ROCKLIN CITY COUNCIL SPECIAL

City Council Special Meeting
City Hall - Council Chambers
3970 Rocklin Rd. Rocklin, CA 95677
Website: www.rocklin.ca.us

November 18, 2025
Closed Session at 5:30 p.m.
Special Session at 6:00 p.m.

AMENDED AGENDA
*Closed Session Item CS2 added

JILL GAYALDO, *Mayor*
DAVID BASS, *Vice Mayor*
KEN BROADWAY, *Council Member*
BILL HALLDIN, *Council Member*
GREG JANDA, *Council Member*

ALY ZIMMERMANN, *City Manager*
MATTHEW MCOMBER, *City Attorney*
DANIEL CHOE, *City Treasurer*
AVINTA SINGH, *City Clerk*

HOW TO PARTICIPATE

The City of Rocklin welcomes your interest and involvement in the City's legislative process. The City Council has established a procedure for addressing the Council. Persons wishing to address the City Council are asked to voluntarily complete and submit a speaker identification sheet to the City Clerk. Speaker identification sheets are available near the entrance of the Council Chambers. For items listed on the agenda, any person may address the City Council at the time the item is considered. Speakers are requested to restrict their comments to the item as it appears on the agenda and stay within the required three-minute time limit. The Brown Act does not permit the City Council to take action on items brought up under Citizens Addressing the City Council.

WRITINGS RECEIVED AFTER AGENDA POSTING

Any writing or documents related to an agenda item for this meeting provided to the City Council will be made available for public inspection at City Hall, 3970 Rocklin Road, Rocklin, during normal business hours.

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans with Disabilities Act, the City of Rocklin encourages those with disabilities to participate fully in the public hearing process. If you have a special need in order to allow you to attend or participate in our public meeting and public hearing processes, including receiving notices, agendas, and other writings in appropriate alternative formats, please contact our office at (916) 625-5560 well in advance of the public meeting or public hearing you wish to attend so that we may make every reasonable effort to accommodate you.

LEVINE ACT PROVISIONS

The Levine Act requires a party (or the party's agent(s)) to a proceeding before the City of Rocklin that involves any action or consideration to their contract, license, permit, or other entitlement for use, to disclose any campaign contribution made to a City elected or appointed officer (including Councilmembers, Planning Commissioners, and members of other City boards and commissions) totaling more than $500 within the 12 months before the City decision.

AUDIO/VISUAL PRESENTATIONS

If making a presentation regarding an agenda item, all audio/visual materials must be submitted to the City Clerk or Secretary at least 72 hours in advance. The City is not responsible for the compatibility or operation of non-city devices or the functionality of non-city presentations.

POSTING OF AGENDA

In accordance with Government Code Section 54954.2(a) this agenda was posted on the City's bulletin board at City Hall, 3970 Rocklin Road, Rocklin, and City of Rocklin website at www.rocklin.ca.us.

AGENDA

SPECIAL MEETING INSTRUCTIONS

The public may listen to audio or view the meeting via live stream at https://www.rocklin.ca.us/agendas-minutes.
For those that do not plan on attending in person, but wish to make a public comment during the meeting, public comments will be accepted in email form until 3:00 p.m. on the meeting day. Public comments should be submitted to the City Clerk at PublicComments@rocklin.ca.us. Emailed public comments will be distributed to City Council and treated as a public record.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT ON CLOSED SESSION

CLOSED SESSION

CS1. Pursuant to Government Code Section 54956.9(d)(1), Conference with Legal Counsel, Existing Litigation: Jones v. Madani, et al., Placer County Superior Case No. S-VC-0049988

CS2. Pursuant to Government Code Section 54956.9(d)(1), Conference with Legal Counsel, Existing Litigation: Nicholas Hann v City of Rocklin, A. Teichert Son, Inc., et al., Placer County Superior Court Case No. S-CV-0047863

REPORT OUT OF CLOSED SESSION

CALL GENERAL SESSION TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA REVIEW

CITIZENS ADDRESSING THE CITY COUNCIL

CONSENT CALENDAR

C1. Proclamation Declaring October as Hindu Heritage Month and Recognizing the Festival of Diwali
Recommendation: Approve a Proclamation Declaring October as Hindu Heritage Month and Recognizing the Festival of Diwali, and Designate the Mayor to Sign the Proclamation on Behalf of the City Council.

C2. First Amendment to Financial Statement Audit Services Agreement
Recommendation: Adopt a Resolution of the City Council of the City of Rocklin Ratifying and Authorizing the City Manager to Execute the First Amendment to the Agreement for Financial Statement Audit Services with Chavan & Associates, LLP and Related Expenditures.

C3. First Amendment to Investment Management Services Agreement
Recommendation: Adopt a Resolution of the City Council of the City of Rocklin Ratifying and Authorizing the City Manager to Execute the First Amendment to the Agreement for Investment Management and Advisory Services with Chandler Asset Management, Inc. and Related Expenditures.

C4. CentralSquare Technologies, LLC Solutions Agreement
Recommendation: Adopt a Resolution of the City Council of the City of Rocklin Approving and Authorizing the City Manager to Execute a Software Solutions Agreement with CentralSquare Technologies, LLC.

C5. Accounts Paid List - July to September 2025
Recommendation: Receive the Accounts Paid List for July 1, 2025 to September 30, 2025.

C6. AB 1600 Development Impact Fee Annual Reports for Fiscal Year 2024/25
Recommendation: Adopt a Resolution of the City Council of the City of Rocklin Accepting Development Impact Fee Reports for the Period Ending June 30, 2025 as Required by Government Code Sections 66000 ET SEQ.

C7. Quarterly Treasurer's Report
Recommendation: Receive the Treasurer's Report for the Quarter Ending September 30, 2025.

C8. Janitorial and Security Services for City of Rocklin Park Facilities

Recommendation: Adopt a Resolution of the City Council of the City of Rocklin Awarding the Agreement for Services for Janitorial and Park Security Services for City of Rocklin Park Facilities and Authorizing the City Manager to Execute the Contract.

C9. Temporary Construction Easement with Pacific Gas & Electric

Recommendation: Adopt a Resolution of the City Council of the City of Rocklin Approving and Authorizing the City Manager to Execute a Temporary Construction Easement Agreement at 4201 Midas Ave with Pacific Gas & Electric Company.

C10. Call Processing Equipment Maintenance Agreement with AT&T

Recommendation: Adopt a Resolution of the City Council of the City of Rocklin Ratifying a Multi-Service Agreement with AT&T, Inc. and Authorizing the City Manager to Sign the Agreement and Subsequent Amendments.

C11. Notice of Completion - Bluffs Subdivision Road Reconstruction Phase 1 Project

Recommendation:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving Change Order No. 1 to the Bluffs Subdivision Road Reconstruction Phase 1 Project and Authorizing the City Manager to Execute Change Order No. 1 with All Phase Construction, Inc.
B. Adopt a Resolution of the City Council of the City of Rocklin Accepting the Public Work Known as the Bluffs Subdivision Road Reconstruction Phase 1 Project Approving the Notice of Completion Thereof, and Authorizing and Directing the Execution and Recordation of Said Notice on Behalf of the City (All Phase Construction, Inc.).

C12. Notice of Completion - Remediation of 5255 Pacific Street (Big Gun Site)

Recommendation:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving Change Order No. 1 For the Remediation of 5255 Pacific Street (Big Gun Site) Project and Authorizing the City Manager to Execute Change Order No. 1 with American Integrated Services, Inc.
B. Adopt a Resolution of the City Council of the City of Rocklin Accepting the Public Work Known as the Remediation of 5255 Pacific Street (Big Gun Site) Project, Approving the Notice of Completion Thereof, and Authorizing and Directing the Execution and Recordation of Said Notice on Behalf of the City (American Integrated Services, Inc.).

C13. Pacific Street at Midas Avenue Signal Pole Replacement

Recommendation:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving a Notice of Exemption (Pacific Street at Midas Avenue Signal Pole Replacement).

B. Adopt a Resolution of the City Council of the City of Rocklin Awarding the Contract for the Pacific Street at Midas Avenue Signal Pole Replacement to Bear Electrical Solutions, LLC. and Authorizing the City Manager to Execute an Agreement.

PRESENTATIONS

P1. Proclamation Declaring October as Hindu Heritage Month and Recognizing the Festival of Diwali

PUBLIC HEARINGS

PH1. Annexation Into Community Facilities District No. 1 (College Park South (C-2 East and West))

Recommendation: Conduct a Public Hearing and Consider the Following Actions:

A. Adopt a Resolution of the City Council of the City of Rocklin of Annexation of Territory to Community Facilities District No. 1 (Annexation No. 95), Authorizing the Levy of a Special Tax, and Submitting Levy of Tax to Qualified Electors (College Park South (C-2 East and West), APNs 045-131-015-000 and 045-131-016-000).

B. Adopt a Resolution of the City Council of the City of Rocklin Declaring Results of Special Annexation Election, Determining Validity of Prior Proceedings, and Directing Recording of Amended Notice of Special Tax Lien Pertaining to Community Facilities District No. 1 (Annexation No. 95) (College Park South (C-2 East and West), APNs 045-131-015-000 and 045-131-016-000).

PH2. Annexation Into Community Facilities District No. 5 (College Park South (C-2 East and West))

Recommendation: Conduct a Public Hearing and Consider the Following Actions:

A. Adopt a Resolution of the City Council of the City of Rocklin of Annexation of Territory to Community Facilities District No. 5 (Annexation No. 81), Authorizing the Levy of a Special Tax, and Submitting Levy of Tax to Qualified Electors (College Park South (C-2 East and West), APNs 045-131-015-000 and 045-131-016-000).

B. Adopt a Resolution of the City Council of the City of Rocklin Declaring Results of Special Annexation Election, Determining Validity of Prior Proceedings, and Directing Recording of Amended Notice of Special Tax Lien Pertaining to Community Facilities District No. 5 (Annexation No. 81) (College Park South (C-2 East and West), APNs 045-131-015-000 and 045-131-016-000).

PH3. Affordable Housing Agreements with Community HousingWorks for the Development of an Affordable Housing Project at Oak, Pine and Pacific Streets

Recommendation: Conduct a Public Hearing and Consider the Following Actions:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving an Amended and Restated Affordable Housing Agreement By and Between the City and Pacific Street Housing Associates Four, L.P., a California Limited Partnership.

B. Adopt a Resolution of the City Council of the City of Rocklin Approving an Affordable Housing Agreement By and Between the City and Pacific Street Housing Associates Nine, L.P., a California Limited Partnership.

FUTURE AGENDA ITEMS

ADJOURNMENT

City Council Special Staff Report

Subject: Proclamation Declaring October as Hindu Heritage Month and Recognizing the Festival of Diwali

Date: November 18, 2025

Submitted By: Avinta Singh, City Clerk

Department: City Clerk's Office

Recommendation:
Approve a Proclamation Declaring October as Hindu Heritage Month and Recognizing the Festival of Diwali, and Designate the Mayor to Sign the Proclamation on Behalf of the City Council.

ATTACHMENTS:
1. Hindu Heritage Month Proclamation and Diwali Recognition

Proclamation

Issued by City Council

Hindu Heritage Month - October 2025
Recognizing the Festival of Diwali

WHEREAS, *Hinduism is the third largest religion in the world with more than 1 billion followers worldwide including several million in the United States. The City of Rocklin is home to a vibrant Hindu community and the Hindu heritage, culture, traditions, and values have enriched our diverse city; and*

WHEREAS, *Hindu-Americans have made significant contributions across all fields including science, education, medicine, law, politics, business, culture, sports and more; and*

WHEREAS, *the U.S. Congress officially passed unanimous resolutions since 2007 recognizing the religious and historical significance of Diwali; and*

WHEREAS, *in 2025, Diwali fell on Monday, October 20 in accordance with the lunar calendar, bringing together families, friends, and communities here in the U.S. and around the globe in goodwill, peace, and a shared sense of renewal. During the month of October 2025, the Hindu community across the state of California and across the nation collectively celebrated Hindu Heritage; providing an opportunity to focus on Hindu culture and its diverse spiritual traditions rooted in India; and*

WHEREAS, *Diwali is one of the most celebrated festivals of great significance to Hindus, Sikhs, Jains and Buddhists; and*

WHEREAS, *celebrants renewed their commitment to upholding values of truth, non-harming, and restraint through their thoughts, words, and actions; and*

WHEREAS, *the shared Indian holiday of Diwali signifies a special time of peace and serenity with the hope of building bridges of understanding and tearing down barriers of intolerance.*

NOW, THEREFORE, BE IT RESOLVED *that the City of Rocklin does hereby recognize October as Hindu Heritage Month and the significance of Diwali, Festival of Lights and Diwali's message of tolerance, compassion, and the victory of good over evil which resonates with American spirit.*

In witness whereof I have hereunto set my hand and caused this seal to be affixed.

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

ROCKLIN
CALIFORNIA

City Council Special Staff Report

Subject: First Amendment to Financial Statement Audit Services Agreement

Date: November 18, 2025

Submitted By: Diane Ahn, Accounting Officer
Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:
Adopt a Resolution of the City Council of the City of Rocklin Ratifying and Authorizing the City Manager to Execute the First Amendment to the Agreement for Financial Statement Audit Services with Chavan & Associates, LLP and Related Expenditures.

Background:
Rocklin Municipal Code RMC Section 2.28.030 requires the City to conduct an annual audit of all City financial transactions and implement such recommendations as may be required to improve the City's financial control and reporting practices.

On May 24, 2022, following the Request for Proposal process, the City entered into an agreement with Chavan & Associates, LLP (Contractor) to provide financial statement audit services for a three-year term ending June 30, 2025, with total compensation not to exceed $123,250.

The Contractor has been providing the required services and has demonstrated a thorough understanding of the City's financial operations and reporting requirements.

The City and Contractor now desire to amend the existing agreement to extend the term for an additional two years through June 30, 2027, with an effective date of July 1, 2025. The amendment also increases the total compensation by $89,750, for a new not-to-exceed amount of $213,000, to cover financial statement audit services for fiscal years (FYs) ending June 30, 2025, and June 30, 2026.

Because the initial agreement term ended on June 30, 2025, the amendment requires City Council ratification to retroactively effectuate the First Amendment as of July 1, 2025, and to validate any expenses incurred to date. Staff recommends approval and ratification of the First Amendment and authorization for the City Manager to execute the Amendment for financial audit services.

Fiscal Impact:
There is no additional fiscal impact from this recommendation. Funds for financial statement audit services are available and appropriated in the FYs 2025-2027 Operating Budget within the General Fund.

ATTACHMENTS:
1. Resolution
2. Resolution Exhibit A - First Amendment
3. Original Agreement for Financial Statement Audit Services

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN RATIFYING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST AMENDMENT TO THE AGREEMENT FOR FINANCIAL STATEMENT AUDIT SERVICES WITH CHAVAN & ASSOCIATES, LLP AND RELATED EXPENDITURES

WHEREAS, Rocklin Municipal Code Section 2.28.030 requires the City to conduct an annual audit of all City financial transactions and implement such recommendations as required to improve the financial control and reporting of the City; and

WHEREAS, on May 24, 2022, the City entered into an agreement with Chavan & Associates, LLP ("Contractor") to provide financial statement audit services, with an initial term through June 30, 2025, and total compensation of $123,250; and

WHEREAS, the City and Contractor now desire to amend the Agreement to extend the term through June 30, 2027, with an effective date of July 1, 2025, and increase the total compensation amount by $70,000, for a new not-to-exceed amount of $193,250; and

WHEREAS, because the initial term ended on June 30, 2025, City Council ratification is required to effectuate the First Amendment as of July 1, 2025, and to validate any expenses incurred to date.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The recitals are true and correct and are incorporated herein by reference.

Section 2. The First Amendment to the Agreement between the City of Rocklin and Chavan & Associates, LLP, attached hereto and incorporated herein as Exhibit A, and the associated expenses incurred between July 1, 2025 and November 18, 2025, are hereby approved and ratified. The City Manager is hereby authorized and directed to execute the Amendment on behalf of the City.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

Docusign Envelope ID: 3E070891-2BE1-4F36-BED6-9FBABB782264

FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF ROCKLIN AND CHAVAN & ASSOCIATES, LLP FOR FINANCIAL STATEMENT AUDIT SERVICES

This First Amendment is entered into between the City of Rocklin ("City") and Chavan & Associates, LLP, a California registered limited liability partnership ("Contractor").

R E C I T A L S

WHEREAS, City and Contractor have previously entered into an agreement on May 24, 2022, to provide for financial statement audit services ("Original Agreement"); and

WHEREAS, the term of the Original Agreement was in effect until June 30, 2025, and total compensation was not to exceed $123,250; and

WHEREAS, City and Contractor desire to amend the Agreement to extend the term to June 30, 2027, to increase compensation by $89,750 for a total not-to-exceed amount of $213,000, and for the amendment to be effective as of July 1, 2025.

NOW, THEREFORE, the Agreement is amended as follows:

I. Subsection A of Section 2 (Compensation) of the Agreement is hereby deleted in its entirety and replaced, as of the effective date of this First Amendment with the following:

"**2. COMPENSATION**

A. The City shall pay Contractor for the services rendered pursuant to this agreement at the times and in the manner set forth in the Scope of Services, Exhibit A, the Schedule for Performance, Exhibit B, and in accordance with the Schedule of Fees in Exhibit C, but in no event shall the total compensation exceed the total sum of Two Hundred Thirteen Thousand Dollars ($213,000). The payments specified in Exhibits A and/or B shall be the only payments to be made to Contractor for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, City approves additional compensation for additional services."

II. Subsection A of Section 4 (Term of Contract) of the Agreement is hereby deleted in entirety and replaced, as of the effective date of this First Amendment with the following:

Docusign Envelope ID: 3E070891-2BE1-4F36-BED6-9FBABB782264

"**4. TERM OF CONTRACT**

A. This agreement shall become effective on the date that it is approved by both parties, set forth on the first page of the agreement and shall continue in effect until June 30, 2027 unless sooner terminated as provided herein."

III. Exhibit C (Schedule of Fees) of the Agreement is hereby deleted in its entirety and replaced, as of the effective date of this First Amendment with the following:

"**Exhibit C**
Schedule of Fees

			Fiscal Year Ending				
	Hourly Rate	**Hours**	**2022**	**2023**	**2024**	**2025**	**2026**
Engagement Partner	$175	56	$9,800	$10,094	$10,397	$10,709	$11,030
Reviewing Partner	$150	16	$2,400	$2,472	$2,546	$2,623	$2,701
Supervisor	$100	92	$9,200	$9,476	$9,760	$10,053	$10,355
Senior Auditor	$85	112	$9,520	$9,806	$10,100	$10,403	$10,715
Professional Staff	$65	112	$7,280	$7,498	$7,723	$7,955	$8,194
Administrative Staff	$50	16	$800	$824	$849	$873	$900
Professional Discount			($4,000)	($4,170)	($4,125)	($3,866)	($3,895)
Total Fee Base Audit			**$35,000**	**$36,000**	**$37,250**	**$38,750**	**$40,000**
Optional Services:							
State Controller's Report (City)		20	$3,500	$3,500	$3,500	$3,750	$3,750
State Controller's Report (PFA)		10	$1,500	$1,500	$1,500	$1,750	$1,750
Total Maximum Price			**$40,000**	**$41,000**	**$42,250**	**$44,250**	**$45,500**"

IV. **REAFFIRMATION**

In all other respects, the Agreement, as amended, and any attachments, remains in full force and effect.

V. **ENTIRE AGREEMENT**

The Agreement, as amended, and any attachments, constitute the entire understanding between City and Contractor.

VI. **EFFECTIVE DATE**

This First Amendment is effective as of July 1, 2025.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Agreement. By their signatures below, each signatory represents that they have the authority to execute this First Amendment and to bind the Party on whose behalf their execution is made.

CITY OF ROCKLIN

Date: _____

By: _____
Aly Zimmermann, City Manager

APPROVED AS TO FORM:
MATTHEW McOMBER
CITY ATTORNEY

By: Signed by: Crystal Hodgson C832E6B7CE22470...
Crystal Hodgson
Assistant City Attorney

ATTEST:

By: _____
Avinta Singh, City Clerk

CONTRACTOR

Date: 10/29/2025 | 5:13 PM PDT

By: DocuSigned by: Khoa Pham BEC0C702B5EE487...
Khoa "Paul" Pham, Managing Partner

CONTRACT FOR SERVICES

THIS CONTRACT is made on May 24, 2022, by and between the CITY OF ROCKLIN a municipal corporation ("City"), and Chavan & Associates, LLP "Contractor," who mutually agree as follows:

1. SCOPE OF SERVICES

Subject to the terms and conditions set forth in this agreement, Contractor shall provide to the City the services described in the Scope of Work, Exhibit A. Contractor shall provide the services at the time, place and in the manner specified in Exhibits A and/or B. Contractor shall not be compensated for services outside the scope of Exhibit A unless prior to the commencement of the services: (a) Contractor notifies the City and City agrees the services are outside the scope of Exhibit A; (b) Contractor estimates the additional compensation required for these additional services; and (c) City after notice, approves in writing a supplemental agreement specifying the additional services and the amount of compensation therefore. City shall have no obligation whatsoever under this agreement or any supplemental agreement, unless and until the agreement or supplemental agreement is approved by the City Manager, the City Manager's authorized designee, or by the Rocklin City Council, as required by the Rocklin Municipal Code or other local law or policy.

2. COMPENSATION

A. The City shall pay Contractor for the services rendered pursuant to this agreement at the times and in the manner set forth in the Scope of Services, Exhibit A, the Schedule for Performance, Exhibit B, and in accordance with the Schedule of Fees in Exhibit C, but in no event shall the total compensation exceed the **total sum of One Hundred Twenty Three Thousand Two Hundred Fifty dollars ($123,250) .** The payments specified in Exhibits A and/or B shall be the only payments to be made to Contractor for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, City approves additional compensation for additional services.

B. Contractor shall furnish City with invoices for all expenses as well as for all materials authorized by this Contract. The invoices shall be submitted with the monthly billings. Reimbursable expenses shall be limited to actual expenditures of Contractor for expenses that are necessary for the proper completion of the services and shall only be payable if specifically authorized in advance by City.

C. Contractor shall submit all billings/invoices for services to City in the manner specified in Exhibit B. Contractor's fees shall be as specified in the Scope of Work, Exhibit A or the Schedule of Fees as set forth in Exhibit C. All invoices submitted by Contractor shall contain the following information:

(1) Job/project name or description;
(2) City's current purchase order and/or work order number (if applicable);
(3) Contractor's invoice number;
(4) Date of invoice issuance;
(5) Description of services billed under invoice, including the description of tasks performed and the corresponding rate charged for the completion of that task;

(6) Amount of invoice, itemizing all authorized reimbursable expenses; and
(7) Total billed to date under agreement.

D. City shall make payment to Contractor net 30 days from receipt of an acceptable invoice. If Contractor's performance is not in conformity with the Scope of Work, Exhibit A, or the Schedule of Performance, Exhibit B, or the provisions set forth above, payments may be delayed or denied, unless the Contractor's failure to perform is a documented result of the City's failure to conform with the Schedule of Performance, or if the Schedule of Performance is extended pursuant to Section 4. City shall not be responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above, or as set forth in the Schedule of Performance.

E. During performance of the agreement and for a period of three (3) years after completing all services, Contractor shall maintain all accounting and financial records related to this Agreement, including but not limited to records of Contractor's costs for all services performed under this agreement and records of Contractor's reimbursable expenses, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the City upon reasonable written notice.

F. Contractor shall pay when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of payment upon request. Contractor hereby agrees to indemnify City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Contractor's breach of this section.

3. FACILITIES AND EQUIPMENT

Contractor shall at its sole cost and expense, furnish all facilities and equipment that may be required for Contractor to perform services pursuant to this agreement. City shall furnish to Contractor, only the facilities and equipment listed in Exhibit A (if any) according to any terms and conditions set forth in Exhibit A.

4. TERM OF CONTRACT

A. This agreement shall become effective on the date that it is approved by both parties, set forth on the first page of the agreement and shall continue in effect until June 30, 2025 unless sooner terminated as provided herein.

B. The services of Contractor are to commence upon execution of this Contract and shall be undertaken and completed in accordance with the Schedule of Performance attached hereto and incorporated herein by this reference as **Exhibit B.**

5. SUSPENSION/TERMINATION:

A. City shall have the right at any time to temporarily suspend Contractor's performance hereunder, in whole or in part, by giving written notice of suspension to Contractor. If City gives such notice, Contractor shall immediately suspend its activities under this agreement.

B. This Contract may be terminated by either party, provided that the other party is given not less than **thirty (30)** calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate. If the agreement is terminated by the City:

i. Contractor shall immediately cease rendering services pursuant to this agreement;
ii. Contractor shall, not later than five days after such notice of termination, deliver to City copies of all information prepared pursuant to this agreement;
iii. City shall pay Contractor the reasonable value of services rendered by Contractor prior to termination; provided however, City shall not in any manner be liable for lost profits that might have been made by Contractor had the agreement not been terminated or had Contractor completed the services required by this agreement. Contractor shall furnish to City such financial information as in the judgment of the City is necessary for City to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy that city may have in law or equity.

C. Notwithstanding any provisions of this Contract, Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Contract by Contractor, and the City may withhold any payments due to Contractor until such time as the exact amount of damages, if any, due the City from Contractor is determined.

6. INDEPENDENT CONTRACTOR

Contractor enters into this Contract as an independent contractor and not as an employee or agent of the City. Contractor shall have no power or authority by this Contract to act on behalf of City in any capacity whatsoever as an agent, or to bind the City in any respect or to any obligations whatsoever. Nothing in this Contract shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by the Contractor are employees, agents, contractors or subcontractors of the Contractor and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Contractor by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this agreement.

7. AMENDMENTS, CHANGES OR MODIFICATIONS

Amendments, changes or modifications in the terms of this Contract may be made at any time by mutual written agreement between the parties hereto and shall be signed by the persons authorized to bind the parties hereto.

8. EXTENSIONS OF TIME

Contractor may, for good cause, request extensions of time to perform the services required hereunder. Such extensions shall be authorized in advance by the City in writing and shall be incorporated in written amendments to this Contract or the attached Work Program in the manner provided in Section 7.

9. PROPERTY OF CITY

It is mutually agreed that all materials prepared by the Contractor under this Contract shall become the property of the City, and the Contractor shall have no property right therein whatsoever. Immediately upon termination, the City shall be entitled to, and the Contractor shall deliver to the City, all data, drawings, specifications, reports, estimates, summaries and other such materials as may have been prepared or accumulated to date by the Contractor in performing this Contract which is not Contractor's privileged information, as defined by law, or Contractor's personnel information, along with all other property belonging exclusively to the City which is in the Contractor's possession.

10. COMPLIANCE WITH ALL LAWS:

Contractor shall keep itself fully informed of, shall observe and comply with, and shall cause any and all persons, firms or corporations employed by it or under its control to observe and comply with, all applicable laws, ordinances, and codes of federal, State and local governments, which in any manner affect those engaged or employed on the work described by this Contract or the materials used or which in any way affect the conduct of the work, and shall commit no trespass on any public or private property in performing any of the work authorized by this Contract.

For all leases and purchases of materials, equipment, supplies or other tangible personal property used to perform the agreement and shipped from outside California, the Contractor and any subcontractors leasing or purchasing such materials, equipment, supplies or other tangible personal property shall obtain a Use Tax Direct Payment Permit or Seller's Permit from the California State Board of Equalization, in accordance with the applicable SBE criteria and requirements. This provision applies in all instances unless prohibited by the funding source for the agreement.

11. WARRANTIES AND RESPONSIBILITIES - CONTRACTOR

A. Contractor agrees and represents that it is qualified to properly provide the services set forth in **Exhibit "A"** in a manner which is consistent with the generally accepted standards of Contractor's profession.

B. Contractor is duly licensed, qualified and experienced to perform the services set forth in the Scope of Services, Exhibit A. Contractor represents and warrants that Contractor has all licenses, permits, qualifications and approvals of whatsoever nature that are legally required for Contractor to practice its profession or provide any services under this agreement. Contractor represents and warrants that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this agreement, any licenses, permits and approvals that are legally required for Contractor to practice its profession or provide such services. If Contractor is an out of state corporation, Contractor further warrants and represents that it possesses a valid certification of qualification to transact business in the State of California issued by the California Secretary of State.

C. Contractor shall perform all services required pursuant to this agreement in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California. Contractor shall devote such time and effort to the performance of services pursuant to this agreement as is necessary for the satisfactory and timely performance of Contractor's obligations under this agreement. Neither party shall be considered

in default of this agreement to the extent that party's performance is prevented or delayed by any cause that is beyond the reasonable control of that party.

D. All products of whatsoever nature that Contractor delivers to City pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor's profession, and shall be provided in accordance with any scope of services or schedule of performance specified in Exhibits A or B.

E. Contractor shall assign only competent personnel to perform services pursuant to this agreement. Contractor shall designate a project manager who at all times shall represent the Contractor before the City on all matters relating to this Contract. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Contractor, or is replaced with the written approval of the City, which approval shall not be unreasonably withheld. Contractor shall notify City in writing, of any other changes in Contractor's staff assigned to perform the services required under this agreement, prior to any such performance. In the event the City desires the removal of any person assigned by Contractor to perform services pursuant to this agreement, because the City in its sole discretion, determines that such person is not performing in accordance with the standards required herein, Contractor shall remove such person immediately upon receiving notice from the City of the desire for the removal of such person.

F. Contractor agrees and represents that the work performed under this Contract shall be in accordance with applicable federal, State and local law.

G. Contractor shall provide corrective services without charge to the City for services which fail to meet the above professional and legal standards and which are reported to Contractor in writing within sixty (60) days of discovery. Should Contractor fail or refuse to perform promptly its obligations, the City may render or undertake performance thereof and the Contractor agrees it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this agreement is based on such independent investigation and research. Contractor shall be liable for any expenses thereby incurred.

12. SUBCONTRACTING

None of the services covered by this Contract shall be subcontracted without the prior written consent of the City, which will not be unreasonably withheld. Contractor shall be as fully responsible to the City for the negligent acts and omissions of its contractors and subcontractors, and of persons either directly or indirectly employed by them, as it is for the negligent acts and omissions of persons directly employed by Contractor.

13. ASSIGNABILITY

Contractor shall not assign or transfer any interest in this Contract whether by assignment or novation, without the prior written consent of the City. The City has a strong interest in the qualifications and capability of the persons and entities that will fulfill the obligations imposed on Contractor under this agreement. However, claims for money due or to become due Contractor from the City under this Contract may be assigned to a financial institution, or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or

involuntary shall be furnished promptly to the City.

14. INTEREST IN CONTRACT

Contractor covenants that neither it, nor any of its employees, agents, contractors, or subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Contract, nor any other interest which would conflict in any manner or degree with the performance of its services hereunder. Contractor shall make all disclosures required by the City's conflict of interest code in accordance with the category designated by the City, unless the City Manager determines in writing that Contractor's duties are more limited in scope than is warranted by the category designated by the City code and that a narrower disclosure category should apply. Contractor also agrees to make disclosure in compliance with the City conflict of interest code if, at any time after the execution of this Contract, City determines and notifies Contractor in writing that Contractor's duties under this Contract warrant greater disclosure by Contractor than was originally contemplated. Contractor shall make disclosures in the time, place and manner set forth in the conflict of interest code and as directed by the City.

15. MATERIALS CONFIDENTIAL

To the extent permitted by law, all of the materials prepared or assembled by Contractor pursuant to performance of this Contract are confidential and Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the City, except by court order.

16. LIABILITY OF CONTRACTOR-NEGLIGENCE

Contractor shall be responsible for performing the work under this Contract in a manner which is consistent with the generally-accepted standards of the Contractor's profession and shall be liable for its own negligence and the negligent acts of its employees, agents, contractors and subcontractors. The City shall have no right of control over the manner in which the work is to be done but only as to its outcome, and shall not be charged with the responsibility of preventing risk to Contractor or its employees, agents, contractors or subcontractors.

17. INDEMNITY AND LITIGATION, COSTS

To the fullest extent permitted by law, Contractor shall hold harmless, defend at its own expense, and indemnify the City, its officers, officials, agents, employees and volunteers against any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorneys' fees, arising from all acts or omissions of Contractor, or its officers, agents or employees in rendering services under this Agreement; excluding however, such liability, claims, losses, damages or expenses arising from the City's sole negligence, or willful acts. The provisions of this paragraph shall survive termination or suspension of this Contract. These Indemnification provisions are independent of and shall not in any way be limited by the Insurance requirements of this agreement. City approval of the Insurance required by this Agreement does not in any way relieve the Contractor from liability under this section.

18. CONTRACTOR TO PROVIDE INSURANCE

Contractor agrees to have and maintain the policies set forth below, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees. All policies, endorsements, certificates, and/or binders shall be subject to approval by the City as to form and content. A lapse in any required insurance coverage during this Agreement shall be a breach of this Agreement.

A. MINIMUM SCOPE AND LIMIT OF INSURANCE

1. ***Commercial General Liability (CGL)***: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. ***Automobile Liability***: Insurance Services Office Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired (Code 8) and non-owned autos (Code 9), with limit no less than **$1,000,000** per accident for bodily injury and property damage.

