yearly: $0 Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Unbaffled CS 5230	15	Less than Lethal Force	5 years	CTS Combined Tactical Solution's	Less Lethal Force Compliance	Initial: $28 ea Yearly: $0 Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs	Roseville Policy 1098

									Investigation - Policy 1098	
Aerosol OC CS 6343	17	Less than Lethal Force	5 years	CTS Combined Tactical Solution's	Less Lethal Force Compliance	Initial: $36 ea Yearly: $0 Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
TRI Chambers	7	Less than Lethal Force	5 years	DEF Tech	Less Lethal Force Compliance	Initial: Rocklin assumed cost Yearly: Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
CS 8230 Tactical Grenade Smoke	7	Less than Lethal Force	5 years	CTS Combined Tactical Solution's	Less Lethal Force Compliance	Initial: Rocklin assumed cost Yearly: Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Muzzle Bangs	50	Less than Lethal Force	10 years	CTS Combined Tactical Solution's	Light Sound Diversionary Device	Initial: $7 ea Yearly: Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Breaching Shells	27 Black Caps, 32 Green Caps	Breaching Barricaded Entry/Lethal Force	10 years	Royal Arms	Bolt/Hinge Removal for entry into structures	Initial:$20 ea. box Yearly: Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Breaching School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
4210 40 MM White SMOKE	2	Less than Lethal Force	5 years	CTS Combined Tactical Solution's	Less Lethal Force Compliance	Initial:$50 Yearly: Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
CS Irritant Smoke	4	Less than Lethal Force	5 years	Sage Control Ordinance	Less Lethal Force Compliance	Initial: $50 Yearly: Dispersion dependent	835a PC & Federal and State case precedent	CA POST Basic SWAT Gas School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Sniper Rifles	4	Lethal Force	10,000 Rounds	Kimber 308	Lethal Force/Over Watch	Initial:$3K ea. Yearly: $100	835a PC & Federal and State	CA POST Basic SWAT	After Action Review, UOF Admin review,	Roseville Policy 1098

							case precedent	Sniper School	Internal Affairs Investigation - Policy 1098	
Inline Night Vision (Sniper)	2	Night Vision	Unknown	Knight Force	Rifle Mounted Night Vision	Initial: $5K Yearly: $0 Grant funded OES	835a PC & Federal and State case precedent	CA POST Basic SWAT Sniper School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Night Vision Goggles w/Weapon Mounted	4	Night Vision	Unknown	PVS-14 Gen III WP	Helmet Mounted Night Vision	Initial: 5K ea. Yearly: $0 Grant funded OES	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Rifle Mounted Monocular	2	Night Vision	Unknown	SIMRAD Optronics	Rifle Mounted Night Vision	Initial: $5K Yearly: 0$ Grant funded OES	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Night Vision Monocular	1	Night Vision	Unknown	NAIT	Handheld Night Vision	Initial:$2K Yearly: $0 Grant funded OES	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Red Dot Sight Apertures	16	Sight Alignment	10 years	EO Tech	Illuminated Sight Alignment	Initial:$300 Yearly:$0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Night Vision Goggles	1	Night Vision	Unknown	Armasight NVG	Head Mounted Night Vision	Initial:$2K Yearly:$0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Pole Camera	1	Video Images from Remote Location	Unknown	CORE Tactical Electronics	Real Time Video Display from under closed door or unreachable location	Initial: $700 Yearly: $0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098

Robot (Throwbot)	1	Video Images from Remote Location	4-5 years	RECON Robotics	Remote Control Maneuverability with Real Time Video Display	Initial: $6,000 Yearly: $0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Magnifiers	15	Magnification of Sight Aperture	10 years	EO Tech	Sight Magnification	Initial: $400 Yearly: $0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Magnifiers (Snipers)	4	Magnification of Sight Aperture	10 Years	Leupold MKIV	Sight Magnification	Initial:$400 Yearly:$0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Suppressors (Snipers)	4	Noise Suppression	10,000 Rounds	Griffin Armament	Noise Suppression	Initial:$800 Yearly:$0	835a PC & Federal and State case precedent	CA POST Basic SWAT School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Patrol Red Dot Optics	130	Rifle Sight. Non magnified	10 years	Aimpoint	Rifle Sight	$30 year/ batteries	835a PC & Federal and State case precedent	1 hour for Zero.	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Pepperball Launcher	8	Less Lethal force option	10 years	Pepperball Inc	Less Lethal force option	Initial: entire system $700 No annual fee.	835a PC & Federal and State case precedent	1 hour In-House Trng	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Pepperball Munitions	1000	Less Lethal force option	10 years	Pepperball Inc	Less Lethal force option	$1000 year for inert rounds.	835a PC & Federal and State case precedent	1 hours In-House Trng	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
40mm Launcher	45 (+2 more in SWAT)	Less Lethal force	20 years	LMT	Less Lethal force	$1000 year/ training rounds	835a PC & Federal and State case precedent	(4) hour POST Certified course	After Action Review, UOF Admin review, Internal Affairs	Roseville Policy 1098