3. ***Workers' Compensation*** as required by the State of California, with Statutory Limits and Employer's Liability Insurance with limit of no less than **$1,000,000** per accident for bodily injury or disease. If Contractor has no employees, Contractor must notify City if an employee is hired, verify proof of coverage for any subcontractors, and agrees to hold City harmless and defend City from claims arising from failure to provide workers' compensation benefits.

4. ***Professional Liability (Errors and Omissions)***: Insurance appropriate to the Contractor's profession, with limit no less than **$2,000,000** per occurrence or claim, **$2,000,000** aggregate. Professional liability coverage shall extend for at least five years after completion of the Contractor's services under this Agreement.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

B. OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. ***Additional Insured Status***. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

2. ***Primary Coverage***. For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, or volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. ***Notice of Cancellation***. Each insurance policy required above shall provide that coverage shall not be canceled, except with 30 days' notice to the City, with ten days' for notice of cancellation due to non-payment.

4. ***Waiver of Subrogation***. Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

5. ***Self-Insured Retentions***. Self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

6. ***Acceptability of Insurers***. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

7. ***Claims Made Policies***. If any of the required policies for professional liability insurance provide claims-made coverage:

   i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

   ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

   iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

DocuSign Envelope ID: D9B0A63B-9E27-4065-95A0-3EAEA932EAA7

8. ***Verification of Coverage***. Contractor shall furnish the City with original Certificate of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

9. ***Subcontractors***. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

10. ***Special Risks or Circumstances***. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

19. GENERAL/MISCELLANEOUS PROVISIONS:

A. **Contract Documents**. This agreement and its exhibits shall be known as the "Contract Documents." Terms set forth in any Contract Document shall be deemed to be incorporated in all Contract Documents as if set forth in full therein. In the event of conflict between terms contained in these Contract Documents, the more specific term shall control. If any portion of the Contract Documents shall be in conflict with any other portion, provisions contained in the Contract shall govern over conflicting provisions contained in the exhibits to the Contract. In the event of any conflict between the terms or conditions of this written agreement and any terms or conditions of any document prepared or provided by Contractor and made a part of this agreement, including without limitation any document relating to the scope of services or payment therefor, the written terms of this document shall control over those terms or conditions.

B. **Non-Discrimination in Employment and Equal Employment Opportunity**. Contractor shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, color, ancestry, national origin, religious creed, sex (including pregnancy, childbirth breastfeeding or related medical condition), sexual orientation, gender, gender identity, gender expression and age (over 40), disability (mental and physical), medical condition, marital status, citizenship, and military and veteran status.

C. **Inspection of Records**. Contractor shall maintain and make available for inspection by the City and its auditors accurate records of all of its costs, disbursements and receipts with respect to any work under this Contract. Such inspections may be made during regular office hours at any time until six (6) months after the final payments under this Contract are made to the Contractor.

D. **Entire Agreement**. This Contract constitutes the entire agreement between the parties relative to the services specified herein and supersedes whatever oral or written understanding they may have had prior to the execution of this agreement. No alteration or modification of this agreement shall be valid or effective unless and until such modification is evidenced by a writing signed by both parties to this Contract, by persons authorized to act on

behalf of the parties. There are no understandings, agreements, conditions, representations, warranties or promises, with respect to this Contract, except those contained in or referred to in the writing.

E. **Severability**. If any portion of this agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

F. **Waiver**. Neither City's acceptance of, or payment for, any service performed by Contractor, nor any waiver by either party of any default, breach, or condition precedent, shall be construed as a waiver of any provision of this agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

G. **Notice**. All notices that are required to be given by one party to the other under this Contract shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses:

City:	City of Rocklin Administrative Services Department 3970 Rocklin Road Rocklin, CA 95677
	City of Rocklin Office of the City Attorney 3970 Rocklin Road Rocklin, CA 95677
Contractor:	Chavan & Associates 15105 Concord Circle, Suite 130 Morgan Hill, CA 95307

H. **Enforcement of Agreement.** This Contract shall be interpreted, governed and enforced in accordance with the laws of the State of California. Venue of any action arising out of this Contract shall be brought and maintained in Placer County California, regardless of where else venue may lie. The parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such court, and consent to service of process issued by such courts.

I. **Attorney's Fees**. In any action brought by either party to enforce the terms of this Contract, each party shall bear responsibility for its attorney's fees and all costs regardless of whether one party is determined to be the prevailing party.

J. **Power and Authority to Enter into Agreement**. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement,

Contractor hereby warrants that it shall not have breached the terms or conditions of any other contract or Agreement to which Contractor is obligated, which breach would have a material effect hereon.

K. **Counterparts; Electronic Signatures**. This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include digital electronic signatures (DocuSign). The use of digital electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law.

L. **Exhibits**. All exhibits referred to herein and attached hereto, are by this reference incorporated as if set forth fully herein.

CONTRACTOR

DocuSigned by:
By: Sheldon Chavan
8BE45E1292E9427...
Sheldon Chavan, Managing Partner

CITY OF ROCKLIN

By: _____
Aly Zimmermann, City Manager

ATTEST:

By: _____
Hope Ithurburn, City Clerk

APPROVED AS TO FORM:

By: _____
Sheri Chapman, City Attorney

EXHIBIT A

Contractor Proposal/Scope of Work

Audit Scope

We understand, accept and have included in our work plan the following scope of services:

A. Financial Statement Audit
   a. C&A will conduct an audit, render an audit opinion and prepare reports in accordance with the standards described in section 1 of the RFP for the following:
      i. City of Rocklin's Annual Comprehensive Financial Report
      ii. Rocklin Public Finance Authority's Annual Financial Report
      iii. Communication report on the internal controls and compliance in accordance with Government Auditing Standards.
      iv. Management Letter

B. Agreed-Upon Procedures
   a. C&A shall perform agreed-upon auditing procedures pertaining to the City's GANN Limit (Article XIII-B Appropriations Limit Calculation), to be performed in conformance with the provisions of the "league of California Cities Uniform Guidelines," and other applicable standards and render a report annually to the City regarding compliance.

C. Single Audit
   a. C&A will perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance with Government Auditing Standards and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior audit findings where required. C&A will submit the report to the Federal Clearinghouse.

D. The City may engage C&A to prepare and submit the following State Controller reports:
   a. City of Rocklin Financial Transactions Report
   b. Rocklin Financing Authority Financial Transactions Report.

E. C&A will provide assistance in order to meet the requirements of the GFOA program including preparing answers to all GFOA comments.

DS
SC

DocuSign Envelope ID: D9B0A63B-9E27-4065-95A0-3EAEA932EAA7

EXHIBIT B

Schedule of Performance

Manner of Payment

The City will be invoiced for our services as work progresses on the basis of hours of work completed, but not more often than once per month.

Rates for Additional Professional Services

In the event that extraordinary circumstances require additional services beyond the agreed upon scope, C&A will provide, in writing and in advance, the reasons for the additional services along with our estimated costs and a statement that no work will be performed prior to City approval.

DS
SC

EXHIBIT C

Schedule of Fees

	Hourly Rate	Hours	Fiscal Year Ending 2022	2023	2024	2025	2026
Engagement Partner	$ 175	56	$9,800	$10,094	$10,397	$10,709	$11,030
Reviewing Partner	$ 150	16	2,400	2,472	2,546	2,623	2,701
Supervisor	$ 100	92	9,200	9,476	9,760	10,053	10,355
Senior Auditor	$ 85	112	9,520	9,806	10,100	10,403	10,715
Professional Staff	$ 65	112	7,280	7,498	7,723	7,955	8,194
Administrative Staff	$ 50	16	800	824	849	873	900
Professional Discount			(4,000)	(4,170)	(4,125)	(3,866)	(3,895)
Total Fee Base Audit			**35,000**	**36,000**	**37,250**	**38,750**	**40,000**
Optional Services:							
State Controller's Report (City)		20	3,500	3,500	3,500	3,750	3,750
State Controller's Report (PFA)		10	1,500	1,500	1,500	1,750	1,750
Total Maximum Price			**$40,000**	**$41,000**	**$42,250**	**$44,250**	**$45,500**

Note: 2025 and 2026 are optional years

DocuSign Envelope ID: D9B0A63B-9E27-4065-95A0-3EAEA932EAA7

EXHIBIT __

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700
[Labor Code § 1861]

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

CONTRACTORS

DocuSigned by:
By: Sheldon Chavan
8BE45E1292E9427
[Title]

ROCKLIN
CALIFORNIA

City Council Special Staff Report

Subject: First Amendment to Investment Management Services Agreement

Date: November 18, 2025

Submitted By: Megan Bressem, Management Analyst
Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:
Adopt a Resolution of the City Council of the City of Rocklin Ratifying and Authorizing the City Manager to Execute the First Amendment to the Agreement for Investment Management and Advisory Services with Chandler Asset Management, Inc. and Related Expenditures.

Background:
On September 27, 2022, following a competitive Request for Proposals process, the City entered into an agreement with Chandler Asset Management, Inc. (Contractor) to provide professional investment management services for the City's investment portfolio. The agreement included an initial term through August 30, 2025, with options to renew for two additional one-year terms, and total compensation not to exceed $388,000.

The Contractor has provided investment management and advisory services for the City since the agreement's inception and has consistently maintained compliance with the City's Investment Policy and Government Code requirements.

The City and Contractor now desire to amend the existing agreement to extend the term through August 30, 2027, with an effective date of September 1, 2025. The extension will allow for continuity of service with a firm that has demonstrated sound investment performance, adherence to policy guidelines, and responsive client service.

Because the initial term ended on August 30, 2025, City Council ratification is required to retroactively effectuate the First Amendment as of September 1, 2025, and to validate any expenses incurred to date. Staff recommends approval and ratification of the First Amendment and authorization for the City Manager to execute the Amendment for Investment Management and Advisory Services.

Fiscal Impact:
There is no additional fiscal impact from this recommendation. Funds for investment management and advisory services are available and appropriated in the Fiscal Years 2025-2027 Operating Budget within the General Fund.

ATTACHMENTS:
1. Resolution
2. Resolution Exhibit A: First Amendment
3. Original Agreement for Investment and Advisory Services

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN RATIFYING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST AMENDMENT TO THE AGREEMENT FOR INVESTMENT MANAGEMENT AND ADVISORY SERVICES WITH CHANDLER ASSET MANAGEMENT, INC. AND RELATED EXPENDITURES

WHEREAS, on September 27, 2022, following a request for proposals process, the City entered into an agreement with Chandler Asset Management, Inc. ("Contractor") to provide investment management and advisory services, with an initial term through August 30, 2025, and options to renew the Agreement for two additional one-year terms, with total compensation of $388,000; and

WHEREAS, the City and Contractor now desire to amend the Agreement to extend the term through August 30, 2027, with an effective date of September 1, 2025; and

WHEREAS, because the initial term ended on August 30, 2025, City Council ratification is required to effectuate the First Amendment as of September 1, 2025, and to validate any expenses incurred to date.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The recitals are true and correct and are incorporated herein by reference.

Section 2. The First Amendment to the Agreement between the City of Rocklin and Chandler Asset Management, Inc., attached hereto and incorporated herein as Exhibit A, and the associated expenses incurred between September 1, 2025 and November 18, 2025, are hereby approved and ratified. The City Manager is directed and authorized to execute the Amendment on behalf of the City.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

Docusign Envelope ID: CD239113-CD1E-42A4-8387-F4466802D359

FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF ROCKLIN AND CHANDLER ASSEST MANAGEMENT, INC. FOR INVESTMENT MANAGEMENT AND ADVISORY SERVICES

This First Amendment is entered into between the City of Rocklin ("City"), and Chandler Asset Management, Inc., a California Corporation ("Contractor").

R E C I T A L S

WHEREAS, City and Contractor have previously entered into an agreement on September 27, 2022, to provide for investment management and advisory services ("Original Agreement"); and

WHEREAS, the term of the Original Agreement was in effect until August 30, 2025, with the option to renew the contract for two additional one-year terms; and

WHEREAS, City and Contractor desire to amend the Original Agreement to extend the term to August 30, 2027, and the parties desire for the terms and conditions of this amendment to be effective and enforceable as of September 1, 2025.

NOW, THEREFORE, the Agreement is amended as follows:

I. Subsection A of Section 4 (Term of Contract) of the Agreement is hereby amended as of the effective date of this First Amendment to read as follows:

"4. TERM OF CONTRACT

A. This agreement shall become effective on the date that it is approved by both parties, set forth on the first page of the agreement and shall continue in effect until August 30, 2027 unless sooner terminated as provided herein."

II. Subsection C of Section 4 (Term of Contract) of the Agreement is hereby deleted in its entirety.

III. **REAFFIRMATION**

In all other respects, the Agreement, as amended, and any attachments, remains in full force and effect.

IV. **ENTIRE AGREEMENT**

The Agreement, as amended, and any attachments, constitute the entire understanding between City and Contractor.

Docusign Envelope ID: CD239113-CD1E-42A4-8387-F4466802D359

V. **EFFECTIVE DATE**

This First Amendment shall be effective as of September 1, 2025.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Agreement. By their signatures below, each signatory represents that they have the authority to execute this First Amendment and to bind the Party on whose behalf their execution is made.

CITY OF ROCKLIN

Date: _____

By: _____
Aly Zimmermann, City Manager

APPROVED AS TO FORM:
MATTHEW McOMBER
CITY ATTORNEY

By: Signed by: Crystal Hodgson C832E6B7CE22470...
Crystal Hodgson
Assistant City Attorney

ATTEST:

By: _____
Avinta Singh, City Clerk

CONTRACTOR

Date: 10/23/2025

By: _____
Nicole Dragoo, CEO

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

CONTRACT FOR SERVICES

THIS CONTRACT is made on September 27, 2022, by and between the CITY OF ROCKLIN a municipal corporation ("City"), and Chandler Asset Management, Inc. ("Contractor"), who mutually agree as follows:

1. SCOPE OF SERVICES

Subject to the terms and conditions set forth in this agreement, Contractor shall provide to the City the services described in the Scope of Work, Exhibit A. Contractor shall provide the services at the time, place and in the manner specified in Exhibits A and/or B. Contractor shall not be compensated for services outside the scope of Exhibit A unless prior to the commencement of the services: (a) Contractor notifies the City and City agrees the services are outside the scope of Exhibit A; (b) Contractor estimates the additional compensation required for these additional services; and (c) City after notice, approves in writing a supplemental agreement specifying the additional services and the amount of compensation therefore. City shall have no obligation whatsoever under this agreement or any supplemental agreement, unless and until the agreement or supplemental agreement is approved by the City Manager, the City Manager's authorized designee, or by the Rocklin City Council, as required by the Rocklin Municipal Code or other local law or policy.

2. COMPENSATION

A. The City shall pay Contractor for the services rendered pursuant to this agreement at the times and in the manner set forth in the Scope of Services, Exhibit A, the Schedule for Performance, Exhibit B, and in accordance with the Schedule of Fees in Exhibit C, but in no event shall the total compensation exceed the total sum of three hundred eighty-eight thousand dollars ($388,000). The payments specified in Exhibits A and/or B shall be the only payments to be made to Contractor for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, City approves additional compensation for additional services.

B. Contractor shall furnish City with invoices for all expenses as well as for all materials authorized by this Contract. The invoices shall be submitted with the monthly billings. Reimbursable expenses shall be limited to actual expenditures of Contractor for expenses that are necessary for the proper completion of the services and shall only be payable if specifically authorized in advance by City.

C. Contractor shall submit all billings/invoices for services to City in the manner specified in Exhibit B. Contractor's fees shall be as specified in the Scope of Work, Exhibit A or the Schedule of Fees as set forth in Exhibit C. All invoices submitted by Contractor shall contain the following information:

(1) Job/project name or description;
(2) City's current purchase order and/or work order number (if applicable);
(3) Contractor's invoice number;
(4) Date of invoice issuance;
(5) Description of services billed under invoice, including the description of tasks performed and the corresponding rate charged for the completion of that task;
(6) Amount of invoice, itemizing all authorized reimbursable expenses; and

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

(7) Total billed to date under agreement.

D. City shall make payment to Contractor net 30 days from receipt of an acceptable invoice. If Contractor's performance is not in conformity with the Scope of Work, Exhibit A, or the Schedule of Performance, Exhibit B, or the provisions set forth above, payments may be delayed or denied, unless the Contractor's failure to perform is a documented result of the City's failure to conform with the Schedule of Performance, or if the Schedule of Performance is extended pursuant to Section 4. City shall not be responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above, or as set forth in the Schedule of Performance.

E. During performance of the agreement and for a period of three (3) years after completing all services, Contractor shall maintain all accounting and financial records related to this Agreement, including but not limited to records of Contractor's costs for all services performed under this agreement and records of Contractor's reimbursable expenses, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the City upon reasonable written notice.

F. Contractor shall pay when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of payment upon request. Contractor hereby agrees to indemnify City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Contractor's breach of this section.

3. FACILITIES AND EQUIPMENT

Contractor shall at its sole cost and expense, furnish all facilities and equipment that may be required for Contractor to perform services pursuant to this agreement. City shall furnish to Contractor, only the facilities and equipment listed in Exhibit A (if any) according to any terms and conditions set forth in Exhibit A.

4. TERM OF CONTRACT

A. This agreement shall become effective on the date that it is approved by both parties, set forth on the first page of the agreement and shall continue in effect until August 30, 2025 unless sooner terminated as provided herein.

B. The services of Contractor are to commence upon execution of this Contract and shall be undertaken and completed in accordance with the Schedule of Performance attached hereto and incorporated herein by this reference as **Exhibit B.**

C. The City, in its sole discretion, may opt to renew the contract for two additional one-year terms.

5. SUSPENSION/TERMINATION:

A. City shall have the right at any time to temporarily suspend Contractor's performance hereunder, in whole or in part, by giving written notice of suspension to Contractor. If City gives such notice, Contractor shall immediately suspend its activities under this agreement.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

B. This Contract may be terminated by either party, provided that the other party is given not less than **thirty (30)** calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate. If the agreement is terminated by the City:

i. Contractor shall immediately cease rendering services pursuant to this agreement;
ii. Contractor shall, not later than five days after such notice of termination, deliver to City copies of all information prepared pursuant to this agreement;
iii. City shall pay Contractor the reasonable value of services rendered by Contractor prior to termination; provided however, City shall not in any manner be liable for lost profits that might have been made by Contractor had the agreement not been terminated or had Contractor completed the services required by this agreement. Contractor shall furnish to City such financial information as in the judgment of the City is necessary for City to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy that city may have in law or equity.

C. Notwithstanding any provisions of this Contract, Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Contract by Contractor, and the City may withhold any payments due to Contractor until such time as the exact amount of damages, if any, due the City from Contractor is determined.

6. INDEPENDENT CONTRACTOR

Contractor enters into this Contract as an independent contractor and not as an employee of the City. Except as expressly permitted herein, Contractor shall have no power or authority by this Contract to act on behalf of City in any capacity whatsoever as an agent, or to bind the City in any respect or to any obligations whatsoever. Nothing in this Contract shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by the Contractor are employees, agents, contractors or subcontractors of the Contractor and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Contractor by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this agreement.

7. AMENDMENTS, CHANGES OR MODIFICATIONS

Amendments, changes or modifications in the terms of this Contract may be made at any time by mutual written agreement between the parties hereto and shall be signed by the persons authorized to bind the parties hereto.

8. EXTENSIONS OF TIME

Contractor may, for good cause, request extensions of time to perform the services required hereunder. Such extensions shall be authorized in advance by the City in writing and shall be incorporated in written amendments to this Contract or the attached Work Program in the manner provided in Section 7.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

9. PROPERTY OF CITY

It is mutually agreed that all materials prepared by the Contractor under this Contract shall become the property of the City, and the Contractor shall have no property right therein whatsoever. Immediately upon termination, the City shall be entitled to, and the Contractor shall deliver to the City, all data, drawings, specifications, reports, estimates, summaries and other such materials as may have been prepared or accumulated to date by the Contractor in performing this Contract which is not Contractor's privileged information, as defined by law, or Contractor's personnel information, along with all other property belonging exclusively to the City which is in the Contractor's possession.

10. COMPLIANCE WITH ALL LAWS:

Contractor shall keep itself fully informed of, shall observe and comply with, and shall cause any and all persons, firms or corporations employed by it or under its control to observe and comply with, all applicable laws, ordinances, and codes of federal, State and local governments, which in any manner affect those engaged or employed on the work described by this Contract or the materials used or which in any way affect the conduct of the work, and shall commit no trespass on any public or private property in performing any of the work authorized by this Contract.

For all leases and purchases of materials, equipment, supplies or other tangible personal property used to perform the agreement and shipped from outside California, the Contractor and any subcontractors leasing or purchasing such materials, equipment, supplies or other tangible personal property shall obtain a Use Tax Direct Payment Permit or Seller's Permit from the California State Board of Equalization, in accordance with the applicable SBE criteria and requirements. This provision applies in all instances unless prohibited by the funding source for the agreement.

11. WARRANTIES AND RESPONSIBILITIES - CONTRACTOR

A. Contractor agrees and represents that it is qualified to properly provide the services set forth in **Exhibit "A"** in a manner which is consistent with the generally accepted standards of Contractor's profession.

B. Contractor is duly licensed, qualified and experienced to perform the services set forth in the Scope of Services, Exhibit A. Contractor represents and warrants that Contractor has all licenses, permits, qualifications and approvals of whatsoever nature that are legally required for Contractor to practice its profession or provide any services under this agreement. Contractor represents and warrants that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this agreement, any licenses, permits and approvals that are legally required for Contractor to practice its profession or provide such services. If Contractor is an out of state corporation, Contractor further warrants and represents that it possesses a valid certification of qualification to transact business in the State of California issued by the California Secretary of State.

C. Contractor shall perform all services required pursuant to this agreement in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California. Contractor shall devote such time and effort to the

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

performance of services pursuant to this agreement as is necessary for the satisfactory and timely performance of Contractor's obligations under this agreement. Neither party shall be considered in default of this agreement to the extent that party's performance is prevented or delayed by any cause that is beyond the reasonable control of that party.

D. All products of whatsoever nature that Contractor delivers to City pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor's profession, and shall be provided in accordance with any scope of services or schedule of performance specified in Exhibits A or B.

E. Contractor shall assign only competent personnel to perform services pursuant to this agreement. Contractor shall designate a project manager who at all times shall represent the Contractor before the City on all matters relating to this Contract. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Contractor, or is replaced with the written approval of the City, which approval shall not be unreasonably withheld. Contractor shall notify City in writing, of any other changes in Contractor's staff assigned to perform the services required under this agreement, prior to any such performance. In the event the City desires the removal of any person assigned by Contractor to perform services pursuant to this agreement, because the City in its sole discretion, determines that such person is not performing in accordance with the standards required herein, Contractor shall remove such person immediately upon receiving notice from the City of the desire for the removal of such person.

F. Contractor agrees and represents that the work performed under this Contract shall be in accordance with applicable federal, State and local law.

G. Contractor shall provide corrective services without charge to the City for services which fail to meet the above professional and legal standards and which are reported to Contractor in writing within sixty (60) days of discovery. Should Contractor fail or refuse to perform promptly its obligations, the City may render or undertake performance thereof and the Contractor agrees it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this agreement is based on such independent investigation and research. Contractor shall be liable for any expenses thereby incurred.

12. SUBCONTRACTING

None of the services covered by this Contract shall be subcontracted without the prior written consent of the City, which will not be unreasonably withheld. Contractor shall be as fully responsible to the City for the negligent acts and omissions of its contractors and subcontractors, and of persons either directly or indirectly employed by them, as it is for the negligent acts and omissions of persons directly employed by Contractor.

13. ASSIGNABILITY

Contractor shall not assign or transfer any interest in this Contract whether by assignment or novation, without the prior written consent of the City. The City has a strong interest in the qualifications and capability of the persons and entities that will fulfill the obligations imposed on Contractor under this agreement. However, claims for money due or to become due Contractor

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

from the City under this Contract may be assigned to a financial institution, or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the City.

14. INTEREST IN CONTRACT

Contractor covenants that neither it, nor any of its employees, agents, contractors, or subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Contract, nor any other interest which would conflict in any manner or degree with the performance of its services hereunder. Contractor shall make all disclosures required by the City's conflict of interest code in accordance with the category designated by the City, unless the City Manager determines in writing that Contractor's duties are more limited in scope than is warranted by the category designated by the City code and that a narrower disclosure category should apply. Contractor also agrees to make disclosure in compliance with the City conflict of interest code if, at any time after the execution of this Contract, City determines and notifies Contractor in writing that Contractor's duties under this Contract warrant greater disclosure by Contractor than was originally contemplated. Contractor shall make disclosures in the time, place and manner set forth in the conflict of interest code and as directed by the City.

15. MATERIALS CONFIDENTIAL

To the extent permitted by law, all of the materials prepared or assembled by Contractor pursuant to performance of this Contract are confidential and Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the City, except by court order.

16. LIABILITY OF CONTRACTOR-NEGLIGENCE

Contractor shall be responsible for performing the work under this Contract in a manner which is consistent with the generally-accepted standards of the Contractor's profession and shall be liable for its own negligence and the negligent acts of its employees, agents, contractors and subcontractors. The City shall have no right of control over the manner in which the work is to be done but only as to its outcome, and shall not be charged with the responsibility of preventing risk to Contractor or its employees, agents, contractors or subcontractors.

17. INDEMNITY AND LITIGATION, COSTS

To the fullest extent permitted by law, Contractor shall hold harmless, defend at its own expense, and indemnify the City, its officers, officials, agents, employees and volunteers against any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorneys' fees, arising from all acts or omissions of Contractor, or its officers, agents or employees in rendering services under this Agreement; excluding however, such liability, claims, losses, damages or expenses arising from the City's sole negligence, or willful acts. The provisions of this paragraph shall survive termination or suspension of this Contract. These Indemnification provisions are independent of and shall not in any way be limited by the Insurance requirements of this agreement. City approval of the Insurance required by this Agreement does not in any way relieve the Contractor from liability under this section.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

18. CONTRACTOR TO PROVIDE INSURANCE

Contractor agrees to have and maintain the policies set forth below, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees. All policies, endorsements, certificates, and/or binders shall be subject to approval by the City as to form and content. A lapse in any required insurance coverage during this Agreement shall be a breach of this Agreement.

A. MINIMUM SCOPE AND LIMIT OF INSURANCE

1. ***Commercial General Liability (CGL)***: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. ***Automobile Liability***: Insurance Services Office Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired (Code 8) and non-owned autos (Code 9), with limit no less than **$1,000,000** per accident for bodily injury and property damage.

3. ***Workers' Compensation*** as required by the State of California, with Statutory Limits and Employer's Liability Insurance with limit of no less than **$1,000,000** per accident for bodily injury or disease. If Contractor has no employees, Contractor must notify City if an employee is hired, verify proof of coverage for any subcontractors, and agrees to hold City harmless and defend City from claims arising from failure to provide workers' compensation benefits.

4. ***Professional Liability (Errors and Omissions)***: Insurance appropriate to the Contractor's profession, with limit no less than **$5,000,000** per occurrence or claim, **$5,000,000** aggregate. Professional liability coverage shall extend for at least five years after completion of the Contractor's services under this Agreement.

5. Crime Insurance; Employee Dishonesty Insurance; Fidelity Bond. Insurance coverage or fidelity bond protecting City funds or securities from theft, including employee theft, computer fraud, funds transfer loss, cyber extortion, impersonation fraud, and other related crime risks. Coverage shall be not less than $5,000,000 per occurrence. The City must be named as a loss payee. Policy must cover Contractor's officials, agents, and employees with access to, and/or control over, funds controlled by Contractor. Coverage must include, but not be limited to, third party fidelity coverage, including coverage for loss due to theft and must not contain a requirement for an arrest and/or conviction.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

B. **OTHER INSURANCE PROVISIONS**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. ***Additional Insured Status.*** The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

2. ***Primary Coverage.*** For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, or volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. ***Notice of Cancellation.*** Each insurance policy required above shall provide that coverage shall not be canceled, except with 30 days' notice to the City, with ten days' for notice of cancellation due to non-payment.

4. ***Waiver of Subrogation.*** Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

5. ***Self-Insured Retentions.*** Self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

6. ***Acceptability of Insurers***. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

7. ***Claims Made Policies***. If any of the required policies for professional liability insurance provide claims-made coverage:

   i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

   ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

   iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

8. ***Verification of Coverage.*** Contractor shall furnish the City with original Certificate of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

9. ***Subcontractors.*** Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

10. ***Special Risks or Circumstances.*** City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

19. GENERAL/MISCELLANEOUS PROVISIONS:

A. **Contract Documents.** This agreement and its exhibits shall be known as the "Contract Documents." Terms set forth in any Contract Document shall be deemed to be incorporated in all Contract Documents as if set forth in full therein. In the event of conflict between terms contained in these Contract Documents, the more specific term shall control. If any portion of the Contract Documents shall be in conflict with any other portion, provisions contained in the Contract shall govern over conflicting provisions contained in the exhibits to the Contract. In the event of any conflict between the terms or conditions of this written agreement and any terms or conditions of any document prepared or provided by Contractor and made a part of this agreement, including without limitation any document relating to the scope of services or payment therefor, the written terms of this document shall control over those terms or conditions.

B. **Non-Discrimination in Employment and Equal Employment Opportunity.** Contractor shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, color, ancestry, national origin, religious creed, sex (including pregnancy, childbirth breastfeeding or related medical condition), sexual orientation, gender, gender identity, gender expression and age (over 40), disability (mental and physical), medical condition, marital status, citizenship, and military and veteran status.

C. **Inspection of Records.** Contractor shall maintain and make available for inspection by the City and its auditors accurate records of all of its costs, disbursements and receipts with respect to any work under this Contract. Such inspections may be made during regular office hours at any time until six (6) months after the final payments under this Contract are made to the Contractor.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

D. **Entire Agreement.** This Contract constitutes the entire agreement between the parties relative to the services specified herein and supersedes whatever oral or written understanding they may have had prior to the execution of this agreement. No alteration or modification of this agreement shall be valid or effective unless and until such modification is evidenced by a writing signed by both parties to this Contract, by persons authorized to act on behalf of the parties. There are no understandings, agreements, conditions, representations, warranties or promises, with respect to this Contract, except those contained in or referred to in the writing.

E. **Severability**. If any portion of this agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

F. **Waiver.** Neither City's acceptance of, or payment for, any service performed by Contractor, nor any waiver by either party of any default, breach, or condition precedent, shall be construed as a waiver of any provision of this agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

G. **Notice.** All notices that are required to be given by one party to the other under this Contract shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by first-class mail postage prepaid, by overnight courier, by confirmed facsimile with original to follow or by confirmed electronic mail with proof of receipt to the addresses set forth below. Either party to this Contract may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder.

City:

City of Rocklin
Administrative Services – Finance
3970 Rocklin Road
Rocklin, CA 95677

daniel.choe@rocklin.ca.us

City of Rocklin
Office of the City Attorney
3970 Rocklin Road
Rocklin, CA 95677

Contractor:

Chandler Asset Management
Attn: Nicole Dragoo
6225 Lusk Boulevard
San Diego, CA 92121

H. **Enforcement of Agreement.** This Contract shall be interpreted, governed and enforced in accordance with the laws of the State of California. Venue of any action arising out of this Contract shall be brought and maintained in Placer County California, regardless of where else venue may lie. The parties consent to jurisdiction over their persons and over the subject

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

matter of any such litigation in such court, and consent to service of process issued by such courts.

I. **Attorney's Fees**. In any action brought by either party to enforce the terms of this Contract, each party shall bear responsibility for its attorney's fees and all costs regardless of whether one party is determined to be the prevailing party.

J. **Power and Authority to Enter into Agreement.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or conditions of any other contract or Agreement to which Contractor is obligated, which breach would have a material effect hereon.

K. **Counterparts**; **Electronic Signatures.** This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include digital electronic signatures (DocuSign). The use of digital electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law.

L. **Exhibits.** All exhibits referred to herein and attached hereto, are by this reference incorporated as if set forth fully herein.

CONTRACTOR

DocuSigned by:
By: Nicole Dragoo
8C7E5DACDC274F6...
Nicole Dragoo, President

DocuSigned by:
By: Martin Cassell
187A2521701B4BB...
Martin Cassell, CEO

CITY OF ROCKLIN

DocuSigned by:
By: Aly Zimmermann
88D99BDD1984458...
Aly Zimmermann, City Manager

Investment Management and Advisory Services
Chandler Asset Management, Inc.

ATTEST:

By: DocuSigned by: Hope Ithurburn
A99E538144D94FF...
Hope Ithurburn, City Clerk

APPROVED AS TO FORM:

By: DocuSigned by: Sheri Chapman
F3B1093A1D74413...
Sheri Chapman, City Attorney

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

EXHIBIT A

Contractor Proposal/Scope of Work

1. Contractor shall serve as an Investment Manager and provide Advisory Services for the City and shall structure an investment portfolio with the goal of achieving performance that consistently exceeds the returns of a selected market benchmark, while maintaining City's risk profile at all times. Contractor shall reduce exposure to market risk by diversifying the portfolio by issuer and security type, and by establishing and maintaining a target portfolio duration that is consistent with City's risk profile and investment objectives.

2. Contractor shall act as a fiduciary in accordance with prudent investor standards, avoid conflicts of interest and put the City's needs first in all matters and responsibilities related to the investment management services provided. Contractor shall work as a fiduciary with the City on every aspect of the investment program, including investment policy development and review, cash flow analysis and forecasting, and portfolio optimization through the careful control of risk.

3. Contractor shall implement strategies that meet the City's risk and return requirements, provide comprehensive investment reporting to save City staff time, and conduct education and training for City staff enrichments.

4. In its capacity as Investment Manager, Contractor shall receive all instructions, directions, and other communications on City's behalf respecting City's account from the City Treasurer or his/her designee (Representative). Contractor is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.

5. Contractor is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.

6. Contractor shall conduct a "kick-off" meeting to gain an understanding of the City's investment objectives and constraints, and encapsulate the goals for the overall program.

   a. Contractor shall conduct detailed review of the City's Investment Policy as well as the current portfolio within thirty (30) days of the Effective Date to gain an understanding of cash flow needs, risk tolerances, permitted securities, credit profile, duration targets, and current maturity structure. Contractor shall confirm that the Investment Policy provides for the City's primary objectives of safety, liquidity, and return will be attained, and incorporates the industry best practices as identified by the Government Financial Officers' Association, the California Municipal Treasurers Association, the Association of Public Treasurers of the United States and Canada, and the California Government Code as it applies to

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

public agency investing public funds, and provide written recommendations for any necessary amendments to such policy.

b. Contractor shall conduct a benchmark study that analyzes the risk/return characteristics of different investment approaches and their associated benchmarks for City's consideration that align with the City's investment goals and objectives.
c. Multiple strategies will be proposed by the Contractor's team and considered and approved by the City. Contractor shall assist in drafting a management directive that will identify an appropriate benchmark and any other areas that the City will desire to add clarity that the City's Investment Policy may not address.

7. In investing and reinvesting City's assets, Contractor shall comply with the City's Investment Policy, which is attached hereto as Exhibit E. Contractor shall annually review, and provide City with written recommendations for any necessary amendments to the City's Investment Policy to ensure it captures any updates to the California Government Code as it applies to public agency investing public funds, as well as changes to the City's financial objectives and cash flow requirements. Contractor shall confirm that the Investment Policy provides for the City's primary objectives of safety, liquidity, and return will be attained, and incorporates the industry best practices as identified by the Government Financial Officers' Association, the California Municipal Treasurers Association, the Association of Public Treasurers of the United States and Canada.

8. Contractor shall utilize proprietary methods to conduct cash flow analysis and forecast of cash expenditures as an initial step and on an ongoing basis to effectively structure a portfolio that ensures liquidity and provides the City with opportunities for enhanced returns. Contractor shall conduct a statistical balance analysis informed by budgetary events.

9. Contractor shall continue ongoing discussions with City staff as needed to ensure that the investment strategy and allocation of funds to diversified fixed income sectors remains consistent with the City's investment goals and objectives. Contractor shall regularly consult with City staff on ways to expand investment guidelines with the intent to ensure they are exposed to the broadest opportunity, while still focusing on the primary objectives of safety of principal and access to cash.

10. Contractor shall manage the City's portfolio in a team structure and shall ensure that all investment team members and client service personnel are familiar with the City's portfolio management needs, provide continuity of the investment program and leverage the collective expertise of individual investment professional in the management of the City's portfolio.

11. Contractor's team shall work extensively with City staff to identify benchmarks that appropriately demonstrate the portfolio's progress relative to its objectives and risk profile. Contractor shall make decision on portfolio duration, term structure, and sector weightings relative to the selected benchmarks. In addition, Contractor shall monitor and report on portfolio

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

performance relative to the benchmark's performance. The benchmark's performance shall be reported to City monthly, along with portfolio performance.

12. Contractor's portfolio managers and investment management team shall provide ongoing portfolio management, employing a disciplined investment process designed to ensure that City's portfolio remains consistent with City's objectives over time.

a. Contractor shall provide ongoing asset class analysis, employing a rigorous, proprietary process established to identify appropriate securities and adjust portfolios accordingly, with City's prior approval.
b. Contractor shall conduct pre- and post-trade compliance testing, to safeguard against investment policy violations, and perform daily reconciliation with custodian records.
c. Contractor's Investment Management Team shall daily compare the characteristics of the City's portfolio to its defined target structure.
d. Contractor shall compile account data and highlight how the portfolio differs from its target duration, term structure and section allocation. Contractor shall then review and analyze the differences and work to tactically restructure the portfolio or holdings if it would benefit the City's investment portfolio.

13. From time to time, Contractor may be required to deliver certain documents to City such as account information, notices and required disclosures. City hereby consents to Contractor's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and City agrees that such notification will constitute "delivery". City further agrees to provide Contractor with City's email address(s) and to keep this information current at all times by promptly notifying Contractor of any change in email address(s).

City email addresses: daniel.choe@rocklin.ca.us; ted.williams@rocklin.ca.us

14. Contractor shall vote proxies on behalf of City unless otherwise instructed by Representative. Contractor has adopted and implemented written policies and procedures regarding proxy voting and will provide City with a description of the proxy voting procedures upon request. Contractor will provide information regarding how City's proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to info@chandlerasset.com.

15. Contractor shall not have custody or possession of the funds or securities that City has placed under its management. City shall appoint a custodian to take and have possession of its assets. City recognizes the importance of comparing statements received from the appointed custodian to statements received from Contractor. City recognizes that the fees expressed in Exhibit C do not include fees City will incur for custodial services.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

16. Contractor will value securities held in portfolios managed by Contractor no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Contractor to reflect fair market value.

17. Contractor may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Contractor to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Contractor may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Contractor makes no warranty or representation regarding commissions paid on transactions hereunder.

18. It is further understood that Contractor may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for City's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Contractor will have no obligation to purchase or sell for City's account any securities which it may purchase or sell for other clients.

19. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Contractor to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.

20. City hereby acknowledges receipt of the disclosure statement or "brochure" and “brochure supplement” also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). City further acknowledges receipt of Contractor’s Privacy Policy.

21. Contractor shall provide monthly portfolio accounting and performance statements to City. Monthly statements shall be accessible to City on the Contractor’s Portal. The Contractor shall send City an email notification stating that each statement is available for download no later than the third business day following month-end. Each monthly statement shall include:

a. Brief summary of portfolio characteristics that provides a thorough overview of the portfolio, including performance relative to the selected benchmark(s), followed by a statement of compliance;
b. Full asset listing, including the fair market value of investments, issuer, maturity date, interest rate, transactions for the period, and a description of the funds and investment programs;

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

c. Holdings Report, showing security description, par value, cost, book value, market value, accrued interest, gain/loss, book yield, duration, maturity, Moody's, Fitch, and S&P ratings, and percent of portfolio for each holding;
d. Earned interest report, showing all interest earnings, including accrued and received interest, amortization and accretion in a detailed form and summarized;
e. Cash flow project from upcoming investment maturities and interest payments;
f. Transaction Ledger that reports all acquisitions, dispositions, interest payments, cash contributions and withdrawals, and any other transactions for the period; and
g. Purchase yields and average market yields. Total rate of return shall be compared to the benchmark return for periods of one month, the most recent quarter, year to date, one year, three years, five years, ten years, and since inception for each portfolio.

22. Contractor shall provide City quarterly investment reports in a format designed to facilitate discussion between Contractor's investment professionals and City staff. The report shall present current economic data, portfolio characteristics, returns, compliance, and a summary of accounts under management using graphs, charts, and illustrations in a format that is effective for management, elected officials, Investment Advisory Committee, and interested members of the public. Contractor shall provide this report at its regular meetings with City staff.

23. Contractor shall generate a GASB 40 report that will satisfy the GASB requirement to report the different risk exposures, GASB 72 report on fair value reporting, and will provide all the data needed to meet the reporting requirements of GASB 31.

24. Contractor shall communicate regularly via email to City staff with updates which include:

a. Weekly economic updates to provide a concise summary of economic and market news of the current week, key economic indicators, as well as topics for the next week's economic data releases;
b. Monthly newsletter that includes a market summary, treasury yield curve graph and monthly percent changes, as well as economic data and statistics; and

c. Ad hoc emails and communication such as Fed rate news, education pieces, white papers, technology, and product updates.

25. Contractor shall provide City access to their Client Portal that provides the City with secure online access to a variety of digital files, including customized reports, trade tickets and documents, as well as the ability to download daily transactions and holdings, historical monthly statements, and quarterly reports. Reports can be downloaded in Excel format that can be mapped to City's internal reporting requirements. Access to the Contractor's Client Portal will be available to individual contacts selected by the City.

26. Contractor's investment professional shall communicate with the City frequently about economic conditions and market trends and be available at any time during business hours to

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

answer questions about the portfolio and City's investment program. On a daily basis, members of the Contractor's Investment Management Team shall compare the characteristics of the City's portfolio to its defined target structure, using Contractor's proprietary system. The system compiles account data and highlights how the portfolio is differs from its target duration, term structure and sector allocation. Contractor's team shall then review and analyze the differences. If the Contractor's teams decides that a change in portfolio structure or holdings would benefit the City, one of Contractor's Investment Management professionals shall contact City to discuss Contractor's recommendations.

27. Contractor shall provide City with trade confirmation generally a few days after the transaction; however, documentation of investment transactions, including Contractor's competitive bidding procedures, are available same day on trade tickets that can be accessed via Contractor's Client Portal.

28. Contractor shall provide City direct access to its lead portfolio managers and the back-up investment management team who are responsible for making the decisions for City's portfolio, allowing for customization and flexibility to change in City's investment program.

29. Contractor shall provide periodic, quarterly, and annual performance reports to City staff and Investment Advisory Committee which will include ad hoc educational presentations on investment and financial topics on a wide range of topics, including risk, duration, benchmarking and total return, corporate credit analysis, accounting and others. Contractor frequently conducts continuing professional education training at many forums, Contractor will notify City staff prior to these forums to give staff the opportunity to attend. Contractor will at least once a year provide training for City staff.

30. Contractor's Senior Portfolio Strategist and Relationship Manager shall regularly attend Investment Advisory Committee meetings and participate as needed. Contractor shall keep City informed of local issues, investment strategies, market conditions and developments that are relevant to City's investment program and that could potentially impact the City from a risk, opportunity, operational and statutory perspective. Contractor shall meet with City staff at least quarterly at such times and locations as determined by City. If necessary, as determined by City, Contractor shall provide additional presentations to City Council. Contractor shall maintain the flexibility to continue to meet with the City as often as preferred and will also attend any ad hoc or special meetings and present on fixed income topics throughout the year, as directed by City.

31. Contractor shall utilize its Compliance Team to ensure that Contractor complies with all regulatory requirements, City guidelines and firm policies and procedures. The Contractor's Chief Compliance Officer shall provide oversight of portfolio compliance and trade order management. These duties are conducted separately from the portfolio management team under the appropriate segregation of duties. Contractor shall provide City with a monthly detailed Statement of Compliance, based on Contractor's complete review of investments. This report shall detail adherence to requirements such as permitted investments, asset classification exposure, minimum credit quality, maximum maturities, issuer size and concentration limits, as well as

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

compliance with the City's investment guidelines and legal requirements. As part of a multi-level compliance process, Contractor shall perform the following to ensure compliance with state laws, City's investment policy and objectives:

a. A daily reconciliation of transactions and cash balances with custodian information;

b. A month-end review of the portfolio to confirm compliance with the Investment Policy;

c. A continuous review process by the Contractor's Credit Committee to ensure credit quality meets policy standards as well as strict quality requirements;

d. A portfolio structure that satisfies liquidity objectives with short-maturity securities and return objectives with higher duration investments;

e. Frequent communication between Contractor and City to ensure Contractor stays informed of any new developments that may modify City objectives; and

f. Meetings with City staff as frequently as determined by City, in City's sole discretion, to provide additional opportunities to review portfolio composition and performance at a high level.

32. The key professionals who will be assigned to City include Chief Investment Officer, Senior Portfolio Manager, Senior Portfolio Strategist, Relationship Manager, Senior Client Service Manager, and Chief Compliance Officer.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

EXHIBIT B

Schedule of Performance

Contractor shall perform the Services in accordance with the Scope of Work and the Schedule of Performance set forth below.

- Kick-off Meeting – Contractor shall conduct a Kick-off meeting with City no later than 30 days after the Effective Date of this Contract.
- Investment Policy Review – Contractor shall provide findings of Investment Policy Review at the Kick-off Meeting.
- Cash Flow Analysis – Contractor shall provide findings of Cash Flow Analysis at the Kick-off Meeting or within 30 days from the City providing the necessary data, whichever is later, to complete the initial Cash Flow Analysis.
- Benchmarks/strategies Options – Contractor shall provide Benchmark summary and strategies at the Kick-off meeting.
- Invest initial funds – Dependent on Market conditions.
- Conduct investment research – Daily.
- Reinvest funds – Ongoing as determined by Contractor in accordance with standard industry practices.
- Compliance review – Daily.
- Provide monthly reports – Monthly (by 3rd business day).
- Provide quarterly reports – Quarterly (by 20th business day).
- In-person presentations – Quarterly or as needed by City staff.
- Financial analysis of gains/losses – Monthly.
- Review/update cash flow forecasts – Annually or as needed.
- Ad hoc educational presentations – Quarterly and as needed. Contractor will help facilitate at least one training a year for City staff.
- Maintain proactive communication – Ongoing or as otherwise determined by City staff.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

EXHIBIT C

Schedule of Fees

Assets Under Management	Annual Asset Management Fee
First $50 million	0.08 of 1% (8 basis points)
Next $75 million	0.05 of 1% (5 basis points)
Assets over $125 million	0.04 of 1% (4 basis points)

The fee schedule is all-inclusive for the services that Contractor provides, including full-time investment advisory and portfolio management services, technological resources, onboarding and implementation, online access to the Chandler's Client Portal, comprehensive reporting, meetings, personal visits, educational offerings for City staff, as well as the additional treasury support services described herein.

Fees are based on the amount of asset under management and are not based on transaction volume. Management fees will accrue as long as there are assets in the portfolio, even if there is no activity during the period. Fees are calculated based on the average balance of assets under management (market value including accrued interest). Fees are charged monthly in arrears.

In the event of suspension or termination, fees shall be prorated to the effective date of termination or suspension, whichever is earlier, on the basis of actual days elapsed, and any unearned portion of prepaid fees shall be refunded to City.

City is not required to pay Contractor any fees that are not expressly set forth in this Contract, including without limitation, start-up fees, closing fees, or penalty fees. Under no circumstances shall the aggregate amount paid under this Agreement exceed the amount specified in Section 2 of the Agreement.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

EXHIBIT D

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700
[Labor Code § 1861]

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

CONTRACTORS

By: DocuSigned by: Nicole Dragoo 8C7E5DACDC274F6... [Title] President

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

EXHIBIT E

RESOLUTION NO. 2022-130

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN
DELEGATING AUTHORITY TO MAKE INVESTMENT DECISIONS TO THE CITY TREASURER AND
ADOPTING LEGISLATIVE POLICY NO. 1 – INVESTMENT POLICY

The City Council of the City of Rocklin does resolve as follows:

Section 1. Pursuant to Section 53607 of the California Government Code, the City Council hereby delegates authority to make all investment decisions for the City's investment portfolio to the City Treasurer. Such delegation shall be for a one-year period. This authority shall supersede Resolution No. 2022-05.

Section 2. Pursuant to the Rocklin Legislative Policy No. 1 – Investment Policy, City of Rocklin Statement of Investment Policy attached hereto as Exhibit A, is hereby confirmed for fiscal year 2022/23.

PASSED AND ADOPTED this 28th day of June, 2022, by the following vote:

AYES:	Councilmembers:	Broadway, Gayaldo, Halldin, Janda, Patterson
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None
ABSTAIN:	Councilmembers:	None

Bill Halldin, Mayor

ATTEST:

Hope Ithurburn, City Clerk

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

Exhibit A

CITY OF ROCKLIN
STATEMENT OF INVESTMENT POLICY

INTRODUCTION

This statement is intended to outline the policies for the prudent investment of the City's Funds and to provide guidelines for suitable investments.

The ultimate goal is to enhance the economic status of the City while safeguarding its assets.

The City's Cash Management System is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City's investment portfolio shall be structured with the objective of attaining a market rate of return throughout budgetary and economic cycles, provided that all investments meet the criteria established for safety and liquidity.

The City's investment policies and practices are based upon Federal, State, and Local laws and prudent money management. The primary goals of these policies are:

1. To assure compliance with all Federal, State and Local laws governing the investment of monies.

2. To protect the principal monies.

3. To ensure the investment portfolio remains sufficiently liquid to enable the City of Rocklin to meet all operating requirements which might be reasonably anticipated.

4. To attain a market rate of return on investment within the parameters of this Statement of Investment Policy and the Investment Portfolio Guidelines.

I. SCOPE

It is intended that this policy cover all funds and investment activities under the direct authority of the City in accordance with California Government Code Section 53600 et seq., the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and local laws. Funds included are General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Permanent Funds and Trust Funds. The Investment Portfolio will be referred to hereafter as the "FUND" throughout the remainder of this document.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

This policy will not cover bond proceeds obtained from bond issues which are not direct obligations of the City and which are not under the direct authority of the City. The bond proceeds will be invested in accordance with the Bond Indenture Agreement and applicable State and Federal regulations.

II. OBJECTIVES

1. Safety of Principal

Safety of principal is the foremost objective of the City of Rocklin. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institution default, broker-dealer default, or erosion of market value of securities. The City shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

A. Credit Risk. Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only financially sound institutions and by diversifying the Fund so that the failure of any one issuer would not be detrimental to the City's cash flow.

B. Market Risk. The risk of market value fluctuations due to overall changes in the general level of market interest rates shall be mitigated by limiting the weighted average maturity of the City's Fund to five years. It is explicitly recognized herein that occasional losses in a diversified portfolio are inevitable, and must be considered within the context of the overall investment return.

2. Liquidity

Liquidity is the second most important objective of the City of Rocklin. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. It is important that an investment contain the feature of being easily sold at any time with a minimal risk of loss of some portion of principal or interest.

3. Return of Investment

The City's Fund shall seek to attain a market-average rate of return throughout economic cycles. The market-average rate of return is defined as the average return on two-year U.S. Treasury Notes. Whenever possible, and consistent with risk limitations as defined here, and prudent investment principals, the City shall seek to augment returns above the market average rate of return.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

III. PRUDENCE

Investments shall be made in the context of the "Prudent Investor" rule, which states that:

> Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

City employees involved in the investment process, acting in accordance with written procedures and the Investment Policy and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner and that appropriate action is taken to control adverse developments.

IV. ETHICS AND CONFLICTS OF INTEREST

City employees and the City's Investment Advisory Committee involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the Investment Policy of which could impair their ability to make impartial investment recommendations and/or decisions. The City's Investment Advisory Committee and City employees involved in the investment process shall disclose any material financial interests in financial institutions with which the City may conduct business, and they shall further disclose any reportable personal financial/investment positions that could be related to the performance of the City's portfolio. The Investment Advisory Committee and City employees involved in the investment process shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

V. INVESTMENTS

1. AUTHORIZED INVESTMENTS

The City is governed by the California Government Code, Sections 53600 et seq. Within the context of these limitations, the following investments are authorized, as further limited herein:

A. Bonds issued by the City of Rocklin.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

B. United States Treasury Bills, Notes, Bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the Fund that can be invested in this category as they are both safe and liquid.

C. Registered state warrants or treasury notes or bonds issued by the State of California.

D. Registered treasury notes or bonds of any of the other forty-nine United States, in addition to California.

E. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California.

F. Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Tennessee Valley Authority, and those fully guaranteed as to principal and interest by the Federal National Mortgage Association (FNMA), or in guaranteed portions of Small Business Administration notes, those insured by the Federal Housing Administration (FHA) or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise. No more than 25% of the market value of the Fund may be invested in the obligations issued by federal agencies or United States government-sponsored enterprises. No more than 5% of the market value of the Fund may be invested in callable federal agency securities.

G. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as banker's acceptances. Prime banker's acceptances purchased shall be issued by prime money center banks. Banker's acceptances purchased may not exceed 180 days to maturity or 40% of the market value of the Fund. No more than 5% of the market value of the fund may be invested in banker's acceptances issued by any one bank.

H. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO), and issued by a domestic corporation having assets in excess of $500,000,000 and having an "A" or better rating on its long-term debentures as provided by a NRSRO. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of the issuing corporation. No more than 5% of the market value of the Fund may be invested in commercial paper issued by any one corporation. No more than 25% of the market value of the Fund may be invested in commercial paper.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

I. Negotiable Certificates of Deposit (NCD) issued by a Nationally or State-Chartered Bank or a State or Federal Savings and Loan Association or by a State licensed branch of a foreign bank. To be eligible for purchase by the City, the amount invested in NCD's shall be subject to the limitations of Section 53638 of the California Government Code. Purchases of NCD's may not exceed 30% of the market value of the Fund. No more than 5% of the market value of the Fund may be invested in NCD's issued by any one institution.

J. Repurchase Agreements. The City may invest in Repurchase Agreements, on any investment authorized in this section with banks and dealers with which the City has entered into a master repurchase agreement that specifies terms and conditions of Repurchase Agreements and only when California Government Code Section 53601(j) conditions are met. The maturity of Repurchase Agreements shall not exceed 90 days. In order to conform with provisions of the Federal Bankruptcy Code that provides for the liquidation of securities held as collateral for Repurchase Agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, eligible banker's acceptances, or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by, the United States or any agency of the United States. Collateral for Repurchase Agreements will also comply with the requirements of the FIRREA, see Section VII on collateralization. No more than 15% of the market value of the Fund may be invested in Repurchase Agreements. No more than 5% of the market value of the Fund may be invested in Repurchase Agreements issued by any one institution.

K. Supranationals are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA-", its equivalent, or better by an NRSRO. No more than 30% of the market value of the Fund may be invested in these obligations.

L. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum permitted by State law.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

M. Medium-term notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. No more than 30% of the market value of the Fund may be invested in medium-term notes. No more than 5% of the market value of the Fund may be invested in medium-term notes issued by any one institution.

N. Time Deposits. The City may invest in non-negotiable time deposits collateralized in accordance with the California Government Code and the FIRREA, in those banks and savings and loan associations that meet the requirements for investment in negotiable certificates of deposit and in accordance with Sections 53637, 53638, 53648 and 53652 of the California Government Code. Since time deposits are not liquid, no more than 10% of the market value of the Fund may be invested in this category. No more than 5% of the market value of the Fund may be invested in time deposits issued by any one institution.

O. Shares of beneficial interest issued by diversified management companies, such as mutual funds and money market funds, investing in the securities and obligations as authorized by subdivisions (A) to (M), inclusive, of this section and that comply with the investment restrictions (California Government Code, Section 53600 and Section 53630), Companies shall either:

i. Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized statistical rating organizations, or

ii. Have an investment adviser registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations as authorized by subdivisions (A) to (M), inclusive and with assets under management in excess of five hundred million dollars ($500,000,000). The mutual fund is to be registered with the Federal Securities and Exchange Commission (SEC) and have met the requirements of Rule 2a-7 of the Investment Company Act of 1940. The purchase price of shares of beneficial interest (mutual funds or money market funds) purchased pursuant to this subdivision shall not include any commission that these companies may charge. No more than 15% of the market value of the Fund may be invested in mutual funds. No more than 5% of the market value of the Fund may be invested in mutual funds of any one institution.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

P. Collateralized Obligations. The City may invest in notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed in the California Government Code Section 53651 having a market value at least equal to California Government Code Section 53652. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or Federal regulations applicable to the types of securities in which the security interest is granted. No more than 10% of the market value of the Fund may be invested in Collateralized Negotiable investments. No more than 5% of the market value of the Fund may be invested in Collateralized Negotiable investments of any one institution.

Q. Mortgage-Backed Securities. The City may invest in mortgage pass-through securities, collateralized mortgage obligations or mortgage-backed bonds of a maximum remaining maturity of five years or less. Securities shall be rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. No more than 20% of the market value of the Fund may be invested in these securities. No more than 5% of the market value of the Fund may be invested in mortgage pass-through securities, collateralized mortgage obligations or mortgage-backed bond issued by any one institution.

R. Placer County Treasurer's Investment Pool. The City may invest in the Placer County Treasurer's Investment Pool established by the Placer County Treasurer for the benefit of local agencies. No more than 25% of the market value of the Fund may be invested in the Placer County Treasurer's Investment Pool.

2. INELIGIBLE INVESTMENTS

Investments not described herein, including, but not limited to common stocks, inverse floaters, range notes, or mortgage-derived interest-only strips, and any security that could result in zero interest accrual if held to maturity, as specified in Section 53601.6 are prohibited from use in this fund. See Table 1 for summary of above investment percentage limitations.

VI. QUALIFIED DEALERS AND INSTITUTIONS

The City shall transact business only with banks, savings and loans, and registered investment securities dealers. The purchase of any investment by the City other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the California Corporations Code, or a member of a Federally regulated securities exchange, a National

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

or State-Chartered Bank, a Federal or State Association or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank. The City Treasurer shall review all institutions that wish to do business with the City, in order to determine if they are adequately capitalized, deal in security markets appropriate to the City's needs, and agree to abide by the conditions set forth in the City of Rocklin's Investment Policy. This will be done periodically by having the Financial Institutions complete and return the appropriate questionnaire (See Attachments "A" & "B"), and an audited Financial Statement must be provided. The City Treasurer shall make the final determination as to which institutions are admitted to the "Approved Qualified Institution List." See Attachment "F" for Institution Selection Policy. A written depository agreement will be obtained and retained for all qualified institutions.

Investment Management Services. The City shall also be open to contracting investment management services for a portion of the portfolio. The City Treasurer shall investigate all institutions that wish to do business with the City in order to determine that the firm's performance statistics are comparable with industry averages or benchmarks, deal in security markets appropriate to the City's needs, and agree to abide by the conditions set forth in the City of Rocklin's Investment Policy. This will be done by having the Financial Institutions complete and return the "External Money Manager Questionnaire and Certification" (Attachment C). All investments made under contract will be purchased in the City's name and in accordance with the guidelines established by the City's Investment Policy.

VII. COLLATERALIZATION

All demand deposits, time deposits, and repurchase agreements be fully collateralized with securities authorized by the California Government Code Section 53652 and pursuant to Sections 53656 and 53658. Collateralization must comply with the requirements of the FIRREA. FIRREA mandates that a valid security collateral agreement 1) is in writing; 2) was executed by the depository institution and the City contemporaneously with the acquisition of the asset; 3) was approved by the board of directors or loan committee of the institution and reflected in the minutes of that group; and 4) has been an official record of the institution continuously from the time of its execution.

A. Eligible Collateral. Eligible collateral for demand and time deposits must be those investments authorized by the California Government Code Section 53651 and 53652. The eligible collateral for repurchase agreements must be those investments noted in Section V. 1. (J.) above. Eligible collateral must be in book entry form.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

B. Collateral Levels. Collateral is valued at current market plus accrued interest through the date of valuation.

1. Demand Deposits and Time Deposits. The market value of collateral pledged for demand deposits and time deposits must at all times be equal to or greater than the amount on the deposit, plus accrued interest, in accordance with the margin ratios following:

U.S. Treasury Securities. 110%
U.S. Government Agencies.....110%
U.S. Government Sponsored Corporations.....110%
Mortgages (First Deeds of Trust).....150%
Federal Home Loan Bank of San Francisco
Irrevocable Letter of Credit.....105%

2. Repurchase Agreements. The market value of collateral pledged for repurchase agreements must at all times be equal to or greater than the par amount, plus accrued interest with the margin ratios following:

U.S. Treasury Securities.....102%
U.S. Government Agencies.....102%
U.S. Government Sponsored Corporations.....102%
All other securities permitted by 53601.....104%
Cash (in immediately available funds).....100%

The market value of the collateral shall be adjusted no less than quarterly.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. A written master repurchase agreement must be obtained by the City.

C. Monitoring Collateral. It is the policy of the City to require reports at least on a quarterly basis from institutions with whom the City has pledged security interest. City staff shall monitor the adequacy of collateralization to ensure that balances are collateralized in accordance with the margin ratios approved herein.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

VIII. SAFEKEEPING OF SECURITIES

All investment securities owned by the City except securities used as collateral for repurchase agreements, shall be kept in safekeeping with "perfected interest" by a third-party bank trust department, acting as agent for the City under the terms of a written custody agreement executed by the bank and by the City. All securities will be received and delivered using standard delivery versus payment procedures. All securities are to be registered in the City's name.

Substitution of collateral is permitted as long as the securities meet the City's collateralization requirements and approval.

IX. REPORTING

Monthly Reporting
The City Treasurer shall provide to the City Council a monthly investment report detailing transactions in the City's portfolio as required per California Government Code section 53607.

Quarterly Reporting
The City Treasurer shall render a quarterly report to the City Council showing the type of investment, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than twelve months, rate of interest, type and amount of funds under the management of contract investment managers, the City's compliance with the statement of investment policy, the ability of the City of meet cash flow needs for the next six months, and such data as may be required by the City Council as required per California Government Code section 53646.

X. INVESTMENT CONTROLS

The City has developed a system of internal investment controls and a segregation of responsibilities of investment functions in order to assure an adequate system of internal control over the investment function. An "Investment Transaction Authorization" form will be completed for all investment purchases. See Attachment "D".

XI. DELEGATION OF AUTHORITY

Pursuant to Section 53607 of the California Government Code, the City Council may delegate authority to make all investment decisions for the City's investment portfolio to the City Treasurer.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

XII. POLICY ADOPTION

The City's Investment Policy shall be adopted by resolution of the City Council. The Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of PRINCIPAL, LIQUIDITY, AND RETURN, and its relevance to current law, financial and economic trends, and to meet the needs of the City of Rocklin and any modifications made thereto must be approved by the City Council. The City's Investment Policy shall be submitted annually to the City Council.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

Attachment "A"

CITY OF ROCKLIN
BANK/SAVINGS AND LOAN QUESTIONNAIRE AND CERTIFICATION

1. Name of Firm_____
2. Address_____
3. Telephone No. (____)_____(____)_____
   (Local) (National Headquarters)
4. Primary Representative: Manager:
   Name_____ Name_____
   Title_____ Title_____
   Telephone No. ( )_____ Telephone No. (___)_____

5. What is the Total Assets of the Bank/Savings and Loan? _____

6. What is the current Net Worth Ratio?_____

7. What was the Net Worth Ratio for the Previous Year? _____

8. What is your required Capital Ratios?
   A. Total Risk-Based Capital Ratio_____
   B. Tier 1 Risk-Based Capital Ratio_____
   C. Tier 1 Leverage Ratio _____

9. What is the date of your fiscal year-end? _____
   A. Has there been a year during the past three years in which the Bank/ Savings and Loan did not make a profit? _____

10. Have you read the California Government Code Section 53600 et seq. pertaining to all of the State's requirements governing the deposit of monies by Local Agencies which includes Cities? [ ] YES [ ] NO

11. Where is the collateral for Time Deposits of the Bank/Savings and Loan held?
    _____

12. How many years of related experience does the Primary Contact(s) have?
    _____

13. What transaction documents and reports would we receive?
    _____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

14. What information would you provide to the City?

_____
_____
_____

15. Describe the precautions taken by your Bank/Savings and Loan to protect the interest of the public when dealing with government agencies as depositors of investors.

_____
_____
_____

16. Please provide your Contract of Deposit of Moneys pre-signed and sealed by your institution, as well as, any signature cards that you may require.

_____
_____
_____

17. Please provide your Wiring Instructions_____
_____
_____

18. Please provide your Banks/Savings and Loan most recent certified financial statements. In addition, audited financial statements must be provided.

_____
_____
_____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

--CERTIFICATION --

I hereby certify that I have personally read City of Rocklin's Investment Policy and the California Government Codes pertaining to the investments of the City of Rocklin, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and the City of Rocklin. All sales personnel will be routinely informed of City of Rocklin's investment objectives, horizon, outlook, strategies and risk constraints whenever we are so advised. We pledge to exercise due diligence in informing City of Rocklin of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to your questionnaire.

NOTE: **Completion of Questionnaire is only part of City of Rocklin's Certification process and DOES NOT guarantee that the applicant will be approved to do business with the City of Rocklin.**

SIGNED:_____ DATE: _____

TITLE: _____

COUNTERSIGNED:_____ DATE: _____

TITLE: _____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

Attachment "B"

CITY OF ROCKLIN
BROKER/DEALER QUESTIONNAIRE AND CERTIFICATION

1. Name of Firm _____

2. Address _____

3. Telephone No. (____)_____(____)_____
   Local *National Headquarters*

4. Primary Representative / Manager/Partner-in-Charge

Primary Representative	Manager/Partner-in-Charge
Name_____	Name_____
Title_____	Title_____
Telephone No._____	Telephone No._____
No. of Yrs. in Institutional Sales _____	No. of Yrs. in Institutional Sales_____
Number of Years with Firm_____	Number of Years with Firm_____

5. Are you a Primary Dealer in U.S. Government Securities?
   [ ] YES [ ] NO

6. Are you a Broker instead of a Dealer, i.e. You DO NOT own positions of Securities?
   [ ] YES [ ] NO

7. What is the debt to equity ratio of your Firm?_____

8. What is the date of your Firm's fiscal year-end? _____

9. Is your Firm owned by a Holding Company? If so, what is its name and debt to equity ratio?_____
   _____
   _____

10. Please provide your Wiring and Delivery Instructions_____
    _____
    _____
    _____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

11. Which of the following instruments are offered regularly by your local desk?

[ ] T-Bills [ ] Treasury Notes/Bonds [ ] Discount Notes [ ] NCD'S
[ ] Agencies (specify)_____
[ ] BAs (Domestic) [ ] BAs (Foreign) [ ] Commercial Paper
[ ] Mid-Term Notes

12. Which of the above does your Firm specialize in Marketing?_____

_____

_____

13. Please identify your most directly comparable City Local Agency clients in our geographical area.

Entity Contact Person Telephone No. Client Since

_____

_____

_____

14. What reports, transactions, confirmations and paper trail would we receive?

_____

_____

_____

15. Please include samples of research reports or market information that your firm regularly provides to local agency clients._____

_____

_____

_____

16. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors.