									Investigation - Policy 1098	
40mm munition	300	Less Lethal Blue Sponge Round munition	5 years	Def Tech	Less Lethal force	$0-$1500 year	835a PC & Federal and State case precedent	(4)hours POST Certified Course	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
40mm munition	50	Less Lethal Orange OC munition	5 years	Def Tech	Less Lethal force	$0-$1000 per year.	835a PC & Federal and State case precedent	(4)hour POST Certified course	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
Bean Bag Launcher	65	Less Lethal force	30 years	Remington	Less Lethal force	$0 annually. Being phased out.	835a PC & Federal and State case precedent	(4)hour POST Certified Course	Being Phased out of dept use.	Roseville Policy 1098
Bean Bag Munitions	400	Less Lethal force munition	10 years	Def Tech	Less Lethal force	$0 annually. Being phased out.	835a PC & Federal and State case precedent	(4)hours POST course	Being Phased out of dept use.	Roseville Policy 1098
UAS SECTION										
DJI Matrice 210	1 (Purchased from DJI)	UAS – Remote Piloted	2-5 years	DJI	See attached RPD Policy	9,000 initial / 400-800 annual	FAA Requirements and Regulations.	FAA Part 107, RPD monthly training/skills	Sergeant and Lt oversight of the team / Monthly Reporting to FAA	Professional Standards Unit Roseville Policy 1098
DJI Enterprise	2 (Purchased from DJI)	UAS – Remote Piloted	2-5 years	DJI	See attached RPD Policy	4500 initial / 800per / annual battery maintenance	FAA Requirements and Regulations.	FAA Part 107, RPD monthly training/skills	Sergeant and Lt oversight of the team / Monthly Reporting to FAA	Professional Standards Unit Roseville Policy 1098
DJI Mavic Mini	2 (Purchased DJI)	UAS – Remote Piloted	2-5 years	DJI	See attached RPD Policy	400 initial / 200per / annual battery maintenance	FAA Requirements and Regulations.	FAA Part 107, RPD monthly training/skills	Sergeant and Lt oversight of the team / Monthly Reporting to FAA	Professional Standards Unit Roseville Policy 1098
DJI Mavic Mini 2	1 (Purchased from DJI)	UAS – Remote Piloted	2-5 years	DJI	See attached RPD Policy	400 initial / 200 / annual battery maintenance	FAA Requirements and Regulations.	FAA Part 107, RPD monthly training/skills	Sergeant and Lt oversight of the team / Monthly Reporting to FAA	Professional Standards Unit Roseville Policy 1098

DJI Phantom 4	2 (Purchased from DJI)	UAS – Remote Piloted	At end of lifespan	DJI	See attached RPD Policy	2000 per initial / no annual cost	FAA Requirements and Regulations.	FAA Part 107, RPD monthly training/skills	Sergeant and Lt oversight of the team / Monthly Reporting to FAA	Professional Standards Unit Roseville Policy 1098
PAN Disruptor	4	General disruption tool	At end of lifespan	Ideal Explosives/Carbon Fire	See attached RPD Policy	$5000 per unit/ No annual cost	FBI Requirements and Regulations	FBI Hazardous Devices School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
PAN Rounds	96 Rounds	General disruption tool	Consumable	Carbon Fire	See attached RPD Policy	Part of a $5500 annual consumable budget	FBI Requirements and Regulations	FBI Hazardous Devices School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
High Explosives	130 LBS	Used in general disruption tools, render safe, and counter charging	Consumable	Alpha Explosives	See attached RPD Policy	Part of a $5500 annual consumable budget	FBI Requirements and Regulations	FBI Hazardous Devices School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
ICOR Robot	1	Remote piloted	At end of lifespan	ICOR	See attached RPD Policy	$75000/ Part of a $1500 annual maintenance budget	FBI Requirements and Regulations	FBI Hazardous Devices School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
RONS Robot	1	Remote piloted	At end of lifespan	ANDROS	See attached RPD Policy	10-33 program/ Part of a $1500 annual maintenance budget	FBI Requirements and Regulations	FBI Hazardous Devices School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098
PacBot	2	Remote piloted	At end of lifespan	PacBot	See attached RPD Policy	10-33 program/ Part of a $1500 annual maintenance budget	FBI Requirements and Regulations	FBI Hazardous Devices School	After Action Review, UOF Admin review, Internal Affairs Investigation - Policy 1098	Roseville Policy 1098