_____

_____

17. Have you or your Firm been censored or punished by a Regulatory State or Federal Agency for improper or fraudulent activities, related to the sale of securities?
[ ] YES [ ] NO

If Yes, explain _____

_____

_____

_____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

18. Attach certified documentation as to your capital adequacy and financial solvency. In addition, annually audited financial Statements must be provided.

19. Have you read the California Government Code Section 53600 et seq. pertaining to all of the State's requirements governing the deposit of monies by Local Agencies, which includes Cities?
[ ] YES [ ] NO

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

-- CERTIFICATION--

I hereby certify that I have personally read City of Rocklin's Investment Policy and the California Government Codes pertaining to the investments of the City of Rocklin, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and the City of Rocklin. All sales personnel will be routinely informed of City of Rocklin's investment objectives, horizon, outlook, strategies and risk constraints whenever we are so advised. We pledge to exercise due diligence in informing City of Rocklin all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to your questionnaire.

NOTE: Completion of Questionnaire is only part of City of Rocklin's Certification process and DOES NOT guarantee that the applicant will be approved to do business with the City of Rocklin.

SIGNED:_____ DATE: _____

TITLE:_____

COUNTERSIGNED:_____ DATE: _____

TITLE: _____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

ATTACHMENT "C"

CITY OF ROCKLIN
EXTERNAL MONEY MANAGER QUESTIONNAIRE AND CERTIFICATION

1. Name of Firm_____

2. Address_____

3. Telephone No. (____)_____(____)_____
   Local *National Headquarters*

4. Primary Representative

   Name_____
   Title_____
   Telephone No._____

5. What are your total institutional assets under investment management?
   _____
   _____

   What amount of your total assets under investment management are governmental funds? _____
   _____

6. Please provide relevant performance statistics on operating funds showing comparison with industry averages or benchmarks, if appropriate.

7. Describe your firm's research capabilities and resources. _____
   _____
   _____
   _____

   Does your firm assign credit research to specialists?
   [ ] YES [ ] NO

8. Describe your credit review process._____
   _____
   _____
   _____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

9. Who reviews portfolio lists for credit approval? _____

10. Identify the number of investment professionals (portfolio managers, analysts and researchers) employed by your firm by classification and specify the average number of accounts handled by portfolio managers. _____

11. Are there any established limits on accounts or assets under management?
[ ] YES [ ] NO

12. Provide biographical information on investment professionals that will be directly involved in the decision-making process for the City's portfolio. _____

13. Describe how your firm organizes its investment-management process. _____

14. What oversight is provided to portfolio managers? _____

15. What are the primary strategies for adding value to portfolios; e.g. market timing, credit research, trading. _____

16. Provide the fee schedule that would apply to this account._____

17. If alternative fee schedules could be developed, such as performance fees, describe how you would propose to develop such fee structures._____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

18. What expenses would be covered through the fee structure? _____
_____

19. What additional costs could be required in order to implement your program; e.g., bank custodial fees, travel expenses, etc.? _____
_____
_____
_____
_____

20. Please provide three references including length of time you have managed their assets, client name, contact personnel, address and phone number. (Governmental entities are preferred.)
_____
_____
_____
_____
_____
_____

21. Have you read the California Government Code Section 53600 et seq. pertaining to all of the state requirements governing the deposit of monies by local agencies which includes cities?
[ ] YES [ ] NO

22. Please provide your Wiring Instructions. _____
_____
_____

23. What is the date of your fiscal-year end. _____

24. Please provide your most recent certified financial statement. In addition, audited financial statement must be provided. _____
_____
_____
_____
_____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

-- CERTIFICATION --

I hereby certify that I have personally read City of Rocklin's Investment Policy and the California Government Codes pertaining to the investments of the City of Rocklin, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and the City of Rocklin. All sales personnel will be routinely informed of City of Rocklin's investment objectives, horizon, outlook, strategies and risk constraints whenever we are so advised. We pledge to exercise due diligence in informing City of Rocklin of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to your questionnaire.

NOTE: Completion of Questionnaire is only part of City of Rocklin's Certification process and DOES NOT guarantee that the applicant will be approved to do business with the City of Rocklin.

SIGNED:_____ DATE: _____

TITLE: _____

COUNTERSIGNED:_____ DATE: _____

TITLE: _____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

ATTACHMENT "D"

CITY OF ROCKLIN
INVESTMENT TRANSACTION AUTHORIZATIONS

Date: _____

Please circle: Purchase Sale

Investment Transaction Placed By: _____

Debit/Credit Account Name: _____

Debit/Credit Account Number: _____

INVESTMENT

Type: _____

Cost/Sales Proceeds:_____

Face Value: _____

Yield: _____

Maturity Date: _____

Bank/Brokerage Firm: _____

Brokerage Account No.: _____

Document No.: _____

Contact Name: _____

Authorized By:_____Title: _____

Date: _____

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

ATTACHMENT "E"

CITY OF ROCKLIN
INVESTMENT BID FORM

Quotation requested by:_____Date: _____

Surplus funds available to invest: _____

Date can be invested to: _____

Quotes obtained:

Firm No. 1 _____

Contact:_____ Phone: _____

Types of Securities	Face Amount	Yield	Maturity Date	Cost[1]

Firm No. 2 _____

Contact:_____ Phone: _____

Types of Securities	Face Amount	Yield	Maturity Date	Cost[1]

Please circle security of applicable firm accepted.

[1]Total cost including fees, if any.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

ATTACHMENT "F"

CITY OF ROCKLIN
INSTITUTION SELECTION POLICY

I. PURPOSE

The purpose of the Institution Selection Policy is to establish procedures for the selection and evaluation of institutions that have been approved to conduct financial transactions with the City of Rocklin. Institutions selected pursuant to this policy will be admitted to the approved list upon approval by the City Treasurer. Evaluations of those approved institutions will be performed annually. The City will only transact business with institutions who have been previously approved.

II. SELECTION PROCESS

The selection process shall be as follows:

A. Institutions complete and return the appropriate questionnaire (see Attachments "A" -- "C") to the City of Rocklin's Administrative Services Department.

B. The Administrative Services Department shall review the questionnaire in order to determine if the institutions are adequately capitalized, deal in security markets appropriate to the City's needs, and agree to abide by the conditions set forth in the City of Rocklin's Investment Policy. The Department will then submit the questionnaire and the results of the review to the City Treasurer for future consideration. Institutions submitting incomplete responses will be advised and allowed an opportunity to amend their responses.

C. The City will consider the institution's responses, the City reviews and determines if it is necessary to invite the institution to make a presentation prior to its final approval.

D. The City Treasurer's decision to approve or deny shall be governed by his or her interpretation of the City's needs, the institution's response to the questionnaire, and other factors regarding the ability of the institution to provide the most effective and efficient financial services required.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

III. EVALUATION PROCESS

The evaluation process shall be as follows:

A. Upon acceptance to the "Approved Qualified Institutions" list, the Financial Institution shall complete periodically, as determined by the City, the appropriate questionnaire (see Attachments "A" - "C") and shall submit audited financial statements to the City. Administrative Services Department shall review the data as in the selection process and forward results to the City Treasurer. Questions or issues that are raised as a result of the data reported will be put to the appropriate institution either personally or in writing.

B. The City Treasurer shall make the final determination to retain or eliminate any institution from the approved list which is not subject to further review or appeal.

IV. APPROVED QUALIFIED INSTITUTIONS LIST

The City shall maintain an approved list of institutions authorized for transacting business. The number of institutions included on the approved list shall be determined by the City Treasurer. Inclusion on the approved list is a privilege and does not imply or create a right or any intent on behalf of the City of Rocklin to conduct financial transactions through or with any institution. Institutions may be added or removed from the approved list at the discretion of the City Treasurer. It is recognized that qualified institutions may not be included on the approved list due to the City's need to manage the number of institutions for investment competition.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

GLOSSARY

ACCRUED INTEREST - Interest on a bond that has accumulated since the last interest payment. The buyer pays the seller the bond price plus accrued interest.

AGENCIES - Federal agency securities.

BANKER'S ACCEPTANCE - A time draft drawn on a bank and accepted by that bank as ultimate liability for payment. Used most often to finance import and export transactions. Banker's acceptances are also collateralized by the underlying merchandise being contracted in the import-export transaction. It is a money market instrument when guaranteed by a bank.

BASIS POINT - Smallest measure used in quoting yields on bonds and notes; one one-hundredth of a percentage point (.01 percent or .0001).

BOND - A debt instrument in which the investor lends money to the bond issuer, who agrees to pay a stated rate of interest over a specified period of time. Very simply a bond is nothing more than a promissory note which is traded in the financial markets. The investor's position is that of lender.

BOOK VALUE - The value at which the investor holds on their books as their invested amount in a security. This may be more or less' than the current face value of the security depending if the security was purchased at a price more or less than the face value.

BROKER - A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; the broker does not hold a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CAPITALIZATION - A firm's capital structure, composed of total securities issued by the corporation, including bonds, debentures, preferred and common stock, and all surpluses (retained earnings).

CERTIFICATE OF DEPOSIT (CD) (TIME DEPOSIT) - An interest bearing time deposit issued by banks with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

CHURNING – excessive trading in a customer's account designed solely to increase broker's commissions.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

COLLATERAL - Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZED OBLIGATIONS - Notes secured by collateral. The collateral is usually comprised of U.S. Government securities which are held by a third-party-trustee who also insures that adequate collateral is posted at all times.

COLLATERALIZED MORTGAGE OBLIGATION (CMO) - Derivative security created by dividing the cash flows of a pool of mortgages into obligations with different maturities.

COMMERCIAL PAPER - Unsecured, bearer obligations (maturity usually 270 days or less) issued by corporations, either at a discount and redeemed at par, or at par and pay interest.

COMMON STOCK - Units (shares) of ownership in a public corporation. Shareholders have control over corporate affairs through voting rights, and dividends are paid to common stockholders after preferred stock shareholders.

CONFIRMATION - A piece of paper detailing the conditions and terms of a transaction. Delivered to the customer on or before settlement. It serves as a bill for purchases and an advisory notice for sales.

CORPORATE BONDS - A debt instrument issued by a corporation which normally pays interest on specific dates and repays the principal at maturity.

COUPON - (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

CREDIT RISK - The risk that an obligation will not be met in a timely fashion with the result being a temporary or even permanent loss to the lender.

DEALER - A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE - A bond secured only by the general credit of the issuer.

DEBT TO EQUITY RATIO - Solvency ratio of total long-term debt to total stockholder's equity.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

DELIVERY VERSUS PAYMENT - There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVE - A broad term referring to any security which derives its value from another underlying asset or index.

DISCOUNT - The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT RATE - Interest rate that the Federal Reserve charges for loans to member banks.

DISCOUNT SECURITIES - Non-interest bearing money market instruments that are issued at a discount and redeemed at a maturity for full face value; i.e., U.S. Treasury bills.

DIVERSIFICATION - Spreading a portfolio across a range of security types, industries or geographic areas to limit risk.

FACE VALUE - The same as par value. Face value is the principal amount of a bond.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) - A federal agency that insures bank deposits currently $250,000 per depositor.

FEDERAL FARM CREDIT BANK (FFCB) - Government instrumentality which issues notes and bonds to provide funds for its member banks for the purchase of farm land, equipment and commodities.

FEDERAL HOME LOAN BANKS (FHLB) - Government instrumentality consisting of twelve regional banks owned by savings and homestead associations which issue bonds and notes to finance home building and mortgage loans of their member associates.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC OR FREDDIE MAC) - Debt issued by FHLMC, a government instrumentality, to facilitate real estate lending. FHLMC issues short-term debt backed by its own full faith and credit, and it issued long-term debt backed by mortgages with repayment guaranteed by FHLMC.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA OR FANNIE MAE) – A government-sponsored-publicly-owned corporation whose stock trades on the New York Stock Exchange. FNMA issues short-term debt backed by its own full faith and credit. FNMA purchases FHA, VA, and FHDA mortgages through the sale of its corporate debenture notes. These notes are backed by the mortgages with repayment guaranteed by FNMA.

FLOATER - A floating rate security in which the interest note varies with an index such as U.S. Treasury Bills or LIBOR (London Interbank Offered Rate).

GENERAL OBLIGATION BOND (G.O.) - A municipal bond secured by the full faith and credit of the municipality.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE) - Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

GUARANTEED INVESTMENT CONTRACTS (GICs) - An agreement acknowledging receipt of funds for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid. Uninsured, non-guaranteed obligations of insurance companies, permitted for public investment in a few states. Risk varies according to the credit risk of the issuing company.

HEDGE/HEDGING - Technique designed to counteract the risk of loss from price changes in the market.

HOLDING COMPANIES - A corporation with controlling interest in one or more corporations.

INSTRUMENTALITIES - See U.S. government instrumentality obligations.

INTEREST - The sum charged for borrowing money.

INTEREST-ONLY SECURITY (I0) - Security derived from the interest rate portion of a pool of mortgage securities (separated from the principal portion).

INTEREST RATE RISK - The uncertainty of investment return due to changes in the market rates of interest. For investments that generate a fixed rate of return, the value of that investment is inversely related to the movement of market rates of interest.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

INVERSE FLOATER - Structured note or derivative designed to rise in yield as interest rates fall. Also called reverse floater. Extremely volatile security not recommended for public funds.

INVESTMENT COMPANY ACT OF 1940 - Regulates investment companies.

LEVERAGE - Money borrowed to reinvest in order to increase the return on invested capital. A municipality may leverage funds through the issuance of taxable notes, reverse repurchase agreements and purchasing securities with embedded leverage. Leverage may be embedded inside a security or it may be applied to an investment portfolio as a whole.

LIQUIDITY - A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LIQUIDITY RISK - The risk that a financial institution or other organization will not have sufficient cash on hand to meet its obligations; or in the case of a specific investment instrument, the risk that it will not be easily convertible to cash.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP) - The aggregate of all funds from a political subdivision that are placed in the custody of the State Treasurer for investment and reinvestment.

LONG TERM - Securities held more than six months or bonds maturing in more than five years.

MARK TO MARKET - Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

MARKET MAKER - A broker/dealer maintaining an inventory in a security.

MARKET RATE OF RETURN - Return that is based on some market index that acts as a proxy for the market, such as the “Standard & Poor’s 500” stock index, which is used to gauge the returns on individual securities or portfolios. The City uses as a benchmark the average return on two-year U.S. Treasury Notes.

MARKET RISK - The risk of a decline in the price of securities because of a general falling market.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

MARKET VALUE - The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT - A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY - The date upon which the principal or stated value of an investment become due and payable.

MEDIUM-TERM NOTES - Issuers register with the SEC allowing for notes to be issued at various times, rates and maturities from one to ten years as the issuer's financing needs dictate.

MONEY MARKET - The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MONEY MARKET FUND - An open-end investment company (mutual fund) that invests in money market instruments regulated by the Securities and Exchange Commission. It is a highly liquid investment that pays money market rates of interest.

MONEY MARKET INSTRUMENTS - Highly liquid debt instruments usually with maturities of one year or less. Money market instruments include repurchase agreements, reverse repurchase agreements, negotiable certificates of deposit, banker's acceptances, commercial paper, Treasury bills and other short-term direct obligations of U.S. government agencies and instrumentalities.

MORTGAGE BACKED SECURITY (MBS) - A pool of individual mortgages which is packaged and sold to investors at a specified coupon rate, maturity date, and face value. Individual mortgage loans are purchased from lenders by GNMA, FNMA, & FHLMC, thus converting the lenders loan assets to dollars, in turn making money available again for borrowing. GNMA, FNMA, & FHLMC then package the mortgage loans into pools, securitize them and offers them for sale in the securities market. In doing so, GNMA, FNMA, & FHLMC convert mortgages to dollars, enabling them to purchase additional individual mortgages for pooling. This conduit is used to reallocate funds, from the securities markets into the real estate market.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

MUTUAL FUNDS - Investment company that pools funds from investors to buy stocks, bonds, government securities, money market instruments and other assets. Public investments, with the exception of pension funds, usually are restricted to mutual funds known as money market funds.

NATIONAL ASSOCIATION OF SECURITIES DEALERS - A not-for-profit organization of dealers whose aim is protecting over the counter customers through financial solvency and integrity.

NEGOTIABLE CERTIFICATE OF DEPOSIT - Time deposits which may be purchased and sold in the financial markets.

NET ASSET VALUE - Net redemption price (bid price) of an open-end investment company.

NO-LOAD MUTUAL FUNDS - Mutual funds offered directly to the public at net asset value with no sales charge.

NOTE - A written promise to pay a specified amount to a certain entity on demand or on a specified date.

OPEN MARKET OPERATIONS - Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PAR VALUE - The same as face value. Par value is the principal amount of a bond.

PERFECTED INTEREST - The legal right to interest and principal of securities held as collateral by a third-party safekeeping arrangement.

PORTFOLIO - Collection of securities held by an investor.

PREFERRED STOCK - Shareholders are entitled to a specified dividend and priority over assets in liquidation, but not voting rights.

PREMIUM - Bond purchase price which is greater than that of its face value.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

PRIMARY DEALER - A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange commission (SEC), registered securities broker-dealers, banks, and a few unregulated firms.

PRIME BANKER'S ACCEPTANCE - A banker's acceptance issued by a bank that has received the highest short-term ratings from at least two' nationally recognized ratings organizations. It has a relatively short maturity (usually six months or less), and is eligible for discounting within the Federal Reserve system. Eligibility depends on a number of criteria including the purpose; timing and amount of the underlying transaction (See also "banker's acceptance").

PRIME COMMERCIAL PAPER - Commercial paper that has received the highest short-term ratings from at least two national ratings organizations (See also "commercial paper").

PRIME RATE - Interest rate charged by a bank on loans to its best customers.

PRINCIPAL - (1) The face amount on a bond. (2) The basic amount invested.

PRINCIPAL-ONLY SECURITY (P0) - Security derived from principal portion of a pool of mortgage securities (separated from the interest payments).

PROSPECTUS - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

PRUDENT INVESTOR RULE - An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REINVESTMENT RISK - The risk that maturing investments cannot be replaced by investments earning the same interest rate.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

REPURCHASE AGREEMENT (RP or REPO) - A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

SAFEKEEPING - A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection.

SECONDARY MARKET - A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION (SEC) - Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SECURITY INVESTOR PROTECTION CORPORATION (SIPC) - A non-profit organization of broker/dealers responsible for orderly liquidation of failed firms. Customers are protected to $500,000 per account.

SHORT TERM - Securities held six months or less. Bonds with maturities of one year or less.

SMALL BUSINESS ADMINISTRATION LOANS (SBA) - Loans made by banks to small business, which are then sold to the SBA who offers them for sale in the financial markets. Loans are purchased by the SBA to facilitate lending for small business enterprises.

STRIPS – Separate trading of registered interest and principal securities

STRUCTURED NOTE - Complex customized security (also known as structured derivative) on which the returns are pegged to underlying assets or financial indices.

TAX AND REVENUE ANTICIPATION NOTES (TRANs) - Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

TOTAL RISK-BASED CAPITAL RATIO, TIER 1 RISK-BASED CAPITAL RATIO & TIER 1 LEVERAGE RATIO - In response to the FDIC Improvement Act of 1991 (FDICIA), the FDIC and the Federal Reserve Board both proposed a five-tier scheme of capital requirements and corresponding supervisory actions to implement the prompt corrective actions provisions of the FDICIA. These ratios serve as benchmarks for the five capital categories: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

Well capitalized institution would be defined as one that has a total risk-based capital ratio of ten percent, a Tier 1 risk-based capital ratio of six percent and a leverage ratio of five percent. A well-capitalized institution cannot be subject to any written capital order or directive.

An adequately capitalized institution would be one with a total risk-based capital ratio of eight percent, a Tier 1 risk-based capital ratio of four percent, or a Tier 1 leverage ratio of four percent.

An undercapitalized institution would be one that does not meet the capital levels needed to be adequately capitalized. A significantly undercapitalized institution, however, would be one that has a total risk-based capital ratio of under six percent, a Tier 1 risk-based capital of under three percent, or a Tier 1 leverage ratio of under three percent.

Finally, the agencies proposed to classify any institution as critically undercapitalized if it has a Tier 1 leverage ratio of two percent or less.

TREASURY BILLS - A short-term U.S. government security, also known as a T-bill, issued in minimum denominations of $10,000 with maturities of 13 weeks, 26 weeks and 52 weeks. T-bills bear no specific interest rate. They are sold at a discount to face value; their yield, therefore, varies with the difference between the purchase price and the value at maturity.

TREASURY BOND - Long-term, coupon-bearing U.S. government security, usually issued in denominations of $1,000 or more and having maturities of 10 or more years. Interest is paid every six months at a rate of one-half the annual coupon; principal is paid at maturity.

TREASURY NOTES - Medium-term, coupon-bearing U.S. government security, usually issued in denominations of $1,000 or more and having maturities of one to 10 years. Interest is paid every six months at a rate of one-half the annual coupon; principal is paid at maturity.

TRUSTEE OR TRUST COMPANY OR TRUST DEPARTMENT OF A BANK – A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

UNDERWRITER - A dealer which purchases a new issue of municipal securities for resale.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

UNIFORM NET CAPITAL RULE - SEC requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. GOVERNMENT AGENCY OBLIGATIONS (AGENCIES) - Securities issued by federal agencies other than the U.S. Treasury including: the Government National Mortgage Association (GNMA or Ginnie Mae), Small Business Administration (SBA), General Services Administration (GSA) and Federal Housing Administration (FHA). Some investors include debt instruments issued by government-sponsored corporations and related instrumentalities in the term "agencies." However, technical differences make this usage incorrect. In most cases, the U.S. government explicitly guarantees principal and interest of agency debt but not debt of instrumentalities and government sponsored corporations.

U.S. GOVERNMENT INSTRUMENTALITY OBLIGATIONS (INSTRUMENTALITIES) - Securities issued by government-sponsored corporations including: the Student Loan Marketing Association (Sallie Mae), World Bank, Federal National Mortgage Association (Fannie Mae), Federal Farm Credit Banks (FFCB), Federal Home Loan Mortgage Association (Freddie Mae) and Federal Home Loan Banks (FHLB). Principal and interest are guaranteed only by the corporations, not the U.S. government.

WEIGHTED AVERAGE MATURITY (WAM) - The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

YIELD - The rate of annual income returns on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

YIELD CURVE - A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

ZERO-COUPON SECURITY (ZEROS) - A security on which all interest is paid in a lump sum at maturity, thus eliminating the reinvestment risk of interest paid out over the life of the security. Prices are extremely interest rate sensitive and volatility increases with maturity (See also "zero-coupon treasury bonds").

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

ZERO-COUPON TREASURY BOND - Security formed by stripping coupons from a treasury bond so that an investor can buy a single coupon or the principal payment at present value. Market risk is high, particularly for longer maturities. Variations include STRIPS (Separate Trading: of Registered Interest and Principal), CATS (Certificate of Accrual on Treasury Securities), TIGRS (Treasury Income Growth Receipts) and others.

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

TABLE 1
INVESTMENT LIMITATIONS SUMMARY

Eligible Investment Vehicle	Investment Policy Section	Percentage of Total Investment Fund Market Value	Percentage of Total Investment Fund Invested With a Single Institution
City of Rocklin Bonds	V. 1. (A.)	No limitation	No limitation
U.S. Treasuries	V. 1. (B.)	No limitation	No limitation
State of California Bonds	V. 1. (C.)	No limitation	No limitation
Other U.S. State Bonds	V. 1. (D.)	No limitation	No limitation
Local Agency Bonds	V. 1. (E.)	No limitation	No limitation
U.S. Agencies	V. 1. (F.)	No more than 25% of the market value of the fund and no more than 5% may be invested in callable federal agency securities.	5%
Banker's Acceptance	V. 1. (G.)	May not exceed 180 days to maturity and 40% of the market value of the fund.	5%
Commercial Paper	V. 1. (H.)	May not exceed 270 days to maturity nor 10% of the outstanding paper of the issuing corporation and 25% of the market value of the fund.	5%
Negotiable Certificates of Deposit	V. 1. (I.)	30%	5%
Repurchase Agreements	V. 1. (J.)	May not exceed 90 days to maturity and 15% of the market value of the fund.	5%
Supranationals	V.1. (K.)	30%	

DocuSign Envelope ID: F9706339-E2A7-4FB2-BDBB-FCBA4716D912

Eligible Investment Vehicle	Investment Policy Section	Percentage of Total Investment Fund Market Value	Percentage of Total Investment Fund Invested With a Single Institution
Local Agency Investment Fund	V. 1. (L.)	Maximum dollar amount as permitted by State law.	Maximum dollar amount as permitted by State law.
Medium-term Notes	V. 1. (M.)	30%	5%
Time Deposits	V. 1. (N.)	10%	5%
Mutual Funds/Money Market Funds	V. 1. (O.)	15%	5%
Collateralized Negotiable Investments	V. 1. (P.)	10%	5%
Mortgage-Backed Securities	V. 1. (Q.)	20%	5%
Placer County Treasurer's Investment Pool	V. 1. (R.)	25%	N/A

City Council Special Staff Report

Subject: CentralSquare Technologies, LLC Solutions Agreement

Date: November 18, 2025

Submitted By: Ruth Green, IT Manager
Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - IT

Recommendation:
Adopt a Resolution of the City Council of the City of Rocklin Approving and Authorizing the City Manager to Execute a Software Solutions Agreement with CentralSquare Technologies, LLC.

Background:
The City Council authorized the current CentralSquare Technologies, LLC Solutions (TRAKiT) Agreement (Resolution No. 2022-44) for a period of three years that will expire on December 31, 2025. This new Agreement will allow the City to continue the utilization of the TRAKiT software solution that streamlines permit workflow management, with GIS integrations for visual and location-based data and provides a citizen-facing online portal for submitting permit requests.

Pursuant to Rocklin Municipal Code Chapter 3.040, the City Council may suspend competitive bidding when doing so is determined to be in the best interest of the City. It is in the City's best interest to continue utilizing the TRACKiT solution to conserve resources, both time and cost, and to continue delivering valuable public services without the disruption of replacing a system that was enhanced with online permitting services within the past year. To ensure continued TRAKiT software services, staff recommends entering into a new three-year agreement with CentralSquare Technologies, LLC for a total amount of $162,238.55 (Year 1: $51,463.46, Year 2: $54,036.63, Year 3: $56,738.46) and suspend the competitive bidding process.

Fiscal Impact:
Sufficient funds are available in the Fiscal Years 2025-2027 Operating Budget to cover the cost of the proposed agreement. Funding for subsequent years will be included in future budgets, subject to City Council appropriation.

ATTACHMENTS:
1. Resolution
2. Resolution Exhibit A - Agreement

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A SOFTWARE SOLUTIONS AGREEMENT WITH CENTRALSQUARE TECHNOLOGIES, LLC

WHEREAS, the City of Rocklin (City) previously entered into an agreement with CentralSquare Technologies, LLC ("CentralSquare") to provide software solutions and related support services for permit, project, and land management, which agreement expires on December 31, 2025; and

WHEREAS, CentralSquare's software platform is proprietary, and the City has made substantial investments in configuration, implementation, and data integration with existing systems, and transitioning to a different software provider would result in significant costs, service disruption, and operational inefficiencies; and

WHEREAS, staff recommends entering into a new three (3) year agreement, paid annually, with CentralSquare in the amount of $162,238.55 to maintain its software solutions and support services; and

WHEREAS, pursuant to Rocklin Municipal Code Chapter 3.04, the City Council may suspend competitive bidding when doing so is determined to be in the best interest of the City; and

WHEREAS, the City Council finds that suspending competitive bidding for this agreement is in the best interest of the City due to the proprietary nature of the software and the need to maintain compatibility, continuity, and efficiency of existing operations.

NOW, THEREFORE, the City Council of the City of Rocklin does resolve as follows:

Section 1. The recitals are true and correct and are incorporated herein by this reference.

Section 2. The City Council hereby approves and authorizes the City Manager to execute the Software Solutions Agreement with CentralSquare Technologies, LLC, attached and incorporated hereto as reference as Exhibit "A."

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

CentralSquare Solutions Agreement

This CentralSquare Solutions Agreement (the "**Agreement**"), effective January 1, 2026 (the "**Effective Date**"), is entered into between **Superion LLC, a CentralSquare Technologies, LLC company** with its principal place of business in Lake Mary, FL ("**CentralSquare**") and **City of Rocklin, CA** ("**Customer**"), together with CentralSquare, the "**Parties**", and each, a "**Party**".

WHEREAS, CentralSquare licenses and gives access to certain software applications ("**Solutions**") to its customers and also provides maintenance, support, migration, installation and other professional services; and

WHEREAS, Customer desires to license and/or gain access to certain Solutions and receive professional services described herein, and CentralSquare desires to grant and provide Customer license and access to such offerings as well as to provide support and maintenance, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, by the signatures of their duly authorized representative below, the Parties intending to be legally bound, agree to all of the following provisions and exhibits of this Agreement:

Superion LLC, a CentralSquare Technologies, LLC company	**City of Rocklin**
1000 Business Center Drive Lake Mary, FL 32746	4081 Alvis Court, Rocklin, CA , 95677
By: Signed by: Ron Anderson CA1F6996BA0C4F7...	By:
Print Name: Ron Anderson	Print Name:
Print Title: Chief Revenue Officer	Print Title:
Date Signed: 10/17/2025	Date Signed:

Solution: Community Dev

Term.

Initial Term. The Initial Term of this Agreement commences as of the Effective Date and will continue in effect for three (3) years from such date unless terminated earlier pursuant to any of the Agreement's express provisions (the "**Initial Term**").

Renewal Term. This Agreement may be renewed for additional successive one (1) year terms by written agreement of the parties unless earlier terminated pursuant to any of the Agreement's provisions (a "**Renewal Term**" and, collectively, with the Initial Term, the "**Term**").

Non-Renewal. Either Party may elect to end renewal of the Agreement by issuing a notice of non-renewal, in writing, to the other Party six (6) months prior to the expiration of the Agreement term.

Fees.

In consideration of the rights and services granted by CentralSquare to Customer under this Agreement, Customer shall make payments to CentralSquare pursuant to the amounts and payment terms outlined in Exhibit 1 (the Solution(s) and Services Fee Schedule).

All invoices shall be billed and paid in U.S. dollars (USD) and in accordance with the terms set forth in Exhibit 1. If Customer delays an invoice payment for any reason, Customer shall promptly notify CentralSquare in writing the reasons for such delay. Unless otherwise agreed by both Parties, CentralSquare may apply any payment received to any delinquent amount outstanding.

Standard Terms and Conditions

1. Definitions. Capitalized terms not otherwise defined in this Agreement have the meanings set forth below:

1.1. "**Affiliate**" means any other Entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Entity.

1.2. "**Authorized User**" means Customer's employees, consultants, contractors, and agents who are authorized by Customer to access and use the Solutions pursuant to this Agreement, and for whom access to the Solutions has been purchased.

1.3. "**Baseline Solution**" means the version of a Solution updated from time to time pursuant to CentralSquare's warranty services and maintenance, but without any other modification.

1.4. "**CentralSquare Systems**" means the information technology infrastructure used by or on behalf of CentralSquare to deliver the Solutions, including all computers, software, hardware, databases, electronic systems (including database management systems), and networks, whether operated directly by CentralSquare or through the use of third-party services.

1.5. "**Customer Data**" means information, data, and content, in any form or medium, collected, downloaded, or otherwise received, directly or indirectly from Customer, an Authorized User or end-users by or through the Solutions, provided the data is not personally identifiable and not identifiable to Customer.

1.6. "**Customer Systems**" means the Customer's information technology infrastructure, including computers, software, hardware, databases, electronic systems (including database management systems), and networks, whether operated by Customer or through the third-party services.

1.7. "**Defect**" means a material deviation between the Baseline Solution and its Documentation, for which Customer has given CentralSquare sufficient information to enable CentralSquare to replicate the deviation on a computer configuration that is both comparable to the Customer Systems and that is under CentralSquare's control. Further, with regard to any custom modification, Defect means a material deviation between the custom modification and the CentralSquare generated specification and Documentation for such custom modification, and for which Defect Customer has given CentralSquare sufficient information to enable CentralSquare to replicate the deviation on a computer configuration that is both comparable to the Customer Systems and that is under CentralSquare's control.

1.8. **"Delivery"** means:

1.8.1. For on-premise Solutions, Delivery shall be when CentralSquare delivers to Customer the initial copies of the Solutions outlined in Exhibit 1 by whichever the following applies and occurs first (a) electronic delivery, by posting it on CentralSquare's network for downloading, or similar suitable electronic file transfer method, or (b) physical shipment, such as on a disc or other suitable media transfer method, or (c) installation, or (d) delivery of managed services server. Physical shipment is on FOB - CentralSquare's shipping point, and electronic delivery is at the time CentralSquare provides Customer with access to download the Solutions.

1.8.2. For cloud-based Solutions Delivery shall be whichever the following applies and occurs first when Authorized Users have (a) received log-in access to the Solution or any module of the Solution or (b) received access to the Solution via a URL.

1.9. "**Documentation**" means any manuals, instructions, or other documents or materials that CentralSquare provides or makes available to Customer in any form or medium and which describe the functionality, components, features, or requirements of the Solution(s), including any aspect of its installation, configuration, integration, operation, use, support, or maintenance.

1.10. **"End User Training"** means the process of educating general users of the Software on the operation of the Software.

1.11. "**Entity**" means an individual, corporation, partnership, joint venture, limited liability entity, governmental authority, unincorporated organization, trust, association, or other organization.

1.12. **"Hardware"** means any equipment, computer systems, servers, storage devices, peripherals, and any other tangible assets purchased under this Agreement.

1.13. "**Intellectual Property Rights**" means any and all registered and unregistered rights granted, applied for, or otherwise now or hereafter in existence under or related to any patent, copyright, trademark, trade secret, database protection, or other intellectual property rights laws, and all similar or equivalent rights or forms of protection, in any part of the world.

1.14. "**Managed Services Hardware**" means any equipment, computer systems, servers, peripherals, and any other tangible asset purchased as a subscription under this Agreement.

1.15. "**Maintenance**" means optimization, error correction, modifications, and Updates (defined herein) to CentralSquare Solutions to correct any known Defects and improve performance. Maintenance will be provided for each Solution, the hours and details of which are described in Exhibit 2 (Maintenance and Support) or Exhibit 8 (Managed Services Provisions).

1.16. "**New or Major Releases**" means new versions of a Baseline Solution (e.g., version 4.0, 5.0 etc.) not provided as part of Maintenance.

1.17. "**Personal Information**" means any information that does or can identify a specific individual or by or from which a specific individual may be identified, contacted, or located. Personal Information includes all "nonpublic personal information" as defined under the Gramm-Leach-Bliley Act, "protected health information" as defined under the Health and Insurance Portability and Accountability Act of 1996, "Personal Data" as defined in the EU General Data Protection Regulation (GDPR 2018), "Personal Information" as defined under the Children's Online Privacy Protection Act of 1998, and all rules and regulations issued under any of the foregoing.

1.18. "**Professional Services**" means configuration, installation, implementation, development work, training or consulting services including custom modification programming, support relating to custom modifications, on-site support services, assistance with data transfers, system restarts and reinstallations provided by CentralSquare.

1.19. **"Project Kickoff"** is a meeting to occur shortly after contract execution between CentralSquare and Customer in which goals and objectives are set forth, all parties relevant team members are identified, and scope, timelines, and milestones are reviewed.

1.20. **"Reliability Period"** is the time period in which the Software is tested and confirmed reliable by successfully completed fifteen (15) continuous days in a live environment with no repeatable Priority 1 or Priority 2 issues as defined in Exhibit 2, unless otherwise agreed in a statement of work.

1.21. "**Software**" means the software program(s) (in object code format only) identified on Exhibit 1 (Solution(s) and Services Fee Schedule). The term "Software" excludes any Third-Party Software.

1.22. **"Software Version"** means the base or core version of the Solution Software that contains significant new features and significant fixes and is available to the Customer. The nomenclature used for updates and upgrades consists of major, minor, build, and fix and these correspond to the following digit locations of a release, a,b,c,d. An example of which would be 7.4.1.3, where the 7 refers to the major release, the 4 refers to the minor release, the 1 refers to the build, and the 3 refers to a fix.

1.23. "**Solutions**" means the software, Documentation, development work, CentralSquare Systems and any and all other information, data, documents, materials, works, and other content, devices, methods, processes, hardware, software, technologies and inventions, including any deliverables, technical or functional descriptions, requirements, plans, or reports, provided or used by CentralSquare or any Subcontractor in connection with Professional Services or Support Services rendered under this Agreement.

1.24. **"Support Services"** means Maintenance, Enhancements, implementation of New Releases, and general support efforts to respond to incidents reported by Customer in accordance with Exhibit 2 (Maintenance & Support) and Exhibit 8 (Managed Services Provisions), if applicable.

1.25. "**Third-Party Materials**" means materials and information, in any form or medium, including any software, documents, data, content, specifications, products, related services, equipment, or components of or relating to the Solutions that are not proprietary to CentralSquare.

2. License, Access, and Title.

2.1. License Grant. For any Solution designated as a "license" on Exhibit 1, Customer is granted a perpetual (unless terminated as provided herein), nontransferable, nonexclusive right and license to use the Software for Customer's own internal use for the applications described in the Statement of Work, in the applicable environment (e.g., production, test, training, or disaster recovery system) and in the quantity set forth in Exhibit 1. Additional software licenses purchased after the execution of this Agreement shall also be licensed in accordance with the provisions of this section. Customer shall not use, copy, rent, lease, sell, sublicense, modify, create derivative works from/of, or transfer any software, or permit others to do said acts, except as provided in this Agreement. Any such unauthorized use shall be void and may result in immediate and automatic termination of the applicable license. In such event, Customer shall not be entitled to a refund of any license fees paid. Notwithstanding, Customer shall be entitled to use software at the applicable designated location for the purpose of the application(s) described in the Statement of Work to provide services for itself and other Affiliate governmental agencies/entities, provided that the Software is installed and operated at only one physical location. The Software license granted in this Agreement or in connection with it are for object code only and do not include a license or any rights to source code whatsoever.

2.2. Access Grant. For any Solution designated as a "subscription" on Exhibit 1, so long as subscription fees are paid and current, (unless terminated as provided herein), Customer is granted a nontransferable, nonexclusive right to use the software for the Customer's own internal use for the applications described in the Statement of Work, in the applicable environment (e.g., production, test, training, or disaster recovery system) and in the quantity set forth in Exhibit 1. Additional CentralSquare software subscriptions purchased after the execution of this Agreement shall also be accessed in accordance with the provisions of this section. Customer shall not use, copy, rent, lease, sell, sublicense, modify, create derivative works from/of, or transfer any software, or permit others to do said acts, except as provided in this Agreement. Any such unauthorized use shall be void and may result in immediate and automatic termination of the applicable access. In such event, Customer shall not be entitled to a refund of any subscription fees paid. Notwithstanding, Customer shall be entitled to use software at the applicable designated location for the purpose of the application(s) described in the Statement of Work to provide services for itself and other Affiliate governmental agencies/entities. The subscription access granted in this Agreement or in connection with it are for object code only and do not include a license or any rights to source code whatsoever.

2.3. Documentation License. CentralSquare hereby grants to Customer a non-exclusive, non-sublicensable, non-transferable license to use the Documentation during the Term solely for Customer's internal business purposes in connection with its use of the Solutions.

2.4. Application Programming Interface "API". If the Customer has purchased any Application Programming Interface (API) license or subscription, Customer may use such API for Customer's own internal use to develop interfaces which enable interfacing with the applicable CentralSquare Software purchased herein. The development and use of such interfacing applications is specifically permitted under the use granted herein and shall not be deemed derivative works provided that they are not, in fact, derived from the CentralSquare Software or the ideas, methods of operation, processes, technology or know-how implemented therein. Other than the usage rights granted herein, Customer shall not acquire any right, title or interest in the CentralSquare Software or API by virtue of the interfacing of such applications, whether as joint owner, or otherwise. Should Customer desire to provide or share the API to a third-party, the third-party must enter into an API Access Agreement by and between the third-party and CentralSquare directly to govern the usage rights and restrictions of the applicable API.

2.5. Hardware. Subject to the terms and conditions of this Agreement, CentralSquare agrees to deliver, through hardware vendors, the Hardware itemized on Exhibit 1. The risk of loss or damage will pass to Customer upon the date of delivery to the Customer specified facility. Upon delivery and full satisfaction of the Hardware payment obligations, Hardware shall be deemed accepted and Customer will acquire good and clear title to Hardware. All Hardware manufacturer warranties will be passed through to Customer. CentralSquare expressly disclaims, and Customer hereby expressly waives all other Hardware warranties, express or implied, without limitation, warranties of merchantability and fitness for a particular purpose.

2.6. Managed Services Hardware. Subject to the terms and conditions of this Agreement, CentralSquare agrees to deliver the Managed Services Hardware itemized on Exhibit 1. So long as the applicable subscription fees are paid and current, Customer shall maintain a limited right in possessory interest in the Managed Services Hardware. No title in the Managed Services Hardware will pass to Customer at any time or for any reason. Customer agrees to maintain adequate insurance against fire, theft, or other loss for the Managed Services Hardware full insurable value. CentralSquare shall coordinate any Defect or warranty claims in accordance with Exhibit 8.

2.7. Reservation of Rights. Nothing in this Agreement grants any right, title, or interest in or to any Intellectual Property Rights in or relating to the Solutions, or Third-Party Materials, whether expressly, by implication, estoppel, or otherwise. All right, title, and interest in the Solutions, and the Third-Party Materials are and will remain with CentralSquare and the respective rights holders.

3. Use Restrictions. Authorized Users shall not:

3.1. copy, modify, or create derivative works or improvements of the Solutions, or rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available any Solutions to any Entity, including on or in connection with the internet or any time-sharing, service bureau, software as a service, cloud, or other technology or service;

3.2. reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to the source code of the Solutions, in whole or in part;

3.3. bypass or breach any security device or protection used by Solutions or access or use the Solutions other than by an Authorized User through the use of his or her own then valid access;

3.4. input, upload, transmit, or otherwise provide to or through the CentralSquare Systems, any information or materials that are unlawful or injurious, or contain, transmit, or activate any harmful code (any software, hardware, device, or other technology, including any virus, worm, malware, or other malicious computer code, the purpose or effect of which is to (a) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede any (i) computer, software firmware, hardware, system or network; or (ii) any application or function of any of the foregoing or the security, integrity, confidentiality, or use of any data processed thereby; or (b) prevent Customer or any Authorized User from accessing or using the Solutions as intended by this Agreement;

3.5. damage, destroy, disrupt, disable, impair, interfere with, or otherwise impede or harm in any manner the CentralSquare Systems, or CentralSquare's provision of services to any third-party, in whole or in part;

3.6. remove, delete, alter, or obscure any trademarks, specifications, Documentation, warranties, or disclaimers, or any copyright, trademark, patent, or other intellectual property or proprietary rights notices from any Documentation or Solutions, including any copy thereof;

3.7. access or use the Solutions in any manner or for any purpose that infringes, misappropriates, or otherwise violates any Intellectual Property Right or other right of any third-party, or that violates any applicable law;

3.8. access or use the Solutions for purposes of competitive analysis of the Solutions, the development, provision, or use of a competing software service or product or any other purpose that is to CentralSquare's detriment or commercial disadvantage or otherwise access or use the Solutions beyond the scope of the authorization granted in Section 2.

4. Audit.

4.1. CentralSquare shall have the right to audit Customer's use of the Software to monitor compliance with this Agreement. Customer shall permit CentralSquare and its directors, officers, employees, and agents to have on-site access at Customer's premises (or remote access as the case may be) during normal business hours to such systems, books, and

records for the purpose of verifying license counts, access counts, and overall compliance with this Agreement. Customer shall render reasonable cooperation to CentralSquare as requested. If as a result of any audit or inspection CentralSquare substantiates a deficiency or non-compliance, or if an audit reveals that Customer has exceeded the restrictions on use, Customer shall promptly reimburse CentralSquare for all its costs and expenses incurred to conduct such audit or inspection and be required to pay for any delinquencies in compliance and prompt payment of any underpayment of Fees.

5. Customer Obligations.

5.1. Customer Systems and Cooperation. Customer shall at all times during the Term: (a) set up, maintain, and operate in good repair all Customer Systems on or through which the Solutions are accessed or used; (b) provide CentralSquare Personnel with such access to Customer's premises and Customer Systems as is necessary for CentralSquare to perform the Support Services in accordance with the Support Standards and specifications and if required by CentralSquare, remote access in accordance with Exhibit 3 (CentralSquare Access Management Policy); and (c) provide all cooperation as CentralSquare may reasonably request to enable CentralSquare to exercise its rights and perform its obligations under this Agreement.

5.2. Effect of Customer Failure or Delay. CentralSquare is not responsible or liable for any delay or failure of performance caused in whole or in part by Customer's delay in performing, or failure to perform, any of its obligations under this Agreement.

5.3. Corrective Action and Notice. If Customer becomes aware of any actual or threatened activity prohibited by Section 3, Customer shall, and shall cause its Authorized Users to, immediately: (a) take all reasonable and lawful measures within their respective control that are necessary to stop the activity or threatened activity and to mitigate its effects (including, where applicable, by discontinuing and preventing any unauthorized access to the Solutions and permanently erasing from their systems and destroying any data to which any of them gained unauthorized access); and (b) notify CentralSquare of any such actual or threatened activity.

5.4. Maintaining Current Versions of CentralSquare Solutions. In accordance with Exhibit 2 (Maintenance & Support) and Exhibit 8 (Managed Services Provisions), if applicable. Customer shall install and/or use any New or Major Release within one year of being made available by CentralSquare to mitigate a performance problem, ineligibility for Support Services, or an infringement claim.

6. Professional Services.

6.1. Compliance with Customer Policies. While CentralSquare personnel are performing services at Customer's site, CentralSquare personnel will comply with Customer's reasonable procedures and site policies that are generally applicable to Customer's other suppliers providing similar services and that have been provided to CentralSquare in writing or in advance.

6.2. Contributed Material. In the process of CentralSquare's performing Professional Services, Customer may, from time to time, provide CentralSquare with designs, plans, or specifications, improvements, works or other material for inclusion in, or making modifications to, the Solutions, the Documentation or any other deliverables ("**Contributed Material**"). Customer grants to CentralSquare a nonexclusive, irrevocable, perpetual, transferable right, without the payment of any royalties or other compensation of any kind and without the right of attribution, for CentralSquare, CentralSquare's Affiliates and CentralSquare's licensees to make, use, sell and create derivative works of the Contributed Material.

7. Confidentiality.

7.1. Nondisclosure. The Parties agree, unless otherwise provided in this Agreement or required by law, not to use or make each other's Confidential Information available to any third party for any purpose other than as necessary to perform under this Agreement. **"Confidential Information"** means the Solution(s), Software, and customizations in any embodiment, and either Party's technical and business information relating to inventions or software, research and development, future product specifications, engineering processes, costs, profit or margin information, marketing and future business plans as well as any and all internal Customer and employee information, and any information exchanged by the Parties that is clearly marked with a confidential, private or proprietary legend or which, by its nature, is commonly understood to be confidential.

7.2. Exceptions. A Party's Confidential Information shall not include information that: (a) is or becomes publicly available through no act or omission of the recipient; (b) was in the recipient's lawful possession prior to the disclosure and was not obtained by the recipient either directly or indirectly from the disclosing Party; (c) is lawfully disclosed to the recipient by a third party without restriction on recipient's disclosure, and where recipient was not aware that the information was the confidential information of discloser; (d) is independently developed by the recipient without violation of this Agreement; or (e) is required to be disclosed by law.

7.3. Public Record. As this Agreement is public record, CentralSquare is permitted to disclose Customer as a Customer. However, CentralSquare shall not make any statements or representations regarding Customer's opinion of CentralSquare or its services. CentralSquare may reach out to Customer from time to time for references or marketing engagements, subject to Customer's written approval.

8. Security.

8.1. CentralSquare will implement commercially reasonable administrative, technical and physical safeguards designed to ensure the security and confidentiality of Customer Data, protect against any anticipated threats or hazards to the security or integrity of Customer Data, and protect against unauthorized access or use of Customer Data. CentralSquare will review and test such safeguards on no less than an annual basis.

8.2. Customer shall maintain, in connection with the operation or use of the Solutions, adequate technical and procedural access controls and system security requirements and devices, necessary for data privacy, confidentiality, integrity, authorization, authentication, non-repudiation, virus detection and eradication.

8.3. To the extent that Authorized Users are permitted to have access to the Solutions, Customer shall maintain agreements with such Authorized Users that adequately protect the confidentiality and Intellectual Property Rights of CentralSquare in the Solutions and Documentation and disclaim any liability or responsibility of CentralSquare with respect to such Authorized Users.

9. Personal Data. If CentralSquare processes or otherwise has access to any personal data or Personal Information on Customer's behalf when performing CentralSquare's obligations under this Agreement, then:

9.1. Customer shall be the data controller (where "**data controller**" means an entity which alone or jointly with others determines purposes for which and the manner in which any personal data are, or are to be, processed) and CentralSquare shall be a data processor (where "**data processor**" means an entity which processes the data only on behalf of the data controller and not for any purposes of its own);

9.2. Customer shall ensure that it has obtained all necessary consents and it is entitled to transfer the relevant personal data or Personal Information to CentralSquare so that CentralSquare may lawfully use, process and transfer the personal data and Personal Information in accordance with this Agreement on Customer's behalf, which may include CentralSquare processing and transferring the relevant personal data or Personal Information outside the country where Customer and the Authorized Users are located in order for CentralSquare to provide the Solutions and perform its other obligations under this Agreement; and

9.3. CentralSquare shall process personal data and information only in accordance with lawful and reasonable written instructions given by Customer and as set out in and in accordance with the terms of this Agreement; and

9.4. CentralSquare shall take reasonable steps to ensure that its employees, agents and contractors who may have access to Personal Information are persons who need to know / access the relevant Personal Information for valid business reasons; and

9.5. each Party shall take appropriate technical and organizational measures against unauthorized or unlawful processing of the personal data and Personal Information or its accidental loss, destruction or damage so that, having regard to the state of technological development and the cost of implementing any measures, the measures taken ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction or damage in relation to the personal data and Personal Information and the nature of the personal data and Personal Information being protected. If necessary, the Parties will cooperate to document these measures taken.

10. Representations and Warranties.

10.1. Intellectual Property Warranty. CentralSquare represents and warrants that (a) it is the sole and exclusive owner of (or has the right to license) the software; (b) it has full and sufficient right, title and authority to grant the rights and/or licenses granted under this Agreement; (c) the software does not contain any materials developed by a third party used by CentralSquare except pursuant to a license agreement; and (d) the software does not infringe any patent, or copyright.

10.2. Intellectual Property Remedy. In the event that any third party asserts a claim of infringement against the Customer relating to the software contained in this Agreement, CentralSquare shall indemnify and defend the Customer pursuant to section 13.1 of this Agreement. In the case of any such claim of infringement, CentralSquare shall either, at its option, (1) procure for Customer the right to continue using the software; or (2) replace or modify the software so that that it becomes non-infringing, but equivalent in functionality and performance.

10.3. Software Warranty. CentralSquare warrants to Customer that: (i) for a period of one year from Delivery (the "Warranty Period") the Software will substantially conform in all material respects to the specifications set forth in the Documentation, when installed, operated and used as recommended in the Documentation and in accordance with this Agreement; and (ii) at the time of Delivery the Software does not contain any virus or other malicious code.

10.4. Software Remedy. If, during the Warranty Period a warranty defect is confirmed in the CentralSquare Software, CentralSquare shall, at its option and as the sole remedy, reinstall the Software or correct the Defects pursuant to Exhibit 2 (Maintenance & Support) and Exhibit 8 (Managed Services Provisions), if applicable.

10.5. Services Warranty. CentralSquare warrants that the Professional Services delivered will substantially conform to the deliverables specified in the applicable statement of work and that all Professional Services will be performed in a professional and workmanlike manner consistent with industry standards for similar work. If Professional Services do not substantially conform to the deliverables, Customer shall notify CentralSquare of such non-conformance in writing, within 10 days from completion of Professional Service, and CentralSquare shall promptly repair the non-conforming deliverables.

10.6. **Disclaimer of Warranty. EXCEPT FOR THE EXPRESS LIMITED WARRANTIES SET FORTH ABOVE,**

CENTRALSQUARE MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO THE INTELLECTUAL PROPERTY, SOFTWARE, PROFESSIONAL SERVICES, AND/OR ANY OTHER MATTER RELATING TO THIS AGREEMENT, AND THAT CENTRALSQUARE DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE, AND SPECIFICALLY DISCLAIMS IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE. FURTHER, CENTRALSQUARE EXPRESSLY DOES NOT WARRANT THAT A SOLUTION, ANY CUSTOM MODIFICATION OR ANY IMPROVEMENTS WILL BE USABLE BY CUSTOMER IF THE SOLUTION OR CUSTOM MODIFICATION HAS BEEN MODIFIED BY ANYONE OTHER THAN CENTRALSQUARE PERSONNEL, OR WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN THE DOCUMENTATION. ALL THIRD-PARTY MATERIALS ARE PROVIDED "AS-IS" AND ANY REPRESENTATION OR WARRANTY OF OR CONCERNING ANY OF THEM IS STRICTLY BETWEEN CUSTOMER AND THE THIRD-PARTY. THIS AGREEMENT DOES NOT AMEND, OR MODIFY CENTRALSQUARE'S WARRANTY UNDER ANY AGREEMENT OR ANY CONDITIONS, LIMITATIONS, OR RESTRICTIONS THEREOF.

11. Notices. All notices and other communications required or permitted under this Agreement must be in writing and will be deemed given when delivered personally, sent by United States registered or certified mail, return receipt requested; transmitted by facsimile or email confirmed by first class mail, or sent by overnight courier. Notices must be sent to a Party at its address shown below, or to such other place as the Party may subsequently designate for its receipt of notices in writing by the other Party.

If to CentralSquare	**CentralSquare Technologies, LLC** **1000 Business Center Dr.** **Lake Mary, FL 32746** **Phone: 407-304-3235** **Attention: Legal/Contracts**
If to Customer:	**City of Rocklin** **4081 Alvis Court** **Rocklin, CA 95677** **Phone:** **Email: brian.graves@rocklin.ca.us** **Attention: Brian Graves**

12. Force Majeure.

Neither Party shall be responsible for failure to fulfill its obligations hereunder, or be liable for damages resulting from delay in performance as a result of war, fire, strike, riot or insurrection, natural disaster, pandemic or epidemic, delay of carriers, governmental order or regulation, complete or partial shutdown of plant, unavailability of equipment, software, or services from suppliers, default of a subcontractor or vendor to the Party if such default arises out of causes beyond the reasonable control of such subcontractor or vendor, the acts or omissions of the other Party, or its officers, directors, employees, agents, contractors, or elected officials, and/or other occurrences beyond the Party's reasonable control ("Excusable Delay" hereunder). In the event of such Excusable Delay, performance shall be extended on a day for day basis or as otherwise reasonably necessary to compensate for such delay.

13. Indemnification.

13.1. CentralSquare Indemnification. CentralSquare shall indemnify, defend, and hold harmless Customer from any and all Claims or liability, including attorneys' fees and costs, brought by a third party, allegedly arising out of, in connection with, or incident to any loss, damage or injury to persons or property or arising solely from a wrongful or negligent act, error or omission of CentralSquare, its employees, agents, contractors, or any subcontractor as a result of CentralSquare's or any subcontractor's performance pursuant to this Agreement; however, CentralSquare shall not be required to indemnify Customer for any claims caused to the extent of the negligence or wrongful act of Customer, its employees, agents, or contractors. Notwithstanding anything to the contrary in the foregoing, if a Claim or liability results from or is contributed to by the actions or omissions of Customer, or its employees, agents or contractors, CentralSquare's obligations under this provision shall be reduced to the extent of such actions or omissions based upon the principle of comparative fault.

13.2. Customer Indemnification. To the extent allowable by law, Customer shall indemnify, defend, and hold harmless CentralSquare from any and all Claims or liability, including attorneys' fees and costs, allegedly arising out of, in connection with, or incident to any loss, damage or injury to persons or property or arising solely from a wrongful or negligent act, error or omission of Customer, its employees, agents, contractors, or any subcontractor as a result of Customer's or any subcontractor's performance pursuant to this Agreement; however, Customer shall not be required to indemnify CentralSquare for any Claims or actions caused to the extent of the negligence or wrongful act of CentralSquare, its employees, agents, or contractors. Notwithstanding anything to the contrary in the foregoing, if a

Claim or liability results from or is contributed to by the actions or omissions of CentralSquare, or its employees, agents or contractors, Customer's obligations under this provision shall be reduced to the extent of such actions or omissions based upon the principle of comparative fault.

13.3. "**Claim**" in this Section 13 means any claim, cause of action, demand, lawsuit, dispute, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or other, whether at law, in equity, or otherwise.

14. Termination.

14.1. Either Party may terminate this Agreement for a material breach in accordance with this subsection. In such event, the disputing Party shall deliver written notice of its intent to terminate along with a description in reasonable detail of the problems for which the disputing Party is invoking its right to terminate and the specific requirement within this Agreement or any exhibit or schedule hereto that the disputing Party is relying upon. Following such notice, the Parties shall commence dispute resolution procedures in accordance with the dispute resolution procedure pursuant to Section 17.

14.2. CentralSquare shall have the right to terminate this Agreement based on Customer's failure to pay undisputed amounts due under this Agreement more than ninety (90) days after delivery of written notice of non-payment.

15. Effect of Termination or Expiration. On the expiration or earlier termination of this Agreement:

15.1. All rights, licenses, and authorizations granted to Customer hereunder will immediately terminate and Customer shall immediately cease all use of CentralSquare's Confidential Information and the Solutions, and within thirty (30) days deliver to CentralSquare, or at CentralSquare's request destroy and erase CentralSquare's Confidential Information from all systems Customer directly or indirectly controls; and

15.2. All licenses, access or subscription fees, services rendered but unpaid, and any amounts due by Customer to CentralSquare of any kind shall become immediately payable and due no later than thirty (30) days after the date of the termination or expiration, including anything that accrues within those thirty (30) days.

15.3. The provisions set forth in the following sections, and any other right or obligation of the Parties in this Agreement that, by its nature (including but not limited to: Use Restrictions, Confidential Information, Warranty Disclaimers, Indemnifications, & Limitations of Liability), will survive any expiration or termination of this Agreement.

15.4. In the event that Customer terminates this Agreement or cancels any portions of a project (as may be set forth in a Statement of Work) prior to Go Live (which shall be defined as "first use of a Solution or module of a Solution in a production environment, unless otherwise agreed by the Parties in a statement of work"), Customer shall pay for all Professional Services actually performed by CentralSquare on a time and materials basis, regardless of the payment terms in Exhibit 1.

15.5. Return of Customer Data. If Customer requests in writing at least ten (10) days prior to the date of expiration or earlier termination of this Agreement, CentralSquare shall within sixty (60) days following such expiration or termination, deliver to Customer in CentralSquare's standard format the then most recent version of Customer Data maintained by CentralSquare, provided that Customer has at that time paid all Fees then outstanding and any amounts payable after or as a result of such expiration or termination.

15.6. Deconversion. In the event of (i) expiration or earlier termination of this Agreement, or (ii) Customer no longer purchasing certain Solutions (including those indicated to be Third-Party Materials), if Customer requests assistance in the transfer of Customer Data to a different vendor's applications ("Deconversion"), CentralSquare will provide reasonable assistance. CentralSquare and Customer will negotiate in good faith to establish the relative roles and responsibilities of CentralSquare and Customer in effecting Deconversion, as well as the appropriate date for completion. CentralSquare shall be entitled to receive compensation for any additional consultation, services, software, and documentation required for Deconversion on a time and materials basis at CentralSquare's then standard rates.

15.7. Termination of this Agreement shall not relieve either Party of any other obligation incurred one to the other prior to termination.

16. Assignment. Neither this Agreement nor any rights or obligations hereunder shall be assigned or otherwise transferred by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided however, that in the event of a merger or acquisition of all or substantially all of CentralSquare's assets, CentralSquare may assign this Agreement to an entity ready, willing and able to perform CentralSquare's executory obligations hereunder.

17. Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement (each, a "Dispute"), including the breach, termination, or validity thereof, shall be resolved as follows:

17.1. Good Faith Negotiations. The Parties agree to send written notice to the other Party of any Dispute ("Dispute Notice"). After the other Party receives the Dispute Notice, the Parties agree to undertake good faith negotiations to resolve the Dispute. Each Party shall be responsible for its associated travel and other related costs.

17.2. Litigation. If the Parties cannot resolve a Dispute, then once an impasse is declared either Party may pursue litigation in a court of competent jurisdiction.

18. Waiver/Severability. The failure of any Party to enforce any of the provisions hereof will not be construed to be a waiver of the right of such Party thereafter to enforce such provisions. If any provision of this Agreement is found to be unenforceable, that provision will be enforced to the maximum extent possible, and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

19. **LIABILITY. NOTWITHSTANDING ANY PROVISION WITHIN THIS AGREEMENT TO THE CONTRARY, AND REGARDLESS OF THE NUMBER OF LOSSES, WHETHER IN CONTRACT, EQUITY, STATUTE, TORT, NEGLIGENCE, OR OTHERWISE:**

    19.1. **NEITHER PARTY SHALL HAVE LIABILITY TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, LIQUIDATED, OR CONSEQUENTIAL DAMAGES OF ANY KIND INCLUDING BUT NOT LIMITED TO, REPLACEMENT COSTS, AND NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR LOSSES OF PROFIT, REVENUE, INCOME, BUSINESS, ANTICIPATED SAVINGS, DATA, AND REPUTATION, AND MORE GENERALLY, ANY LOSSES OF AN ECONOMIC OR FINANCIAL NATURE, REGARDLESS OF WHETHER SUCH LOSSES MAY BE DEEMED AS CONSEQUENTIAL OR ARISING DIRECTLY AND NATURALLY FROM THE INCIDENT GIVING RISE TO THE CLAIM, AND REGARDLESS OF WHETHER SUCH LOSSES ARE FORESEEABLE OR WHETHER EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES; AND**

    19.2. **CENTRALSQUARE'S TOTAL LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT(S) ACTUALLY PAID BY CUSTOMER TO CENTRALSQUARE HEREUNDER FOR THE LAST TWELVE (12) MONTHS PRIOR TO THE DATE THE CLAIM AROSE. THE FOREGOING LIMITATION OF LIABILITY DOES NOT LIMIT CENTRALSQUARE'S OBLIGATION TO INDEMNIFY CUSTOMER WHERE REQUIRED BY THIS AGREEMENT, NOR DOES IT LIMIT THE COVERAGE OF CENTRALSQUARE'S APPLICABLE INSURANCE PROVIDED PER THE TERMS OF THE AGREEMENT.**

20. **Insurance.** During the term of this Agreement, CentralSquare shall maintain insurance coverage covering its operations in accordance with Exhibit 4 (Certificate of Insurance (Evidence of Coverage)). Upon request by Customer, CentralSquare shall include Customer as an additional insured on applicable insurance policies provided under this Agreement. CentralSquare shall provide proof of current coverage during the term of this Agreement.

21. **Third-Party Materials.** CentralSquare may, from time to time, include third parties to perform services, provide software, or provide equipment. Customer acknowledges and agrees CentralSquare provides front-line support services for these Third-Party Materials, but these third parties assume all responsibility and liability in connection with the Third-Party Materials. CentralSquare is not authorized to make any representations or warranties that are binding upon the third-party or to engage in any other acts that are binding upon the third-party, except specifically that CentralSquare is authorized to represent third-party fees and to accept payment of such amounts from Customer on behalf of the third-party for as long as such third-party authorizes CentralSquare to do so. As a condition precedent to installing or accessing certain Third-Party Materials, Customer may be required to execute a click-through, shrink-wrap End User License Agreement ("EULA") or similar agreement provided by the Third-Party Materials provider. If mapping information is supplied with the CentralSquare Software, CentralSquare makes no representation or warranty as to the completeness or accuracy of the mapping data provided with the CentralSquare Software. The completeness or accuracy of such data is solely dependent on the information supplied by the Customer or the mapping database vendor to CentralSquare. All third-party materials are provided "as-is" and any representation or warranty concerning them is strictly between Customer and the third-party.

22. **Subcontractors**. CentralSquare may from time to time, in its discretion, engage third parties to perform services on its behalf including but not limited to Professional Services, Support Services, and/or provide software (each, a "Subcontractor"). CentralSquare shall be fully responsible for the acts of all subcontractors to the same extent it is responsible for the acts of its own employees.

23. **Entire Agreement**. This Agreement, and any Exhibits specifically incorporated therein by reference, constitute the entire agreement between the Parties with respect to the subject matter. These documents supersede and merge all previous and contemporaneous proposals of sale, communications, representations, understandings and agreements, whether oral or written, between the Parties with respect to the subject hereof.

24. **Amendment**. Either Party may, at any time during the term, request in writing changes to this agreement. The Parties shall evaluate and, if agreed, implement all such requested changes. No requested changes will be effective unless and until memorialized in either a CentralSquare issued add-on quote signed by Customer, or a written change order or amendment to this Agreement signed by both Parties.

25. **No Third-Party Beneficiaries**. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer on any other person any legal or equitable right, benefit, or remedy of any nature under or by reason of this Agreement.

26. **Counterparts**. This Agreement, and any amendments hereto, may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. The Agreement (and any amendments) shall be considered properly executed by a Party if executed by that Party and transmitted by facsimile or other electronic means, such as DocuSign, Tagged Image Format Files (TIFF), or Portable Document Format (PDF).

27. **Material Adverse Change**. If any law, regulation, applicable standard, process, OEM requirement is changed or comes into force after the Effective Date, including but not limited to PCI standards or Americans with Disabilities Act compliance (collectively, a "Material Adverse Change"), which is not explicitly addressed within this Agreement and results in *significant extra* costs for either Party in relation to the performance of this Agreement, both Parties shall promptly meet, discuss in good faith, and agree upon reducing the technical, operational, and/or commercial impact of such Material Adverse Change.

28. Cooperative Purchases. The Parties agree that other entities ("Cooperative Customers") may use this Agreement as a purchasing vehicle for similar CentralSquare software and services. Terms and conditions specific to each Cooperative Customer's purchase, including but not limited to pricing, payment terms, and scope of work, shall be negotiated separately between CentralSquare and the Cooperative Customer. A separate contract and any necessary supplemental documents shall be developed independently from this Agreement for each Cooperative Customer, and each such contract shall be fully independent of the others. The original Customer shall not be a party to any agreements made between CentralSquare and Cooperative Customers and will not incur any liability related to specifications, delivery, payment, or any other aspect of purchases made by Cooperative Customers.

29. Order of Precedence.

29.1. In the event of any conflict or inconsistency between this Agreement, the Exhibits, or any purchase order, then the following priority shall prevail:

29.1.1. The main body of this Agreement and any associated amendments, statements of work (including Exhibit 5 (Statement of Work)), or change orders and then the attached Exhibits to this Agreement in the order in which they appear.

29.2. Customer's purchase order terms and conditions are not applicable and shall have no force or effect, whether referenced in any document in relation to this Agreement.

29.3. Incorporated Exhibits to this Agreement:

Exhibit 1: Solution(s) and Services Fee Schedule

Exhibit 2: Maintenance & Support

Exhibit 3: CentralSquare Access Management Policy

Exhibit 4: Certificate of Insurance (Evidence of Coverage)

Exhibit 5: Statement of Work

Exhibit 6: Using/Accessing Agency Guidelines (if applicable)

Exhibit 7: Service Level Commitments (if applicable)

Exhibit 8: Managed Services Provisions (if applicable)

Exhibit 9: Community Data Platform Agreement (if applicable)

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

EXHIBIT 1
Solution(s) and Services Fee Schedule

Payment Terms:

Product: Product Name	Start Date	End Date	Quantity	Net Total
1. TRAKiT Community Development Core Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
2. LandTRAK Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
3. iTRAKiT Mobile Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
4. VoiceTRAK Annual Subscription Fee	1/1/2026	12/31/2026	1	USD 0.00
5. iTRAKiT Code Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
6. iTRAKiT Inspect Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
7. CodeTRAK License Fee	1/1/2026	12/31/2026	1	USD 0.00
8. CodeTRAK Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 2,546.79
9. TRAKiT End User License License Fee	1/1/2026	12/31/2026	1	USD 0.00
10. TRAKiT End User License Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 41,211.04
11. eTRAKiT Citizen Portal License Fee	1/1/2026	12/31/2026	1	USD 0.00
12. eTRAKiT Citizen Portal Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
13. iTRAKiT Suite License Fee	1/1/2026	12/31/2026	1	USD 0.00
14. iTRAKiT Suite Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
15. PermitTRAK License Fee	1/1/2026	12/31/2026	1	USD 0.00
16. PermitTRAK Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
17. ProjectTRAK License Fee	1/1/2026	12/31/2026	1	USD 0.00
18. ProjectTRAK Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 0.00
19. TRAKiT Credit Card Reader Interface License Fee	1/1/2026	12/31/2026	1	USD 0.00
20. TRAKiT Credit Card Reader Interface Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 2,211.16
21. eTRAKiT Credit Card API License Fee	1/1/2026	12/31/2026	1	USD 0.00
22. eTRAKiT Credit Card API Annual Maintenance Fee	1/1/2026	12/31/2026	1	USD 1,474.11
23. Fusion Subscription Premise Annual Subscription Fee Premise	1/1/2026	12/31/2026	1	USD 4,020.36
	Total Payment Year 1			USD 51,463.46
	Total Payment Year 2			USD 54,036.63
	Total Payment Year 3			USD 56,738.46
	Total of 3 Years Payments			**USD 162,238.55**

Subscriptions:

- If applicable, Annual Subscription Fees are due on the Delivery Date, and annually thereafter on the anniversary of the Delivery Date.
- Annual Subscription Fees shall increase by 5% each year
- The Annual Subscription Fees must be paid by the date listed above.

Services:

- If applicable, non-fixed fee professional services shall be due as incurred on a time and materials basis. Non-fixed fee professional services are not included in the percentages outlined in the above Payment Schedule.

- If applicable, non-fixed fee travel expenses shall be due as incurred, invoiced monthly for the travel expenses of the preceding month. Non-fixed fee travel expenses are not included in the percentages outlined in the above Payment Schedule.
- If applicable, Fixed Fee travel expenses are included in the percentages outlined in the above Payment Schedule.

Hardware:
- If applicable, Non-subscription Hardware Fees are due on the Effective Date.

Licenses:
- If applicable, License Fees are due on the Delivery Date.

Support & Maintenance
- If applicable, Support & Maintenance Fees are due annually, starting prior to the first anniversary of the Delivery Date and annually thereafter.
- Annual Software Maintenance Fees shall increase by 5% each year.

Third Party:
- If applicable, Third-Party Software Fees are due on the Effective Date. Third-Party software subscriptions and/or support fees shall be due annually thereafter on the anniversary of the Effective Date. Third-Party Software fees are subject to increase each year.

Invoice Terms:

CentralSquare shall provide an invoice for the items in the schedule above no less than thirty (30) days prior to the due date.

ANCILLARY FEES

a. To the extent allowable by law, if Customer fails to make any payment when due, then CentralSquare may charge interest on the past due amount at the rate of 1.5% per month calculated daily and compounded monthly, or, if lower, the highest rate permitted under applicable law; and if such failure continues for 90 days following written notice thereof, CentralSquare may suspend performance or access until past due amounts have been paid.

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

EXHIBIT 2
Maintenance & Support

This Maintenance & Support Exhibit describes support and maintenance relating to technical support that CentralSquare will provide to Customer during the Term of the Agreement.

1. **Product Updates and Releases**
   1.1. Software Version. "Software Version" means the base or core version of the Software that contains significant new features and significant fixes and is available to the Customer. Software Versions may occur as the Software architecture changes or as new technologies are developed. The nomenclature used for updates and upgrades consists of major, minor, build, and fix and these correspond to the following digit locations of a release, a,b,c,d. An example of which would be 7.4.1.3, where the 7 refers to the major release, the 4 refers to the minor release, the 1 refers to the build, and the 3 refers to a fix. All Software Versions are provided and included as part of this Agreement.

   1.2. Updates. From time to time CentralSquare may develop permanent fixes or solutions to known problems or bugs in the Software and incorporate them in a formal "Update" to the Software. If Customer is receiving technical support from CentralSquare on the general release date for an Update, CentralSquare will provide the Customer with the Update and related Documentation at no extra charge. Updates for custom configurations will be agreed upon by the Parties and outlined in a Statement of Work or Change Order.

   1.3. Releases. Customer shall agree to install and/or use any New or Major Release within one year of being made available by CentralSquare to avoid or mitigate a performance problem, ineligibility for Support and Maintenance Services or infringement claim. All modifications, revisions and updates to the Software shall be furnished by means of new Releases of the Software and shall be accompanied by updates to the Documentation whenever CentralSquare determines, in its sole discretion, that such updates are necessary.

2. **Support**
   2.1. CentralSquare shall provide to Customer support via toll-free phone number *833-278-7877* or via the CentralSquare Support Portal. CentralSquare shall provide to Customer, commercially reasonable efforts in solving errors reported by the Customer as well as making available an online support portal. Customer shall provide to CentralSquare reasonably detailed documentation and explanation, together with underlying data, to substantiate errors and to assist CentralSquare in its efforts to diagnose, reproduce and correct the error. Should either Party not be able to locate the error root cause and Customer and CentralSquare agree that on-site services are necessary to diagnose or resolve the problem CentralSquare shall provide a travel estimate and estimated hours in order to diagnose the reported error.

   2.2. If after traveling onsite to diagnose a reported error and such reported error did not, in fact, exist or was not attributable to a Defect in the Software provided by CentralSquare or an act or omission of CentralSquare, then Customer shall pay for CentralSquare's investigation, travel, and related services in accordance with provided estimate. Customer must provide CentralSquare with such facilities, equipment and support as are reasonably necessary for CentralSquare to perform its obligations under this Exhibit, including remote access in accordance with the Remote Access Policy.

3. **Online Support Portal**
   Online support is available via https://support.centralsquare.com/s/contact-us, offering Customer the ability to resolve its own problems with access to CentralSquare's most current information. Customer will need to enter its designated username and password to gain access to the technical support areas on CentralSquare's website. CentralSquare's technical support areas allow Customer to: (i) search an up-to-date knowledge base of technical support information, technical tips, and featured functions; and (ii) access answers to frequently asked questions (FAQ).

4. **Exclusions from Technical Support Services**
   CentralSquare shall have no support obligations to provide Support or Maintenance for Solutions that are not kept current to one version prior to the then current version of the Solution. CentralSquare shall have no support obligations with respect to any third-party hardware or software product not licensed or sold to Customer by CentralSquare ("Nonqualified Product"). Customer shall be solely responsible for the compatibility and functioning of Nonqualified Products with the Software.

5. **Customer Responsibilities**

   In connection with CentralSquare's provision of technical support as described herein, Customer acknowledges that Customer has the responsibility to do each of the following:

   5.1 Provide hardware, operating system and browser software that meets technical specifications, as well as a fast, stable, high-speed connection and remote connectivity for accessing the Solution.

   5.2 Maintain any applicable computer system and associated peripheral equipment in good working order in accordance with the manufacturers' specifications, and ensure that any problems reported to CentralSquare are not due to hardware malfunction;

   5.3 For CentralSquare Solutions that are implemented on Customer Systems, maintain the designated operating system at the latest code revision level reasonably deemed necessary by CentralSquare for proper operation of the Software;

   5.4 Supply CentralSquare with access to and use of all information and facilities reasonably determined to be necessary by CentralSquare to render the technical support described herein;

5.5 Perform any test or procedures reasonably recommended by CentralSquare for the purpose of identifying and/or resolving any problems;

5.6 At all times follow routine operator procedures as specified in the Documentation or any error correction guidelines of CentralSquare posted on the CentralSquare website;

5.7 Customer shall remain solely responsible at all times for the safeguarding of Customer's proprietary, confidential, and classified information contained within Customer Systems; and

5.8 Reasonably ensure that the Customer Systems are isolated and free from viruses and malicious code that could cause harm before requesting or receiving remote support assistance.

6. **Priorities and Support Response Matrix**

The following priority matrix relates to software errors covered by this Agreement. Causes secondary to non-covered causes - such as hardware, network, and third-party products - are not included in this priority matrix and are outside the scope of this Exhibit. CentralSquare will make commercially reasonable efforts to respond to Software incidents for live remote based production systems using the following guidelines:

Priority	Issue Definition	Response Time
Priority 1 – Urgent	The software is completely down and will not launch or function.	Priority 1 issues must be called in via 833-278-7877 and will be immediately answered and managed by the first available representative.
Priority 2 – Critical	A high-impact problem that disrupts the customer's operation but there is capacity to remain productive and maintain necessary operations.	Priority 2 issues must be called in via 833-278-7877 and will be immediately answered and managed by the first available representative.
Priority 3 – Non-Critical	A Software Error related to a user function which does not negatively impact the User from the use of the system. This includes system administrator functions or restriction of user workflow but does not significantly impact their job function.	Non-Critical Priority 3 issues must be reported via Https://support.centralsquare.com/s/contact-us
Priority 4 – Minor	Cosmetic or documentation errors, including Customer technical questions or usability questions.	Minor Priority 4 issues must be reported via Https://support.centralsquare.com/s/contact-us

7. **Exceptions.** CentralSquare shall not be responsible for failure to carry out its Support and Maintenance obligations under this Exhibit if the failure is caused by adverse impact due to:

7.1. defectiveness of the Customer's Systems (including but not limited to environment, hardware or ancillary systems), or due to Customer corrupt, incomplete, or inaccurate data reported to the Solution, or documented Defect.

7.2. denial of reasonable access to Customer's System or premises preventing CentralSquare from addressing the issue.

7.3. material changes made to the usage of the Solution by Customer where CentralSquare has not agreed to such changes in advance and in writing or the modification or alteration, in any way, by Customer or its subcontractors, of communications links necessary to the proper performance of the Solution.

7.4. a Force Majeure event (as outlined in Section 12), or the negligence, intentional acts, or omissions of Customer or its agents.

8. **Incident Resolution.** Actual response times and resolutions may vary due to issue complexity and priority. For critical impact level and above, CentralSquare provides a continuous resolution effort until the issue is resolved. CentralSquare will make commercially reasonable efforts to resolve Software incidents for live remote based production systems using the following guidelines:

Priority	Resolution Process	Resolution Time
Priority 1 – Urgent	CentralSquare will provide a procedural or configuration workaround or a code correction that allows the Customer to resume live operations on the production System.	CentralSquare will work continuously to provide the Customer with a solution that allows the Customer to resume live operations on the production system. CentralSquare will either resolve the issue or provide a resolution plan as soon as possible and not later than twenty-four (24) hours after notification.
Priority 2 – **Critical**	CentralSquare will provide a procedural or configuration workaround or a code correction that allows the Customer to resume normal operations on the production System.	CentralSquare will work continuously to provide the Customer with a solution that allows the Customer to resume normal operations on the production System. CentralSquare will either resolve the issue or provide a resolution plan as soon as possible and not later than thirty-six (36) hours after notification.
Priority 3 – Non – Critical	CentralSquare will provide a procedural or configuration workaround that allows the Customer to resolve the problem.	CentralSquare will work to provide the Customer with a resolution which may include a workaround or code correction within a timeframe that takes into consideration the impact of the issue on the Customer and CentralSquare's User base. Priority 3 issues have no defined resolution time.
Priority 4 – Minor	If CentralSquare determines that a reported Minor Priority error requires a code correction, such issues will be addressed in a subsequent release when applicable.	CentralSquare will work to provide the Customer with a resolution which may include a workaround or code correction in a future release of the software. Priority 4 issues have no defined resolution time.

9. Cases needing development. Support cases that require code development (e.g. writing, modifying or reviewing source code to create new functionality, resolve issues, or improve existing features) will be transferred to the appropriate product development team. Cases transferred to product development will be reviewed to determine the nature of the request, the severity of the impact on the performance of the solution, and the availability of a resolution. CentralSquare reserves the right to close out Non-Critical (Priority 3) and Minor (Priority 4) support cases, without resolution, for development items that do not reasonably fall within the current product roadmap.
10. **Non-Production Environments.** CentralSquare will make commercially reasonable efforts to provide fixes to non-production environment(s). Non-production environments are not included under the response or resolution tables provided in this Exhibit.
    10.1. Maintenance. All non-production environment resolution processes will follow the structure and schedules outlined above for production environments.
    10.2. Incidents and service requests. Non-production environment incidents are considered priority 3 or 4, dictated by circumstances and will be prioritized and scheduled subordinate to production environment service requests.
11. **Training.** Outside the scope of training services purchased, if any, Customer is responsible for the training and organization of its staff in the operation of the Software.
12. **Development Work.** Software support and maintenance does not include development work either (i) on software not licensed from CentralSquare or (ii) development work for enhancements or features that are outside the documented functionality of the Software, except such work as may be specifically purchased and outlined in the Agreement. CentralSquare retains all intellectual property rights in development work performed and Customer may request consulting and development work from CentralSquare as a separate billable service.
13. **Technology Life Expectancy**. Customer understands, acknowledges and agrees that the technology upon which the Hardware, Solution and Third-Party Software is based changes rapidly. Customer further acknowledges that CentralSquare will continue to improve the functionality and features of the Solution to improve legal compliance, accuracy, functionality and usability. As a result, CentralSquare does not represent or warrant that the Hardware, Solution and/or Third-Party Software provided to Customer under this Agreement or that the Customer Systems recommended by CentralSquare will function for an indefinite period of time. Rather, CentralSquare and Customer may, from time to time, analyze the functionality of the Hardware, Solution, Third-Party Software and Customer Systems in response to changes to determine whether Customer must upgrade the same. Customer upgrades may include without limitation, the installation of a new Release, additional disk storage and memory, and workstation and/or server upgrades. Customer upgrades may also include the installation and/or removal of Third-Party Software. Customer is solely responsible for all costs associated with future resources and upgrades.

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

EXHIBIT 3
CentralSquare Access Management Policy

In order to provide secure, federally compliant connections to agency systems CentralSquare Technologies ("CentralSquare") requires BeyondTrust or SecureLink as the only approved methodology of connection. BeyondTrust and Securelink provide the necessary remote access in order to service and maintain CentralSquare products while adhering to the Federal Bureau of Investigations Criminal Justice Information Services requirements. Both solutions utilize two-factor authentication Federal Information Processing Standard Publication ("FIPS") 140-2 validated cryptographic modules and AES encryption in 256-bit strengths.

BeyondTrust and Securelink are addressed in turn via this Access Management Policy; Customers may choose which remote privileged access management solution will be utilized by CentralSquare.

BeyondTrust

The BeyondTrust remote support solution may be utilized via escorted session or a jump Customer. As for an escorted session, when an agency needs assistance from CentralSquare, the agency employee requesting assistance will receive verbal or email communication with a session key necessary to enable remote access. If a verbal key is provided, the user enters the session key after visiting https://securesupport.centralsquare.com.

Jump Customers are a Windows service that can be stopped/started to facilitate a support session. Connections made via jump Customer can be active or passive. An active jump Customer is always available. A passive connection is enabled for a specific purpose and then disabled when not used. Regardless of the option selected, CentralSquare's support team will arrange a BeyondTrust session to establish the jump Customer.

The jump Customer resides on the agency side on the installed device, where an agency administrator can manage. Instructions on how to enable/disable jump Customers can be provided upon request. A sample workflow of a passive jump Customer is provided below:

> *Should an agency require support from CentralSquare, a call would be placed and/or a support ticket opened in the portal on the CentralSquare customer support website. Before accessing the agency's system and/or environment, the CentralSquare representative would send a notice of connection from the CentralSquare support portal instance. This notice can be sent to the individual at the agency that the CentralSquare representative is working with or other designated contacts as necessary. Upon receipt of the notice of connection, the agency personnel would enable the BeyondTrust jump Customer. The CentralSquare representative would then be admitted to the agency's system and/or environment to perform the necessary task. Upon completion of the task, the CentralSquare representative sends a notice of disconnection from the CentralSquare support portal instance. Upon receipt of the notice of disconnection, the agency personnel would then disable the BeyondTrust jump Customer.*

Securelink

Similar to BeyondTrust's escorted session, Securelink may be utilized via "quick connect". To enable a quick connect session when an agency needs assistance from CentralSquare, the Agency employee requesting assistance will enter a key code in order to connect for screen sharing on a device.

Similar to the jump Customer methodology, SecureLink may also be utilized via "gatekeeper". The sample workflow description for a jump Customer provided above is substantially similar to the workflow for gatekeeper.

Summation

BeyondTrust and Securelink allow customers the ability to monitor connectivity to the customer's network and maintain CJIS compliance while enabling CentralSquare to perform the necessary support functions.

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

EXHIBIT 4

Certificate of Insurance (Evidence of Coverage)

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 09/06/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, LLC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30326 CN130114897-EO/C-GAWU-24-25	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED CentralSquare Technologies, LLC 1000 Business Center Drive Lake Mary, FL 32746	INSURER A : The Charter Oak Fire Insurance Co.	25615
	INSURER B : Phoenix Insurance Company	25623
	INSURER C : Travelers Property Casualty Company Of America	25674
	INSURER D : Travelers Casualty And Surety Company	19038
	INSURER E : AIG Specialty Insurance Company	26883
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** ATL-005801055-00 **REVISION NUMBER:** 0

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC OTHER:			H-660-65758660-COF-24	08/31/2024	08/31/2025	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ $ $ $ $ $	1,000,000 1,000,000 10,000 1,000,000 2,000,000 2,000,000
B	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			BA-65783539-24-I3-G	08/31/2024	08/31/2025	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $	1,000,000
C	X UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [X] RETENTION $ 10,000			CUP-65801390-24-I3	08/31/2024	08/31/2025	EACH OCCURRENCE AGGREGATE	$ $	10,000,000 10,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) [N] Y / N If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		UB-65783668-24-I3-G	08/31/2024	08/31/2025	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $	1,000,000 1,000,000 1,000,000
E	E&O/Cyber			01-492-21-01	08/31/2024	08/31/2025	Limit SIR		5,000,000 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER	CANCELLATION
CentralSquare Technologies, LLC 1000 Business Center Drive Lake Mary, FL 32746	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA LLC

© 1988-2016 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03) The ACORD name and logo are registered marks of ACORD

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

EXHIBIT 5
Statement of Work

[N/A]

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

EXHIBIT 6

Intentionally Omitted

EXHIBIT 7

Service Level Commitments

The following applies to any cloud-hosted CentralSquare software only. The following does not apply to any on-premise software, hardware, or third-party products.

1. **Service Level Commitments**

   A. Availability. During any calendar month, the availability of the Solution shall be no less than 99.9%, excluding scheduled maintenance. CentralSquare shall provide Customer with prompt notification as soon as it becomes aware of any actual or potential unscheduled downtime of the Solution, as well as continual periodic updates during the unscheduled downtime regarding CentralSquare's progress in remedying the unavailability and estimated time at which the Solution shall be available.

   B. Measurement. Service availability is measured as the total time that the solutions are available during each calendar month for access by Customer ("Service Availability"). Service Availability measurement shall be applied to the production environment only, and the points of measurement for all monitoring shall be the servers and the internet connections at CentralSquare's hosted environment.

   C. Calculation. Service availability for a given month shall be calculated using the following calculation:
      I. The total number of minutes which the service was not available in a given month shall be subtracted from the total number of minutes available in the given month. The resulting figure is divided by the total number of minutes available in the given month.
      II. Service availability targets are subject to change due to the variance of the number of days in a month.
      III. The total number of minutes which the service was not available in a given month shall exclude minutes associated with scheduled or emergency maintenance.

   D. Remedy. If the service period target measurement is not met, then the customer shall be entitled to a credit calculated as follows:

Service Availability in the relevant Service Period	Percentage Reduction in Monthly Fee for the Subsequent Service Period
Less than 99.9% but greater than or equal to 99.0%	5%
Less than 99.0% but greater than or equal to 95.0%	10%
Less than 95%	20%

   E. Credit must be requested by the customer within sixty (60) days of the failed target. Any credit awarded shall be applied to the next applicable invoice. Customer shall not be eligible for credits where customer is more than thirty (30) days past due on their account.

2. Exceptions. The Service Level Commitments and availability stated in this Exhibit do not cover services interruptions or performance issues that are caused by factors outside of CentralSquare or it's hosting partner's control. Such factors may include, but are not limited to:

   A. Internet Access. Issues relating to Customer's internet access. Any outages, slowdowns, or other problems related to the internet connection are explicitly disclaimed;

   B. Customer's Internal Network Issues. Issues originating from Customer's internal network such as network congestion, network equipment failure, or misconfigurations are explicitly disclaimed;

   C. Third-Party Acts. Issues caused by the acts or omissions of third-parties, including providers of internet services, or for issues arising from third-party software or hardware that is not provided by CentralSquare is explicitly disclaimed;

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

D. Gross Negligence or Willful Misconduct. Issues relating to the failure or delay in performance to the extent caused by the acts or omissions of Customer or its agents constituting gross negligence or willful misconduct are explicitly disclaimed; and,

E. Force Majeure. A force majeure event such as natural disasters, acts of God, or any other cause constituting force majeure are explicitly disclaimed.

3. Server Performance & Capacity. The standard provisioning of storage for the cloud solutions is 1 terabyte. If Customer requests to add additional Software, increase storage or processing requirements, and/or request additional environments, these requests will be evaluated and if additional resources are required to support modifications, additional fees may apply at per unit (gigabyte, hour, license, etc).

4. Releases. Customer agrees keep the software up-to-date with the cloud release cycle as determined by centralsquare. Staying current is essential to address security, performance, and infringement issues, and is required for receiving software support. All modifications, revisions, and updates to the software will be provided through new releases, accompanied by documentation updates whenever the centralsquare deems necessary.

5. Non-Production Environments. Included in the subscription fee is access to the training environment during the hours of 8:00am – 4:00pm EST, Monday through Friday. Should the Customer require extended access for items such as internal training, CentralSquare can make exceptions provided that Customer provide reasonable advance written notice. CentralSquare will then work with the Customer to enable access in accordance with an agreed upon schedule.

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

EXHIBIT 8

Managed Services Provisions

1.0 Software Updates

While this Agreement remains in full force and effect, and all fees are paid and current, CentralSquare will maintain the Software by providing software updates and/or enhancements to Customer.

CentralSquare will install software updates remotely. Customer is responsible for ensuring that sufficient, capable personnel that possess the appropriate technology skills and public safety knowledge are available during the maintenance window. All updates will occur during normal business hours. Normal business hours are defined as: 08:00-17:00 CT. Software updates are offered in the following time slots: 08:00-10:00 CST, 10:00-12:00 CST, 13:00-15:00 CST. CentralSquare Technologies will work with the Customer to schedule an agreeable time to occur during these time slots.

1.1 Included Updates

Updates will be provided on an as-available basis and include the items listed below:

1. Bug fixes;

2. Enhancements to products licensed by Customer under this Agreement;

1.2 Not-Included Updates

Updates do not include:

1. Platform extensions including product extensions to different hardware platforms, different windowing system platforms, or different operating system platforms

2. New functions such as new modules, components, products, or applications.

2.0 Hardware Updates

Server Hardware updates consist of different types of hardware changes ranging from hardware replacement (such as replacing a hard disk), to hardware additions and hardware updates. Server Hardware updates require physical access to the servers. Customer is responsible for ensuring that sufficient, capable personnel that possess the appropriate technology skills and public safety knowledge are available during the maintenance window. All updates will occur during normal business hours. Normal business hours are defined as: 08:00-17:00 CT. Hardware updates are offered in the following time slots: 08:00-10:00 CST, 10:00-12:00 CST, 13:00-15:00 CST. CentralSquare Technologies will work with the Customer to schedule updates during these time slots.

3.0 Support

3.1 General Support

CentralSquare shall provide phone and email support for the Software provided under this Agreement and shall maintain a support center database to track any reported issues. Customer is required to accept and maintain updates to a supported version of the application(s) in order to maintain access to support services. No support will be provided for Software more than two versions back from the most recently released version.

Support does not include custom programming services or training.

Support is available 24 hours a day, seven days a week.

3.2 Remote Support

Software Support for managed services solutions shall be provided in accordance with Exhibit 3, (CentralSquare Access Management Policy).

VPN usage to connect to customer environments is prohibited. All costs associated with CentralSquare's use of any technological device to mitigate against the risk of such connection shall be the responsibility of Customer. This includes but is not limited to jumpboxes, virtual machines, etc. Any access to Customer's system and/or data shall be through the use of CentralSquare's unique user SSO credentials, and all such access must be capable of being logged in accordance with FBI CJIS Security Policy.

3.3 Server Hardware Maintenance

CentralSquare will maintain the managed services Server Hardware necessary to host the Software. This does not include any hardware except the CentralSquare Technologies' supplied Server Hardware. "Server Hardware Maintenance" is defined as ensuring the operating system and/or applications as installed are current and up to date.

A standby server is available for purchase by customer. This server replicates the production environment and is available to the customer for use in the event of a hardware and/or software failure of the production server. The training server is similar to the production server but it is not a mirror image of same. The training server cannot be utilized as a production server or other means to support the agency with respect to the Pro application and/or interfaces thereto in the event of a hardware failure of the production server.

In the event of a hardware and/or software failure, if the customer does not purchase a standby server, the customer acknowledges that the customer will be down for an extended period of time which could include, but not be limited to, an extended period of time while replacement hardware and/or software is attained and/or configured for use.

3.4 Customer Responsibilities

3.4.1 Access to Premises

Customer shall provide CentralSquare with reasonable and timely access to the sites and personnel necessary for CentralSquare to perform its obligations under this Agreement.

3.4.2 CentralSquare Server Access

Customer will ensure that all managed services CentralSquare Server Hardware are directly network accessible to CentralSquare at all times via SSH. There shall be no additional authorization or equipment required except as requested by CentralSquare. The persistent SSH secured service connection is mandatory and necessary for the proper functionality of the managed server. This connection is only utilized by CentralSquare Technologies' CJIS-compliant employees for purposes that include but are not limited to, contractually mandated backups, installation of major and minor software releases and/or execution of the managed service component of the Agreement.

Customer shall not allow any party, other than CentralSquare, to add, update, or delete database records or file system objects directly to or on the server or database except as provided for in the CentralSquare Documentation.

Customer shall not access any Server Hardware except as provided in the CentralSquare Documentation or cause any software except the Software provided under this Agreement to be installed on or executed on the Server Hardware.

3.4.3 Network Configuration Notification Requirements

Customer shall notify CentralSquare regarding all updates to Customer's network configuration, firewall changes, and IP address updates with a minimum twenty-four (24) hour notice prior to implementation of such changes.

3.4.4 System Administrator

Customer is responsible for naming one or more System Administrators to serve as a primary point of contact between Customer and CentralSquare. At least one System Administrator must be available at all times. Customer will ensure that the System Administrators possesses the appropriate technology and public safety knowledge and skills to perform this role sufficiently.

3.4.5 Security

Customer is responsible for providing all physical security. The customer is responsible for securing their network.

3.4.6 System Updates

Customer shall work in good faith to allow CentralSquare to install System updates as requested by CentralSquare.

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

3.5 GIS Data Maintenance

GIS data updates and maintenance are defined as changes to the GIS data based on actual additions or changes to points (e.g. addresses), lines (e.g. roads), or layers (e.g. Emergency Service Zones) that occur after the date of the software install.

CentralSquare will provide one (1) GIS update per month as part of this Agreement.

CentralSquare makes no representation or warranty as to the completeness or accuracy of the mapping data provided with the CentralSquare Software. The completeness or accuracy of such data is solely dependent on the information supplied by the Customer or the mapping database vendor to CentralSquare.

Docusign Envelope ID: 68A4FF48-AE03-4FA1-98D2-1853121F5C1A

EXHIBIT 9

Intentionally Omitted

City Council Special Staff Report

Subject: Accounts Paid List - July to September 2025

Date: November 18, 2025

Submitted By: Diane Ahn, Accounting Officer
Daniel Choe, Administrative Services Deputy Director

Department: Administrative Services - Finance

Recommendation:
Receive the Accounts Paid List for July 1, 2025 to September 30, 2025.

Background:
The Accounts Paid List (Attachment 1) details expenses by payee, expense type, and amount paid for the period between July 1, 2025 to September 30, 2025.

Fiscal Impact:
This report will not have a direct fiscal impact. The items included are either within the current year budget or have been approved through budget amendments.

ATTACHMENTS:
1. Accounts Paid List July to September 2025

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

City of Rocklin

ACCOUNTS PAID LIST

for

July 01, 2025 through September 30, 2025

meeting of

November 18, 2025

Signed by:
Daniel Choe
31D843A77E39437...

Administrative Services Deputy Director

10/27/2025 | 11:44 AM PDT

DATE

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

City of Rocklin

Accounts Paid Summary

From: 7/1/25 To: 9/30/25

Vendor Name		Total Amount Paid
19SIX ARCHITECTS	PROFESSIONAL SERVICES	25,313.25
4LEAF, INC.	PROFESSIONAL SERVICES	7,597.50
ACCRUENT LLC	IT SUBSCRIPTION & MAINTENANCE	15,438.00
ADAMSON POLICE PRODUCTS	NON-CAP. EQUIPMENT	4,420.65
ADVANCED INTEGRATED PEST MANAGEMENT	IT SUBSCRIPTION & MAINTENANCE	5,895.00
ADVANTAGE GEAR, INC.	UNIFORMS	3,664.62
AFSCME DISTRICT COUNCIL 57	PAYROLL DEDUCTS PAYABLE	8,924.68
AIR EXCHANGE INC.	IT SUBSCRIPTION & MAINTENANCE	4,686.55
ALEX CLAUDE	TRAVEL/TRAINING/MEALS	135.36
ALEX FLANDERS	TRAVEL/TRAINING/MEALS	26.00
ALL MY BEST INC.	UNIFORMS	1,476.77
ALL PHASE CONSTRUCTION & ENGINEERING INC.	INFRASTRUCTURE	1,182,435.05
ALLSTAR FIRE EQUIPMENT	NON-CAP. EQUIPMENT	15,775.59
ALYSSA GUNNING	TRAVEL/TRAINING/MEALS	856.14
AMERICAN RAMP COMPANY	PROJECT RETENTION	43,290.11
ANDRE BOOKER	TRAVEL/TRAINING/MEALS	960.00
ANIMAL DAMAGE MANAGEMENT, INC.	PROFESSIONAL SERVICES	2,145.00
APS ENVIRONMENTAL, INC.	FACILITIES REPAIRS AND MAINT	1,332.65
ARCSTREM LLC	INSTRUCTIONAL SERVICES	4,182.75
ASHLEY TOPETE	PRPD EXPENSE	12,676.65
AT&T	COMMUNICATIONS	106,288.12
AT&T MOBILITY	COMMUNICATIONS	18,742.88
BEAR ELECTRICAL SOLUTIONS, LLC	PROPERTY DAMAGE EXPENDITURE	9,693.00
BENNETT ENGINEERING SERVICES	INFRASTRUCTURE	109,679.25
BETTER BUSINESS PLANNING, INC	PROFESSIONAL SERVICES	495.95
BKF ENGINEERS	PARK IMPROVEMENTS	114,222.16
BLACKBURN CONSULTING	PROFESSIONAL SERVICES	23,424.00
BOBCAT COMPANY	VEHICLE & EQUIPMENT PARTS	2,888.56
BONNEVILLE INTERNATIONAL	ADVERTISING/PROMOTIONAL	15,000.00
BPR CONSULTING GROUP LLC	PROFESSIONAL SERVICES	32,914.00
BRIAN VELASQUEZ	PROGRAM SUPPLIES/MATERIALS	526.61
BROADWAY BABIES AND KIDS LLC	INSTRUCTIONAL SERVICES	4,830.00
BSAFE PLAYGROUND INSPECTION SERVICES, INC.	PROFESSIONAL SERVICES	2,475.00
BUREAU VERITAS NORTH AMERICA INC.	PROFESSIONAL SERVICES	91,793.56
CA ASSOC OF HOSTAGE NEGOTIATORS	LICENSES/MEMBERSHIPS/SUBSCRIP	40.00
CALIFORNIA ASSOCIATION FOR	LICENSES/MEMBERSHIPS/SUBSCRIP	920.00
CALIFORNIA BUILDING STANDARDS COMMISSION	STATE BLDG STANDARDS FUND	2,698.20
CALIFORNIA CARPET CENTER INC.	FACILITIES REPAIRS AND MAINT	34,577.97

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

Vendor Name		Total Amount Paid
CALIFORNIA CITY MGMNT FOUNDATION	LICENSES/MEMBERSHIPS/SUBSCRIP	400.00
CALIFORNIA DEPT OF TAX & FEE ADMINISTRATION	NON-CAP. EQUIPMENT	982.00
CALIFORNIA FIRE CHIEFS' ASSOCIATION	LICENSES/MEMBERSHIPS/SUBSCRIP	1,158.00
CALIFORNIA POLICE CHIEFS' ASSOC.	LICENSES/MEMBERSHIPS/SUBSCRIP	2,212.00
CALIFORNIA STATE DEPT OF CONSERV.	SEISMIC EDUCATION LIABILITY	11,568.56
CALIFORNIA STATE DEPT. OF GENERAL SERVICES	CASP SB1186 - STATE PORTION	96.80
CALIFORNIA STATE DEPT. OF JUSTICE	PROFESSIONAL SERVICES	3,762.98
CALIFORNIA STATE PARKS & RECREATION	REPAIR & MAINTENANCE	890.69
CALIFORNIA TREE & LANDSCAPE CONSULTING, INC.	REPAIR & MAINTENANCE	770.00
CAL-SIERRA FENCE	PROFESSIONAL SERVICES	9,995.00
CARAHSOFT TECHNOLOGY CORP	IT SUBSCRIPTION & MAINTENANCE	20,209.39
CARONE AND COMPANY INC	INFRASTRUCTURE	394,188.72
CARPI & CLAY, INC	PROFESSIONAL SERVICES	12,000.00
CCTMO LLC	REFUND PAYABLE	10,000.00
CDW GOVERNMENT INC.	NON-CAP. EQUIPMENT	139,576.23
CEB/REGENTS OF THE UNIVERSITY OF CALIF.	PROGRAM SUPPLIES/MATERIALS	1,300.81
CENTRAL VALLEY ENG. & ASPHALT INC.	INFRASTRUCTURE	346,666.72
CHAD MORRIS	PROFESSIONAL SERVICES	32.00
CHAVAN & ASSOCIATES, LLP	PROFESSIONAL SERVICES	19,000.00
CHEFS TOYS LLC	NON-CAP. EQUIPMENT	5,440.38
CHRISTOPHER KNAPP (ON THE FIELD EMS)	PROFESSIONAL SERVICES	5,000.00
CINTAS CORPORATION	LAUNDRY DEDUCTION PAYABLE	8,016.87
CINTAS FIRST AID & SAFETY	PROFESSIONAL SERVICES	2,014.99
CITY OF ELK GROVE	TRAVEL/TRAINING/MEALS	180.00
CITY OF RANCHO CORDOVA	TRAVEL/TRAINING/MEALS	5,400.00
CITY OF ROCKLIN - PETTY CASH	PROGRAM SUPPLIES/MATERIALS	125.19
CITY OF ROSEVILLE	HWY 65 PAYABLE	515,687.65
CITYGATE ASSOCIATES, LLC	PROFESSIONAL SERVICES	5,733.78
CLARITI CLOUD USA, INC.	IT SUBSCRIPTION & MAINTENANCE	21,400.00
CLASSIC TOW SERVICE	PROFESSIONAL SERVICES	1,845.00
CLIFFORD MOSS LLC	PROFESSIONAL SERVICES	14,000.00
CLOUDBURST CONSULTING GROUP, INC	PROFESSIONAL SERVICES	1,887.50
COAR DESIGN GROUP	BUILDING	65,991.15
COLBY ABBOTT	FUEL/OIL	33.90
COLLEGE OAK ROAD SOLUTIONS, LLC	PROFESSIONAL SERVICES	2,000.00
COMBINED SYSTEMS, INC	NON-CAP. EQUIPMENT	5,043.58
COMSTOCK PUBLISHING INC.	ADVERTISING/PROMOTIONAL	5,580.00
CONSOLIDATED COMMUNICATIONS	COMMUNICATIONS	1,246.86
CONSOR NORTH AMERICA, INC	INFRASTRUCTURE	1,030.84
CONSTANT CONTACT	IT SUBSCRIPTION & MAINTENANCE	5,293.80
CONSTRUCTION TESTING SERVICES, INC.	REPAIR & MAINTENANCE	13,569.60
CONTRA COSTA COUNTY	TRAVEL/TRAINING/MEALS	1,223.00
CORE PSYCHOLOGICAL CORPORATION	RECRUITMENT EXPENSES	2,500.00

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

Vendor Name		Total Amount Paid
COUNTCO CAPITAL, LLC	RENTAL/LEASE	18,351.57
CRAFCO, INC.	PROFESSIONAL SERVICES	3,564.44
CRAIG MIERS & GEORGE SCOTT ARCHITECTS, LLP	FACILITIES REPAIRS AND MAINT	3,725.53
CRYE PRECISION LLC	UNIFORMS	2,661.37
CSG CONSULTANTS INC.	PROFESSIONAL SERVICES	270.00
CURTIS BLUE LINE	NON-CAP. EQUIPMENT	35,034.39
CYRACOM INTERNATIONAL, INC	PROFESSIONAL SERVICES	358.80
DALE DOUGHERTY (MAKE COMMUNITY)	LICENSES/MEMBERSHIPS/SUBSCRIP	2,500.00
DAMANI NORMAN	TRAVEL/TRAINING/MEALS	306.00
DATCO SERVICES CORPORATION	PROFESSIONAL SERVICES	1,346.25
DAWN BULLWINKEL (DRB CONSULTING)	PROFESSIONAL SERVICES	1,050.00
DCS TESTING & EQUIPMENT, INC.	REPAIR & MAINTENANCE	5,997.75
DELL	IT SUBSCRIPTION & MAINTENANCE	240,053.71
DELTA REGIONAL MONITORING PROGRAM	LICENSES/MEMBERSHIPS/SUBSCRIP	20,600.00
DOKKEN ENGINEERING	INFRASTRUCTURE	204,077.36
DOMINGUEZ LANDSCAPE SERVICES INC.	PROFESSIONAL SERVICES	437,069.74
DOMINIC GOMES	RECRUITMENT EXPENSES	69.00
DONALD S. ASHTON (MUNICIPAL MANAGEMENT)	PROFESSIONAL SERVICES	780.00
DOUGLAS B. CHRISTENSEN (MAD SCIENCE OF SAC)	INSTRUCTIONAL SERVICES	8,444.05
DOUGLAS VANCE	TRAVEL/TRAINING/MEALS	306.00
ECONOLITE CONTROL PRODUCTS, INC.	REPAIR & MAINTENANCE	8,656.81
ECONOMIC AND PLANNING SYSTEMS, INC.	PROFESSIONAL SERVICES	940.00
ECOSYSTEM CONCEPTS INC	PROFESSIONAL SERVICES	341,065.27
EFI GLOBAL, INC	PROFESSIONAL SERVICES	780.00
ELECTRICAL CONSTRUCTION SERVICES INC	MACHINERY & EQUIPMENT	4,800.00
EMPIRE SAFETY & SUPPLY	PROGRAM SUPPLIES/MATERIALS	2,605.21
ENTENMANN-ROVIN COMPANY	UNIFORMS	991.10
EWING IRRIGATION PRODUCTS INC.	PROGRAM SUPPLIES/MATERIALS	8,270.32
FAIRBANK, MASLIN, MAULLIN, METZ & ASSOC, INC.	PROFESSIONAL SERVICES	33,750.00
FBD VANGUARD CONTRUCTION	PROJECT RETENTION	16,388.00
FEDEX	POSTAGE	122.67
FFP FUND VIII CEI PARTNERSHIP, LLC	UTILITIES	67,132.36
FIRST AMERICAN ADMINISTRATORS' INC	VISION CLAIM	7,739.55
FRANCHISE TAX BOARD	PAYROLL DEDUCTS PAYABLE	879.10
FRONTLINE METAL, LLC	ADVERTISING/PROMOTIONAL	4,992.56
FUTURE CHEVROLET OF SACRAMENTO	PROFESSIONAL SERVICES	639.00
FUTURE FORD LINCOLN	VEHICLE & EQUIPMENT PARTS	342.28
GARRITT H. WALSH (SELECT ELECTRIC)	PROFESSIONAL SERVICES	4,922.50
GAYNOR TELESYSTEMS, INC	REPAIR & MAINTENANCE	4,596.56
GENUINE PARTS CO	VEHICLE & EQUIPMENT PARTS	20,372.40
GOLDEN STATE EMERGENCY VEHICLE SERVICE INC.	VEHICLE & EQUIPMENT PARTS	8,152.53
GOLDEN STATE FIRE APPARATUS, INC.	FLEET CAPITAL	340,797.37
GOVERNMENTJOBS.COM, INC	IT SUBSCRIPTION & MAINTENANCE	12,520.83

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

Vendor Name		Total Amount Paid
GRANICUS INC	IT SUBSCRIPTION & MAINTENANCE	5,542.87
GREATER SACRAMENTO AREA ECONOMIC COUNCIL	LICENSES/MEMBERSHIPS/SUBSCRIP	28,644.00
GREGORY TAWNEY (D-TAC K9 LLC)	PROFESSIONAL SERVICES	7,500.00
GREYSTONE TACTICAL	NON-CAP. EQUIPMENT	9,411.40
GYMDOC, INC.	REPAIR & MAINTENANCE	345.00
HANNA INTERPRETING SERVICES LLC	PROFESSIONAL SERVICES	1,200.00
HARRIS INDUSTRIAL GASES	REPAIR & MAINTENANCE	40.00
HDL COREN & CONE	PROFESSIONAL SERVICES	4,320.00
HEATH TAYLOR	TRAVEL/TRAINING/MEALS	750.00
HERC EXCHANGE LLC	RENTAL/LEASE	6,820.45
HERITAGE LANDSCAPE SUPPLY GROUP	PROGRAM SUPPLIES/MATERIALS	31,368.63
HEURISTIC MANAGEMENT SYSTEMS INC.	IT SUBSCRIPTION & MAINTENANCE	7,560.00
HINDERLITER DELLAMAS & ASSOCIATES	PROFESSIONAL SERVICES	18,189.66
HI-TECH EMERGENCY VEHICLE SERVICE	VEHICLE & EQUIPMENT PARTS	72.40
HOLLY CLARK	RECRUITMENT EXPENSES	25.00
HOMEWOOD BUILDING SUPPLY, LLC	PROGRAM SUPPLIES/MATERIALS	128.96
HORIZON VENTURES INC	PROGRAM SUPPLIES/MATERIALS	4,079.30
HUNT & SONS INC.	FUEL/OIL	92,288.72
HYATT CONTRACTING INC	INFRASTRUCTURE	218,766.00
ICF CONSULTING GROUP, INC.	PROFESSIONAL SERVICES	40,000.00
ICMA MEMBERSHIP RENEWALS	LICENSES/MEMBERSHIPS/SUBSCRIP	2,400.00
IMAGETREND, INC	IT SUBSCRIPTION & MAINTENANCE	4,852.45
INDUSTRIAL DOOR COMPANY LLC	REPAIR & MAINTENANCE	20,636.74
INFINITY TECHNOLOGIES	PROFESSIONAL SERVICES	11,792.50
INSOMNIAC PRODUCTIONS	PROFESSIONAL SERVICES	4,231.01
INTERNATIONAL ASSOCIATION OF FIRE CHIEFS, INC	LICENSES/MEMBERSHIPS/SUBSCRIP	118.75
INTERNATIONAL CODE COUNCIL INC.	LICENSES/MEMBERSHIPS/SUBSCRIP	310.00
IO PREDICT INC	RECRUITMENT EXPENSES	75.00
J & A STEAM, LLC	PROFESSIONAL SERVICES	7,400.00
J.J.R. ENTERPRISES, INC	PROGRAM SUPPLIES/MATERIALS	7,763.65
JACOBS ENGINEERING GROUP, INC.	INFRASTRUCTURE	329,515.10
JAM SERVICES, INC	PROGRAM SUPPLIES/MATERIALS	17,581.76
JAMES DAY CONSTRUCTION, INC	MACHINERY & EQUIPMENT	9,339.45
JAMES GARING	TRAVEL/TRAINING/MEALS	520.68
JASON SHEARER	RET HEALTH PAYGO INSURANCE	1,698.00
JEFF FUCHS (CNW CONSTRUCTION)	BUILDING	429,390.37
JEFFREY WALLOCH	RET HEALTH PAYGO INSURANCE	531.00
JESSE IRVIN	TRAVEL/TRAINING/MEALS	331.35
JILL GAYALDO	TRAVEL/TRAINING/MEALS	726.13
JOBELEPHANT.COM INC	RECRUITMENT EXPENSES	1,912.00
JOHNSON & SAMPSON CONSTRUCTION, INC.	PROFESSIONAL SERVICES	7,590.00
JOHNSON PETROLEUM CONSTRUCTION INC.	PROFESSIONAL SERVICES	574.40
J'S COMMUNICATIONS	PROGRAM SUPPLIES/MATERIALS	1,642.45

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

Vendor Name		Total Amount Paid
JULIE ERVIN	TRAVEL/TRAINING/MEALS	86.52
KALKAT, INC.	PROFESSIONAL SERVICES	11,205.00
KEN BROADWAY	TRAVEL/TRAINING/MEALS	283.35
KESTER CONSULTING CORPORATION	PROFESSIONAL SERVICES	385.00
KEYSER MARSTON ASSOCIATES, INC.	PROFESSIONAL SERVICES	25,913.70
KIMLEY-HORN AND ASSOCIATES INC.	INFRASTRUCTURE	85,581.35
KNOWBE4, INC	TRAVEL/TRAINING/MEALS	7,727.40
KNOX COMPANY	NON-CAP. EQUIPMENT	7,012.28
KOEFRAN INDUSTRIES, INC.	PROFESSIONAL SERVICES	500.00
KP RESEARCH SERVICES, INC	PROFESSIONAL SERVICES	7,063.23
KRONOS INCORPORATED	IT SUBSCRIPTION & MAINTENANCE	2,824.02
KS STATE BANK	IT SUBSCRIPTION & MAINTENANCE	123,156.12
KURT SCHMIEGEL	NON-CAP. EQUIPMENT	143.14
KURTIS MILGROM	TRAVEL/TRAINING/MEALS	240.50
KYA SERVICES LLC	FACILITIES REPAIRS AND MAINT	24,990.00
L.N. CURTIS & SONS	NON-CAP. EQUIPMENT	15,252.15
LANCE SOARES INC	RENTAL/LEASE	5,827.38
LAURA DEASON (COLE PRO MEDIA CORP)	PROFESSIONAL SERVICES	8,000.00
LAURA MILLER DESIGN INC	PROFESSIONAL SERVICES	8,780.00
LC ACTION POLICE SUPPLY	NON-CAP. EQUIPMENT	4,279.35
LEGAL DEFENSE FUND OF THE PEACE OFFICERS RESEARCH	RESERVE OFFICER EXPENSE	96.00
LEGAL SHIELD	PAYROLL DEDUCTS PAYABLE	1,205.75
LEHR AUTO ELECTRIC INC.	FLEET CAPITAL	74,123.96
LENSLOCK INC	POSTAGE	175.89
LES SCHWAB TIRE CENTER	PROFESSIONAL SERVICES	4,149.68
LEXISNEXIS	LICENSES/MEMBERSHIPS/SUBSCRIP	1,110.00
LEXISNEXIS COPLOGIC SOLUTIONS, INC.	PROFESSIONAL SERVICES	1,395.12
LIFE-ASSIST INC	PROGRAM SUPPLIES/MATERIALS	7,699.02
LIONAKIS	BUILDING	1,040.00
LSA ASSOCIATES, INC.	PARK IMPROVEMENTS	12,597.50
LUKAS RODRIGUEZ	PROFESSIONAL SERVICES	7,060.00
LUMOS & ASSOCIATES, INC.	INFRASTRUCTURE	29,990.25
MADHUKANSH-SINGH, AVINTA	TRAVEL/TRAINING/MEALS	562.56
MAGELLAN HEALTHCARE, INC	PROFESSIONAL SERVICES	5,896.80
MALLORY SAFETY AND SUPPLY LLC	NON-CAP. EQUIPMENT	7,124.38
MANGO TECHNOLOGY INC	PROFESSIONAL SERVICES	2,100.00
MARIA RODRIGUEZ	TRAVEL/TRAINING/MEALS	600.00
MARK THOMAS & COMPANY, INC.	INFRASTRUCTURE	959.75
MAVERICK NETWORKS, INC.	IT SUBSCRIPTION & MAINTENANCE	28,734.36
MED I ACQUISITION INC	REPAIR & MAINTENANCE	4,058.36
MELTON DESIGN GROUP. INC.	PROFESSIONAL SERVICES	6,825.00
METROPOLITAN TRANSPORTATION COMMISSION	IT SUBSCRIPTION & MAINTENANCE	4,500.00
MIKE DAVIS (FOUR STAR BUILDING)	PROFESSIONAL SERVICES	24,973.52

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

Vendor Name		Total Amount Paid
MILLER PLANNING ASSOCIATES	PROFESSIONAL SERVICES	16,722.25
MIRACLE PLAYSYSTEMS, INC.	PARK EQUIPMENT	132,489.84
MIWALL CORPORATION	PROGRAM SUPPLIES/MATERIALS	12,822.81
MMANC	TRAVEL/TRAINING/MEALS	2,155.00
MONICA NITZ	TRAVEL/TRAINING/MEALS	53.64
MOST DEPENDABLE FOUNTAINS	PROGRAM SUPPLIES/MATERIALS	5,176.48
MOTOROLA SOLUTIONS, INC.	FLEET CAPITAL	70,794.28
MUNICIPAL RESOURCE GROUP LLC	PROFESSIONAL SERVICES	5,850.00
MYRA R. SALAZAR	TRAVEL/TRAINING/MEALS	301.00
NATHAN WHANN	TRAVEL/TRAINING/MEALS	11.76
NATIONAL ACADEMY OF ATHLETICS	INSTRUCTIONAL SERVICES	21,628.80
NATIONAL GARAGE DOOR	FACILITIES REPAIRS AND MAINT	4,638.90
NEIL COSTA	TRAVEL/TRAINING/MEALS	1,075.00
NETWORK DESIGN ASSOCIATES	PROFESSIONAL SERVICES	31,020.00
NEWPORT BEACH-ALLIANT INSURANCE SERVICE, INC.	INSURANCE PREMIUMS	141,058.75
NI GOVERNMENT SERVICES INC.	COMMUNICATIONS	104.01
NORTH AMERICAN RESCUE, LLC	PROGRAM SUPPLIES/MATERIALS	971.69
NORTHERN CALIF CITIES SELF INS FUND	INSURANCE PREMIUMS	2,990,379.32
NORTHERN CALIFORNIA GLOVE INC.	PROGRAM SUPPLIES/MATERIALS	48.55
NORTHERN STATE CONTRACTORS INC	REPAIR & MAINTENANCE	57,680.75
NUTRIEN AG SOLUTIONS, INC.	PROGRAM SUPPLIES/MATERIALS	18,087.18
OCCU-MED, LTD.	RECRUITMENT EXPENSES	7,182.61
OCEAN SHORE PRINTING	PROGRAM SUPPLIES/MATERIALS	404.33
OKLAHOMA STATE UNIVERSITY	LICENSES/MEMBERSHIPS/SUBSCRIP	1,200.00
ONE TIME PAY	REFUNDS	106,697.24
PACIFIC GAS & ELECTRIC CO.	UTILITIES	647,736.15
PARTS AUTHORITY LLC	VEHICLE & EQUIPMENT PARTS	3,694.85
PBM CONSTRUCTION, INC.	INFRASTRUCTURE	29,265.00
PEACE OFFICERS RESEARCH ASSOCIATION OF CA	RESERVE OFFICER EXPENSE	48.00
PEDIATRIC EMERGENCY STANDARDS, INC	TRAVEL/TRAINING/MEALS	25.00
PETDATA	PROFESSIONAL SERVICES	2,664.90
PETER BARRON STARK COMPANIES, INC	PROFESSIONAL SERVICES	8,700.00
PLACER COMPLETE RESTORATION	PROFESSIONAL SERVICES	1,201.40
PLACER COUNTY ADMINISTRATIVE OFFICES	COUNTY IMPACT FEE	181,884.57
PLACER COUNTY AIR POLLUTION CONTROL DISTRICT	LICENSES/MEMBERSHIPS/SUBSCRIP	851.42
PLACER COUNTY CLERK-RECORDER	PROFESSIONAL SERVICES	250.00
PLACER COUNTY DISTRICT ATTORNEY	PROFESSIONAL SERVICES	3,600.00
PLACER COUNTY FLOOD CONTROL & CONSERVATION	FLOOD DISTRICT LIABILITY	3,085.09
PLACER COUNTY HEALTH & HUMAN SERVICES	PROFESSIONAL SERVICES	43,424.94
PLACER COUNTY PUBLIC WORKS DEPARTMENT	PROFESSIONAL SERVICES	331,472.50
PLACER COUNTY SHERIFF	PROFESSIONAL SERVICES	55,680.00
PLACER COUNTY WATER AGENCY	UTILITIES	940,591.70
PLURALSIGHT, LLC	TRAVEL/TRAINING/MEALS	4,100.00

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

Vendor Name		Total Amount Paid
POTTERY WORLD LLC	TRAVEL/TRAINING/MEALS	2,439.94
PRECISION CONCRETE CUTTING	REPAIR & MAINTENANCE	8,400.00
PRIDE INDUSTRIES ONE INC.	PROFESSIONAL SERVICES	248,087.92
PRIETO ROSEVILLE	VEHICLE & EQUIPMENT PARTS	2,437.99
PROFORCE LAW ENFORCEMENT	NON-CAP. EQUIPMENT	8,093.09
PROGRESS SOFTWARE CORPORATION	IT SUBSCRIPTION & MAINTENANCE	2,150.00
PSOMAS	PROFESSIONAL SERVICES	10,305.00
R.E.Y. ENGINEERS, INC	REPAIR & MAINTENANCE	3,211.52
RDO EQUIPMENT CO	FLEET CAPITAL	104,898.15
RECOLOGY AUBURN PLACER	DUE TO OTHER ENTITIES	32,338.16
RICHARD GOLD	TRAVEL/TRAINING/MEALS	37.00
RIVERVIEW INTERNATIONAL TRUCKS	VEHICLE & EQUIPMENT PARTS	830.82
ROBBINS & HOLDAWAY, A PROF. CORP.	PROFESSIONAL SERVICES	6,641.85
ROBERT GROB	TRAVEL/TRAINING/MEALS	159.00
ROCKLIN CHAMBER OF COMMERCE	ADVERTISING/PROMOTIONAL	6,700.00
ROCKLIN POLICE OFFICERS ASSOCIATION	PAYROLL DEDUCTS PAYABLE	31,213.56
ROCKLIN UNIFIED SCHOOL DISTRICT	RENTAL/LEASE	278,147.20
RSC ENGINEERING, INC.	PARK IMPROVEMENTS	55,678.32
RUBEN ESTRADA	PROGRAM SUPPLIES/MATERIALS	558.64
RYAN JONES	TRAVEL/TRAINING/MEALS	104.00
SACRAMENTO AREA COUNCIL OF GOVERNMENTS	LICENSES/MEMBERSHIPS/SUBSCRIP	28,419.00
SACRAMENTO AREA FIRE FIGHTERS LOCAL 522	PAYROLL DEDUCTS PAYABLE	19,717.37
SACRAMENTO COUNTY	PROFESSIONAL SERVICES	22,320.00
SACRAMENTO REGIONAL FIRE PREVENTION	TRAVEL/TRAINING/MEALS	350.00
SACRAMENTO SHERIFF'S DEPARTMENT	TRAVEL/TRAINING/MEALS	6,340.00
SAFETY-KLEEN SYSTEMS, INC.	IT SUBSCRIPTION & MAINTENANCE	4,693.73
SAK CONSTRUCTION, LLC	INFRASTRUCTURE	383,271.00
SARAH WALTON	TRAVEL/TRAINING/MEALS	2,235.23
SDI PRESENCE LLC	PROFESSIONAL SERVICES	1,610.00
SEARCH AMERICA, LLC	IT SUBSCRIPTION & MAINTENANCE	329.85
SECURITY & ASSET MANAGEMENT, LP	IT SUBSCRIPTION & MAINTENANCE	6,864.13
SENIORS FIRST, INC.	PROFESSIONAL SERVICES	2,045.24
SENTINEL FIRE EQUIPMENT	REPAIR & MAINTENANCE	233.26
SERVER SUPPLY.COM, INC.	NON-CAP. EQUIPMENT	1,523.22
SHAWN BAIRD	TRAVEL/TRAINING/MEALS	328.00
SHI INTERNATIONAL CORP.	IT SUBSCRIPTION & MAINTENANCE	17,079.33
SHUMS CODA ASSOCIATES, INC	PROFESSIONAL SERVICES	18,063.30
SIERRA COLLEGE FOUNDATION	PROFESSIONAL SERVICES	110,000.00
SIERRA PACIFIC TURF SUPPLY INC.	PROGRAM SUPPLIES/MATERIALS	2,196.48
SIERRA TRAFFIC MARKINGS, INC.	REPAIR & MAINTENANCE	135,265.92
SIERRA-SACRAMENTO VALLEY EMERGENCY	TRAVEL/TRAINING/MEALS	100.00
SMARSH INC	IT SUBSCRIPTION & MAINTENANCE	2,627.00
SMITHWAY ROCKLIN LLC	RENTAL/LEASE	5,997.56

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

Vendor Name		Total Amount Paid
SOUTH PLACER M.U.D.	UTILITIES	9,084.02
SOUTH PLACER REGIONAL	SPRTA MITIGATION FEES	1,436,261.15
ST VINCENT DE PAUL SOCIETY ROSEVILLE AREA CONF	PROFESSIONAL SERVICES	3,543.13
ST. FRANCIS ELECTRIC, INC.	INFRASTRUCTURE	23,400.00
STACIE FORD (BORN TO DANCE)	INSTRUCTIONAL SERVICES	506.75
STAND UP PLACER, INC	PROFESSIONAL SERVICES	4,186.05
STERICYCLE, INC	PROFESSIONAL SERVICES	922.58
STERLING WOLFE	TRAVEL/TRAINING/MEALS	69.00
STRYKER CORPORATION	NON-CAP. EQUIPMENT	317.25
SUN RIDGE SYSTEMS INC.	IT SUBSCRIPTION & MAINTENANCE	53,320.00
SUNBELT RENTALS INC.	RENTAL/LEASE	13,450.08
SYN-TECH SYSTEMS, INC	VEHICLE & EQUIPMENT PARTS	4,763.72
SYTECH SOLUTIONS	PROFESSIONAL SERVICES	5,469.80
TERRI RUGGERI	INSTRUCTIONAL SERVICES	2,340.00
TESCO CONTROLS INC.	REPAIR & MAINTENANCE	20,886.94
TETRA TECH, INC.	PROFESSIONAL SERVICES	3,613.25
THE BACKFLOW DEPOT	PROGRAM SUPPLIES/MATERIALS	3,539.22
THE GAP INC.	NON-CAPITAL IMPROVEMENTS	25,000.00
THE GATHERING INN	PROFESSIONAL SERVICES	17,000.00
THE GOODYEAR TIRE & RUBBER COMPANY	PROFESSIONAL SERVICES	18,109.90
THE GUMSHOE GROUP, LLC	RECRUITMENT EXPENSES	1,200.00
THE NOLLER GROUP LLC	INSTRUCTIONAL SERVICES	1,274.70
THE SALVATION ARMY	PROFESSIONAL SERVICES	14,000.00
THELONIOUS DIXON	PROFESSIONAL SERVICES	10,010.00
THOMAS E JONES (SIERRA HILLS FRAMING)	ADVERTISING/PROMOTIONAL	500.00
THYSSEN-KRUPP ELEVATOR	IT SUBSCRIPTION & MAINTENANCE	4,209.58
TIM R. STEVENSON (ATLAS WELDCO)	PROFESSIONAL SERVICES	1,892.50
TIM SARTAIN	TRAVEL/TRAINING/MEALS	643.31
TIMOTHY D. GLISSMAN (GLISSMAN EXCAVATING)	PROFESSIONAL SERVICES	2,500.00
TKE ENGINEERING, INC	PROFESSIONAL SERVICES	2,790.00
T-MOBILE USA, INC	PROFESSIONAL SERVICES	100.00
TRAFFIC & PARKING CONTROL CO, INC.	PROGRAM SUPPLIES/MATERIALS	7,274.77
TRANSUNION RISK & ALTERNATIVE DATA SOLUTIONS INC	IT SUBSCRIPTION & MAINTENANCE	1,392.77
TRAVIS PISTOCHINI	TRAVEL/TRAINING/MEALS	350.00
TREE PRO TREE SERVICES INC	REPAIR & MAINTENANCE	126,387.49
TRI-VALLEY CS LLC	INSTRUCTIONAL SERVICES	3,141.00
TRUCKSMART INC	VEHICLE & EQUIPMENT PARTS	2,066.71
TYLER TECHNOLOGIES INC.	NON-CAP. EQUIPMENT	4,528.80
U.S. BANK NATIONAL ASSOCIATION	FUEL/OIL	37,750.58
UBORA ENGINEERING & PLANNING	PROFESSIONAL SERVICES	4,032.50
ULINE	PROGRAM SUPPLIES/MATERIALS	272.87
UNDERGROUND SERVICE ALERT	LICENSES/MEMBERSHIPS/SUBSCRIP	6,347.01
UNICO ENGINEERING, INC.	INFRASTRUCTURE	41,070.14

Docusign Envelope ID: 8AFE4D50-5DB0-42F8-8A3E-31B9332AD6E0

Vendor Name		Total Amount Paid
UNION PACIFIC RAILROAD COMPANY	RENTAL/LEASE	23,709.48
UNITED BUILDING CONTRACTORS, INC	FACILITIES REPAIRS AND MAINT	131,194.05
UNITED OF OMAHA LIFE INSURANCE COMPANY	PAYROLL DEDUCTS PAYABLE	15,868.32
USPS - HASLER	POSTAGE	27,000.00
VALLEY FIRE & SECURITY ALARMS, INC.	IT SUBSCRIPTION & MAINTENANCE	3,570.00
VALLEY ROCK LANDSCAPE MATERIAL	PROGRAM SUPPLIES/MATERIALS	2,015.25
VCA ANIMAL HOSPITALS, INC	PROFESSIONAL SERVICES	1,582.10
VERIZON BUSINESS	COMMUNICATIONS	144.40
VERIZON WIRELESS	COMMUNICATIONS	16,789.04
VIA ACTUARIAL SOLUTIONS	PROFESSIONAL SERVICES	3,500.00
VINCE KAUPPI	TRAVEL/TRAINING/MEALS	131.34
VOLLMAR NATURAL LANDS CONSULTING	PROFESSIONAL SERVICES	13,711.00
VULCAN MATERIALS COMPANY	REPAIR & MAINTENANCE	853.26
WALKER'S OFFICE SUPPLIES	NON-CAP. EQUIPMENT	3,838.13
WATERWORKS AQUATIC MANAGEMENT, INC.	PROFESSIONAL SERVICES	6,000.00
WAVE BROADBAND	IT SUBSCRIPTION & MAINTENANCE	61,305.95
WAXIE SANITARY SUPPLY	PROGRAM SUPPLIES/MATERIALS	1,690.94
WE PAD IT	PROGRAM SUPPLIES/MATERIALS	6,600.00
WESTERN PLACER COUNTY FIRE CHIEFS ASSOCIATION	LICENSES/MEMBERSHIPS/SUBSCRIP	360.00
WESTERN STATES FIRE PROTECTION	REPAIR & MAINTENANCE	2,865.00
WHITE CAP SUPPLY HOLDINGS II, LLC	REPAIR & MAINTENANCE	319.02
WHITLOCK & WEINBERGER TRANSPORTATION, INC.	PROFESSIONAL SERVICES	9,142.75
WILLDAN FINANCIAL SERVICES	PROFESSIONAL SERVICES	13,844.62
WINNER CHEVROLET, INC.	FLEET CAPITAL	662,684.50
WITMER PUBLIC SAFETY GROUP, INC	NON-CAP. EQUIPMENT	4,048.81
WITTMAN ENTERPRISES, LLC	PROFESSIONAL SERVICES	2,652.00
YOUNGDAHL CONSULTING GROUP	PARK IMPROVEMENTS	12,950.00
ZAP MANUFACTURING INC.	PROGRAM SUPPLIES/MATERIALS	6,488.48
ZOOM VIDEO COMMUNICATIONS INC	IT SUBSCRIPTION & MAINTENANCE	4,932.50
ZUMAR INDUSTRIES INC.	PROGRAM SUPPLIES/MATERIALS	6,030.94
ZUVID LLC	NON-CAP. EQUIPMENT	6,121.60
US BANK	JUL, AUG, SEP CALCARD PAYMENT	324,610.46
	Total:	$18,116,674.52

City Council Special Staff Report

Subject: AB 1600 Development Impact Fee Annual Reports for Fiscal Year 2024/25

Date: November 18, 2025

Submitted By: Diane Ahn, Accounting Officer
Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:
Adopt a Resolution of the City Council of the City of Rocklin Accepting Development Impact Fee Reports for the Period Ending June 30, 2025 as Required by Government Code Sections 66000 ET SEQ.

Background:
In 1987, the California Legislation passed Assembly Bill 1600 (AB 1600), also known as the Mitigation Fee Act (California Government Code Sections 66000 et seq.), which governs the establishment and administration of development impact fees. A development impact fee is a monetary exaction other than a tax or special assessment that is charged by a local agency to new development for the purposes of defraying costs of public facilities needed as a result of impacts created by the new development.

Development impact fees are segregated and placed in special funds or accounts, which earn interest. AB 1600 requires local agencies that impose impact fees to annually provide the public with a report that reflects:

- The beginning and ending balances of each separate impact fee fund;
- The amount of fees collected and the interest earned for the year;
- The amount of expenditures and refunds made in the year;
- The percentage of project expenditures paid for by fees; and
- A description of the type of fees and the fee amount.

As of June 30, 2025, the City had nine separate and distinct development impact fees that are collected pursuant to AB 1600. The following is a listing of the fees, along with the balance for each fee account, as of June 30, 2025:

1. Public Facilities Impact Fee: $2,301,770
2. Community Park Fee: $1,852,087
3. NW Rocklin Community Park Fee: $1,090,902

4. Traffic Circulation Impact Fee: $20,924,456
5. Whitney Ranch Interchange Fee: $2,069,852
6. Whitney Ranch Trunk Sewer Fee: $0
7. Oak Tree Mitigation Fee: $472,230
8. Community and Recreation Facilities Fee: $412,552
9. Trails Impact Fee: $95,257

The reports provide information consistent with the annual reporting requirements outlined in the Government Code for each City development impact fee, and are included as Attachments 2-10 (Exhibits A – I to the Resolution). Copies of each report were posted on the City's website on October 31, 2025, in compliance with the minimum 15-day public posting requirement prior to the City Council meeting where the Resolution is adopted.

Fiscal Impact:
There is no direct fiscal impact resulting from these reports.

ATTACHMENTS:
1. Resolution
2. Exhibit A - Public Facilities Impact Fee
3. Exhibit B - Community Park Fee
4. Exhibit C - Northwest Rocklin Community Park Fee
5. Exhibit D - Traffic Circulation Impact Fee
6. Exhibit E - Whitney Ranch Interchange Fee
7. Exhibit F - Whitney Ranch Trunk Sewer Project Fee
8. Exhibit G - Oak Tree Mitigation Fee
9. Exhibit H - Community and Recreation Facilities Fee
10. Exhibit I - Trails Impact Fee

RESOLUTION NO. 2025 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN ACCEPTING DEVELOPMENT IMPACT FEE REPORTS FOR THE PERIOD ENDING JUNE 30, 2025 AS REQUIRED BY GOVERNMENT CODE SECTIONS 66000 ET SEQ

WHEREAS, Government Code sections 66000 et seq. (commonly known as and referred to herein as AB 1600) regulate the imposition, collection, maintenance, expenditure and reporting of impact fees imposed on developers for the purpose of defraying costs of public facilities; and

WHEREAS, the City has identified certain development impact fees the City collects from developers, which are subject to AB 1600 requirements; and

WHEREAS, in accordance with the provisions of AB 1600, the City has set up separate special revenue funds for each type of fee, crediting earned interest to those funds, and spending the accumulated fees and related interest on appropriate expenditures; and

WHEREAS, in accordance with the provisions of AB 1600, an annual report is required that reflects a brief description of the type of fee in the account or fund; the amount of the fee; the beginning and ending balances of each separate impact fee fund; the amount of fees collected and the interest earned for the year; identification of public improvements on which the fees were expended and percentage of the cost of the public improvement that was funded with fees; identification of the approximate date by which the construction of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement; a description of each interfund transfer or loan made; and the amount of refunds made pursuant to Government Code Section 66001(e) and any allocations pursuant to Section 66001(f); and

WHEREAS, the attached reports referred hereto as Exhibits A through I contain information that meets the annual reporting requirements described in the Government Code for each City development impact fee fund; and

WHEREAS, a copy of each report has been posted on the City's website for review since October 31, 2025, which is more than 15 days in advance of this meeting; and

WHEREAS, staff recommends the City Council accept the attached reports.

NOW, THEREFORE, the City Council of the City of Rocklin does resolve as follows:

Section 1. The City Council accepts the reports attached hereto as Exhibits A through I and incorporated herein by reference, as having been prepared in accordance with state law.

Section 2. The City Council adopts all factual findings set forth in the reports attached hereto as Exhibits A through I.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

Exhibit A

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Public Facilities Impact Fee
Fiscal Year Ending June 30, 2025

For purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Public Facilities Impact Fee - The purpose of the Public Facilities Impact Fee is to fund construction of improvements and facilities that will be needed to mitigate the impacts of new development on city facilities, and to maintain an acceptable level of public services as the City grows.

(B) The amount of the fee.

Development Type	Current Fees
Residential <600 Square Feet	$851/unit
Residential 600-1,000 Square Feet	$1,045/unit
Residential 1,001-1,500 Square Feet	$1,668/unit
Residential 1,501-2,500 Square Feet	$2,325/unit
Residential 2,501-3,500 Square Feet	$2,729/unit
Residential >3,500 Square Feet	$3,538/unit
Residential - Age Restricted	$1,221/unit
Convalescent Care	$1,131/unit
Retail	$1,900/1,000 sq. ft.
Office	$1,526/1,000 sq. ft.
Office - Medical	$1,221/1,000 sq. ft.
Industrial	$509/1,000 sq. ft.
Industrial - High Tech	$1,018/1,000 sq. ft.
Church, Other Assembly	$136/1,000 sq. ft.
Hotel	$475/room
Community College	$136/student

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures, and Changes in Fund Balance

Revenues	**FY 2025**
Public Facilities Impact Fees	$785,318
Interest Income	$70,756
Total Revenues	**$856,074**
Expenditures	
No expenditures for the FY	
Total Expenditures	**$0**
Revenues Over (Under) Expenditures	**$856,074**
Beginning Fund Balance as of 07/01/24	**$1,445,696**
Ending Fund Balance as of 06/30/25	**$2,301,770**

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

No fees were expended on capitalizable projects in the fiscal year.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

As of the end of fiscal year 2024/25, there were insufficient funds collected for public improvement projects.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No transfers or loans were made during the fiscal year.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

Exhibit B

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Community Park Fee
Fiscal Year Ending June 30, 2025

For purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Community Park Fee - The purpose of the Community Park Fee is to further the General Plan goal of providing opportunities for recreational activities to meet community needs. This fee will mitigate development impacts by providing for improvements to the City's new community parks and recreational facilities and rehabilitation of the existing parks and recreational facilities.

(B) The amount of the fee.

Development Type	Current Fees
Residential <600 Square Feet	$1,954/unit
Residential 600-1,000 Square Feet	$2,400/unit
Residential 1,001-1,500 Square Feet	$3,831/unit
Residential 1,501-2,500 Square Feet	$5,341/unit
Residential 2,501-3,500 Square Feet	$6,270/unit
Residential >3,500 Square Feet	$8,127/unit
Residential - Age Restricted	$2,806/unit

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues	FY 2025
Park Development Fees	$1,244,522
Interest Income	$47,528
Total Revenues	**$1,292,050**
Expenditures	
No expenditures for the FY	
Total Expenditures	**$0**
Revenues Over (Under) Expenditures	**$1,292,050**
Beginning Fund Balance as of 07/01/24	**$560,037**
Ending Fund Balance as of 06/30/25	**$1,852,087**

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

No identification of public improvements on which fees were expended during the fiscal year.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

As of the end of fiscal year 2024/25, there were insufficient funds collected for public improvement projects.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No interfund transfer or loans were made during the fiscal year utilizing these funds.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

Exhibit C

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Northwest Rocklin Community Park Fee
Fiscal Year Ending June 30, 2025

For purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Northwest (NW) Rocklin Community Park Fee – The purpose of the NW Rocklin Community Park Fee is to further the General Plan goal of providing opportunities for recreational activities to meet citizen needs. This fee will be used to fund construction of the NW Rocklin Annexation Area Community Park.

(B) The amount of the fee.

Land Use	Current Fee
Single Family Residential	$3,823/unit
Multi-Family Residential	$2,209/unit
Business	$12,057/acre
Commercial	$7,033/acre

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues	**FY 2025**
Whitney Ranch Park Fees	$703,423
Interest Income	$48,505
Total Revenues	**$751,928**
Expenditures	
Park Improvements	$1,035,172
Total Expenditures	**$1,035,172**
Revenues Over (Under) Expenditures	**($283,244)**
Beginning Fund Balance as of 07/01/24	**$1,374,146**
Ending Fund Balance as of 06/30/25	**$1,090,902**

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

Public Improvements	FY 2025 Expenditures	Total Project Cost as of 06/30/25	% Funded by Fees
Bike Pump Track	$1,035,172	$2,263,380	49%

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

As of the end of fiscal year 2024/25, there were insufficient funds collected for public improvement projects.

The Bike Pump Track Project, which was listed “in progress” in the fiscal year 2023/24 report, was completed in fiscal year 2024/25.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No transfers or loans were made during the fiscal year.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

Exhibit D

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Traffic Circulation Impact Fee
Fiscal Year Ending June 30, 2025

For the purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Traffic Circulation Impact Fee – The purpose of the Traffic Circulation Impact Fee is to finance street improvements to reduce the impacts caused by new development within the City.

(B) The amount of the fee.

Land Use	Current Fee
Single Family Residential	$3,774/unit
Multi-Family Residential	$2,378/unit
Retail/Commercial	$6.038/sq. ft.
Office	$6.604/sq. ft.
Industrial	$3.396/sq. ft.

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues	FY 2025
Traffic Circulation Impact Fees	$2,179,406
Reimbursement Revenue	$502,511
Interest Income	$762,422
Total Revenues	**$3,444,339**
Expenditures	
Infrastructure	$1,141,117
Technology Fee	$123,354
Indirect Cost Allocation	$190,932
Engineering Allocation	$67,184
Professional Services	$98,893
Total Expenditures	**$1,621,480**
Revenues Over (Under) Expenditures	**$1,822,859**
Beginning Fund Balance as of 07/01/24	**$19,101,597**
Ending Fund Balance as of 06/30/25	**$ 20,924,456**

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

Public Improvements	FY 2025 Expenditures	Total Project Cost as of 06/30/25	% Funded by Fees
Monument Springs Bridge	$455,214	$637,957	100%
Sunset Boulevard Widening	$140,839	$181,193	100%
Rocklin Road Widening	$70,174	$71,752	100%
Sierra College Boulevard Widening	$542,074	$640,421	92%

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

Public Improvements	Approximate Date to Commence Construction
Monument Springs Bridge	In progress
Sunset Boulevard Widening	In progress
Rocklin Road Widening	In progress
Rocklin Road/I-80 Interchange Improvements	FY 2026/27

The Sierra College Boulevard Widening Project, which was listed “in progress” in the fiscal year 2023/24 report, was completed in fiscal year 2024/25.

Construction on the Rocklin Road/I-80 Interchange Improvements project began in FY 2021/22, utilizing funding from the South Placer Regional Transportation Authority (SPRTA). Starting in FY 2026/27, the project will also utilize funding from the Traffic Circulation Impact Fee, the Regional Surface Transportation Program, and the Congestion Mitigation and Air Quality Program, in addition to continued SPRTA support.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

Technology fee expense totaled $123,354, accounting for a fair share allocation for e-commerce. Indirect cost allocation totaled $190,932, accounting for central service costs. Engineering allocation totaled $67,184, accounting for engineering costs associated with the public improvements.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

Exhibit E

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Whitney Ranch Interchange Fee
Fiscal Year Ending June 30, 2025

For the purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Whitney Ranch Interchange Fee – Due to the anticipated traffic impacts resulting from the Whitney Ranch Development, it was determined that an additional interchange connecting the new development to State Route 65 would help to minimize adverse traffic conditions. This new interchange would be partially funded by the traffic impact fee, referred to as the Whitney Ranch Interchange Fee.

(B) The amount of the fee.

Land Use	Fee
Whitney Ranch	
SRI LLC	
Single Family	$622/unit
Multifamily	$448/unit
Business Park	$21,016/acre
Commercial	$23,839/acre
SWP	
Commercial	$49,657/acre
Highway 65 Corridor	
JBC	
Commercial	$49,251/acre
Office & Commercial	$49,251/acre
Placer Ranch	
Business Park	$20,107/acre
Commercial	$22,808/acre
Office & Commercial	$22,808/acre
WJU	
Office & Commercial	$35,719/acre
Light Industrial	$10,524/acre

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues	FY 2025
Whitney Ranch Interchange Fees	$366,408
Interest Income	$70,407
Total Revenues	**$436,815**
Expenditures	
Infrastructure	$55,428
Engineering Allocation	$3,326
Total Expenditures	**$58,754**
Revenues Over (Under) Expenditures	**$378,061**
Beginning Fund Balance as of 07/01/24	**$1,691,791**
Ending Fund Balance as of 06/30/25	**$2,069,852**

(E) An identification of each public improvements on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

Public Improvements	FY 2025 Expenditures	Total Project Cost as of 06/30/25	% Funded by Fees
Whitney Ranch Parkway Widening	$58,755	$235,951	74%

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

Public Improvements	Approximate Date to Commence Construction
Whitney Ranch Parkway Widening	In progress

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

Engineering allocation totaled $3,326, accounting for engineering costs associated with the public improvements.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

Exhibit F

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Whitney Ranch Trunk Sewer Project Fee
Fiscal Year Ending June 30, 2025

For purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Whitney Ranch Trunk Sewer Project Fee - The purpose of the Whitney Ranch Trunk Sewer Project Fee is to further the General Plan goal to ensure that adequate public services and facilities are provided to meet the needs of residents of the City by providing another funding source from new development for capital improvements to serve new development. Fees collected shall be used to finance only the Phase II Whitney Ranch Offsite Sewer Trunk line.

(B) The amount of the fee.

Land Use	Current Fee
Residential (Single and Multi-Family)	$268/unit
Non-Residential	$156/1,000 bldg. sq. ft.

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues	FY 2025
Whitney Ranch Trunk Sewer Project Fees	$62,211
Total Revenues	**$62,211**
Expenditures	
Repayment of General Fund Loan	$37,211
Sewer Easements	$25,000
Total Expenditures	**$62,211**
Revenues Over (Under) Expenditures	**$0**
Beginning Fund Balance as of 07/01/24	**$0**
Ending Fund Balance as of 06/30/25	**$0**

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

Public Improvements	FY 2025 Expenditures	Total Project Cost as of 06/30/25	% Funded by Fees
Northwest Rocklin Sewer Annexation	$25,000	$1,477,620	100%

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

No identification of construction for public improvements.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

Repayment of the General Fund loan totaled $37,211, covering project costs initially funded by General Fund resources for the Whitney Ranch Sewer Project.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

Exhibit G

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Oak Tree Mitigation Fee
Fiscal Year Ending June 30, 2025

For purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Oak Tree Mitigation Fee - The Oak Tree Mitigation Fee was created to address the decline of oak woodlands due to urbanization through a considered attempt to balance the benefits of preservation and the cost thereof, against the social benefits of private property ownership and development.

(B) The amount of the fee.

Description	Current Fee
Removal of a 5 gallon oak tree	$30
Removal of a 15 gallon oak tree	$96
Removal per one inch of oak tree	$96

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues	FY 2025
Oak Tree Mitigation Fees	$81,350
Interest Income	$21,639
Total Revenues	**$102,989**
Expenditures	
Indirect Cost Allocation	$16,102
Park Maintenance	$9,750
Salaries and Benefits	$10,102
Technology Fee	$4,605
Professional Services	$84,546
Other Expenditures	$196
Total Expenditures	**$125,301**
Revenues Over (Under) Expenditures	**($22,312)**
Beginning Fund Balance as of 7/01/24	**$494,542**
Ending Fund Balance as of 06/30/25	**$472,230**

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

Fund 305 - Oak Tree Mitigation Expenditure Summary	
Expenditures for FY 2025	**$ Amount**
Oak Tree Maintenance Expenditures	$125,301
Total Expenditures	**$125,301**

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

No identification of construction for public improvements.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

Technology fee expense totaled $4,605, accounting for a fair share allocation for e-commerce. Indirect cost allocation totaled $16,102, accounting for central service costs.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

Exhibit H

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Community and Recreation Facilities Fee
Fiscal Year Ending June 30, 2025

For the purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Community and Recreation Facilities Fee – The Community and Recreation Facilities Impact Fee is to fund construction of improvements and facilities that will be needed to mitigate the impacts of new development on city facilities, and to maintain an acceptable level of public services as the city grows.

(B) The amount of the fee.

Development Fee	Current Fees
Residential <600 Square Feet	$377/unit
Residential 600-1,000 Square Feet	$463/unit
Residential 1,001-1,500 Square Feet	$740/unit
Residential 1,501-2,500 Square Feet	$1,031/unit
Residential 2,501-3,500 Square Feet	$1,211/unit
Residential >3,500 Square Feet	$1,570/unit
Residential - Age Restricted	$542/unit

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues	**FY 2025**
Public Facilities Impact Fees	$240,194
Interest Income	$11,280
Total Revenues	**$251,474**
Expenditures	
No expenditures for the FY	$0
Total Expenditures	**$0**
Revenues Over (Under) Expenditures	**$251,474**
Beginning Fund Balance as of 07/01/24	**$161,078**
Ending Fund Balance as of 06/30/25	**$412,552**

(E) An identification of each public improvements on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

No identification of public improvements on which fees were expended during the fiscal year.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

No identification of construction for public improvement will commence during the fiscal year.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No transfers or loans were made during the fiscal year.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

Exhibit I

CITY OF ROCKLIN
ANNUAL COMPLIANCE REPORT FOR AB 1600
Trails Impact Fee
Fiscal Year Ending June 30, 2025

For the purpose of compliance with Government Code Subsection 66006(b)(1), the following information regarding AB 1600 fees is presented:

(A) A brief description of the type of fee in the account or fund.

Trails Impact Fee – The Trails Impact Fee is to fund trail facility improvements needed to mitigate the impacts of new development. Rocklin's trails serve and are available to all residents of the City.

(B) The amount of the fee.

Development Fee	Current Fees
Residential <600 Square Feet	$87/unit
Residential 600-1,000 Square Feet	$107/unit
Residential 1,001-1,500 Square Feet	$171/unit
Residential 1,501-2,500 Square Feet	$238/unit
Residential 2,501-3,500 Square Feet	$279/unit
Residential >3,500 Square Feet	$362/unit
Residential - Age Restricted	$125/unit

(C) The beginning and ending balance of the account or fund. See statement below.
(D) The amount of the fees collected and the interest earned. See statement below.

Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues	**FY 2025**
Trail Impact Fees	$55,456
Interest Income	$2,604
Total Revenues	**$58,060**
Expenditures	
No expenditures for the FY	$0
Total Expenditures	**$0**
Revenues Over (Under) Expenditures	**$58,060**
Beginning Fund Balance as of 07/01/24	**$37,197**
Ending Fund Balance as of 06/30/25	**$95,257**

(E) An identification of each public improvements on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

No identification of public improvements on which fees were expended during the fiscal year.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

No identification of construction for public improvement will commence during the fiscal year.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No transfers or loans were made during the fiscal year.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

City Council Special Staff Report

Subject: Quarterly Treasurer's Report

Date: November 18, 2025

Submitted By: Megan Bressem, Management Analyst
Daniel Choe, Administrative Services Deputy Director/City Treasurer

Department: Administrative Services - Finance

Recommendation:
Receive the Treasurer's Report for the Quarter Ending September 30, 2025.

Background:
The Quarterly Treasurer's Report for the quarter ending September 30, 2025, is provided as Attachment 1. The report has been updated to a new format designed to provide a comprehensive overview of the City's investment portfolio and related activities. It includes detailed information on the City's investments, including the depository, maturity date, principal amount, and estimated annualized interest earnings, in accordance with the City's Investment Policy (Resolution No. 2025-125).

The Investment Report for assets managed by Chandler Asset Management (Attachment 2) and the Placer County Treasurer's Pooled Investment Reports (Attachment 3) for the same period are also included. These reports detail the investment values and list individual securities held during the reporting period.

ATTACHMENTS:
1. Treasurer's Report for the Quarter Ending September 30, 2025
2. Chandler Asset Management Investment Report
3. Placer County Treasurer's Pooled Investment Report

Docusign Envelope ID: 5C36AEC0-5445-4D1E-882E-A0FBE145997C

ROCKLIN
CALIFORNIA

CITY OF ROCKLIN
TREASURER'S REPORT OF CASH & INVESTMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Docusign Envelope ID: 5C36AEC0-5445-4D1E-882E-A0FBE145997C

City of Rocklin Summary of Cash and Investments
For the Quarter Ended September 30, 2025

Investment Policy Summary

City funds are invested pursuant to the objectives and requirements set forth in the City's investment policy, with the goal of enhancing the economic status of the City while safeguarding its assets. The City of Rocklin's investment policy has three objectives:

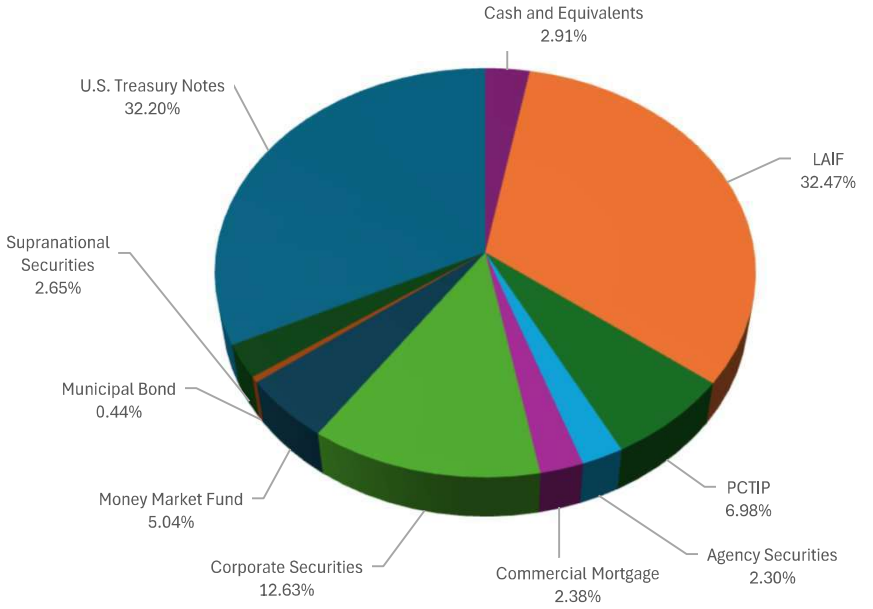
(1) **Safety of Principal** is the foremost objective of the City. Investments of the City shall be undertaken in a manner which seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities with independent returns, and by mitigating credit and market risk.
(2) **Liquidity** is the second most important objective of the City. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. It is important that an investment contain the feature of being easily sold at any time with a minimal risk of loss of some portion of principal or interest. The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
(3) **Return on Investment** is the third most important objective. The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

In accordance with California Government Code Sections 53607 and 53646, and through adoption of Resolution No. 2025-125, the City Council of the City of Rocklin authorized the City Treasurer to invest on behalf of the City and to manage the City's investment portfolio consistent with this investment policy. It is the City's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized, that in a well diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long term rate-of-return.

Docusign Envelope ID: 5C36AEC0-5445-4D1E-882E-A0FBE145997C

Portfolio by Asset Class

Investment Description	Portfolio at Cost	Average Rate of Return
Cash and Equivalents	2.91%	0.00%
LAIF	32.47%	4.21%
PCTIP	6.98%	3.88%
Agency Securities	2.30%	4.13%
Commercial Mortgage	2.38%	3.33%
Corporate Securities	12.63%	4.13%
Money Market Fund	5.04%	4.19%
Municipal Bond	0.44%	4.50%
Supranational Securities	2.65%	3.98%
U.S. Treasury Notes	32.20%	3.13%
External Third Party Investment Managers		
State Treasurer's Office (LAIF)	$	44,049,986
Placer County Treasurer's Office (PCTIP)	$	9,466,329
Chandler Asset Management, Inc.	$	73,888,479

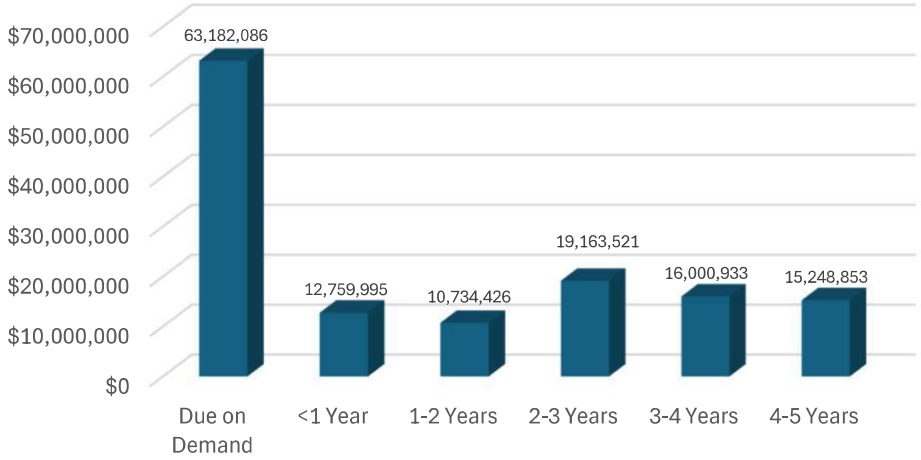


Maturity Schedule

Maturity	Market Value	%
Due on Demand	63,182,086	46.09%
<1 Year	12,759,995	9.31%
1-2 Years	10,734,426	7.83%
2-3 Years	19,163,521	13.98%
3-4 Years	16,000,933	11.67%
4-5 Years	15,248,853	11.12%
Total	$ 137,089,814	100.00%

Fiscal Year-to-Date Interest $ 1,501,835

*This amound does not include unrealized gains/losses for the Fiscal Year.



Docusign Envelope ID: 5C36AEC0-5445-4D1E-882E-A0FBE145997C

CITY OF ROCKLIN
TREASURER'S REPORT OF CASH AND INVESTMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Type of Investment	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
Cash and Equivalents						
Local Agency Investment Fund	4.21%	Due on Demand		44,049,986	44,049,986	32.13%
Placer County Treasurer's Investment Portfolio	3.88%	Due on Demand		9,466,329	9,466,329	6.91%
Wells Fargo Operating Account	0.00%	Due on Demand		3,782,536	3,782,536	2.76%
Wells Fargo CDBG Account	0.00%	Due on Demand		158,552	158,552	0.12%
City of Rocklin Investment Portfolio	0.00%	Due on Demand		3,744	3,744	0.00%
				57,461,146	**57,461,146**	**41.91%**

Agency Securities	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
Farm Credit System	3.88%	06/08/2028	650,000	647,426	652,809	0.48%
Federal Home Loan Banks	4.00%	06/30/2028	1,000,000	997,340	1,010,656	0.74%
Farm Credit System	4.25%	08/07/2028	500,000	494,755	507,311	0.37%
Farm Credit System	4.38%	04/10/2029	1,000,000	985,040	1,026,547	0.75%
			3,150,000	**3,124,561**	**3,197,322**	**2.33%**

Commercial Mortgage-Backed Securities	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
FHLMC	3.43%	01/25/2027	1,000,000	970,156	993,634	0.72%
FHLMC	3.24%	04/25/2027	500,000	478,574	494,701	0.36%
FHLMC	3.12%	06/25/2027	1,000,000	961,406	986,937	0.72%
FHLMC	3.78%	10/25/2028	650,000	627,326	647,102	0.47%
FHLMC	2.60%	09/25/2029	200,000	186,367	190,138	0.14%
			3,350,000	**3,223,830**	**3,312,513**	**2.42%**

Corporate Securities	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
Citigroup Inc	6.88%	02/15/1998	20,000	20,000	22,992	0.02%
Deere & Company	4.15%	09/15/2027	500,000	494,055	502,355	0.37%
Honeywell International Inc.	2.50%	11/01/2026	650,000	609,863	639,546	0.47%
Morgan Stanley	2.48%	01/21/2028	600,000	546,606	587,262	0.43%
JPMorgan Chase & Co.	3.78%	02/01/2028	565,000	541,219	562,499	0.41%
UnitedHealth Group Incorporated	2.95%	10/15/2027	750,000	704,875	735,326	0.54%
Toyota Motor Corporation	4.63%	01/12/2028	615,000	614,594	623,879	0.46%
Royal Bank of Canada	4.24%	08/03/2027	250,000	245,508	251,441	0.18%
The Toronto-Dominion Bank	4.69%	09/15/2027	250,000	249,848	253,230	0.18%

Docusign Envelope ID: 5C36AEC0-5445-4D1E-882E-A0FBE145997C

CITY OF ROCKLIN
TREASURER'S REPORT OF CASH AND INVESTMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Type of Investment	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
Corporate Securities (Cont.)						
PACCAR Inc	4.60%	01/10/2028	250,000	253,425	253,708	0.19%
Prologis, Inc.	2.13%	04/15/2027	500,000	450,040	486,175	0.35%
Duke Energy Corporation	3.20%	01/15/2027	500,000	474,475	495,631	0.36%
Apple Inc.	3.00%	11/13/2027	500,000	473,720	493,416	0.36%
Bank of America Corporation	3.82%	01/20/2028	600,000	572,508	597,209	0.44%
The Toronto-Dominion Bank	5.16%	01/10/2028	250,000	254,138	255,944	0.19%
Royal Bank of Canada	4.90%	01/12/2028	245,000	244,870	249,998	0.18%
Walmart Inc.	3.90%	04/15/2028	750,000	747,943	752,694	0.55%
The Toronto-Dominion Bank	5.52%	07/17/2028	250,000	252,043	259,489	0.19%
Royal Bank of Canada	5.20%	08/01/2028	250,000	248,485	257,807	0.19%
Public Service Enterprise Group Inco	3.65%	09/01/2028	650,000	615,479	643,709	0.47%
Deere & Company	4.50%	01/16/2029	600,000	603,108	609,003	0.44%
Toyota Motor Corporation	4.65%	01/05/2029	500,000	504,095	509,167	0.37%
Eli Lilly and Company	4.50%	02/09/2029	415,000	414,726	421,499	0.31%
The Home Depot, Inc.	4.90%	04/15/2029	700,000	691,593	720,120	0.53%
PepsiCo, Inc.	4.50%	07/17/2029	710,000	709,006	722,619	0.53%
Chubb Limited	4.65%	08/15/2029	725,000	737,021	739,260	0.54%
Florida Power & Light	5.15%	06/15/2029	700,000	724,549	726,403	0.53%
PACCAR Inc	4.00%	09/26/2029	350,000	349,279	349,784	0.26%
State Street Corporation	4.78%	11/23/2029	650,000	656,377	666,614	0.49%
Caterpillar Inc.	4.80%	01/06/2026	750,000	754,040	751,177	0.55%
The PNC Financial Services Group, In	3.10%	10/25/2027	650,000	622,583	639,187	0.47%
Eli Lilly and Company	4.75%	02/12/2030	420,000	419,911	430,809	0.31%
National Rural Utilities Cooperative	4.75%	02/07/2028	650,000	651,554	659,583	0.48%
National Rural Utilities Cooperative	4.45%	03/13/2026	250,000	248,000	250,112	0.18%
Public Storage OP, LP	4.38%	07/01/2030	435,000	431,059	437,004	0.32%
			17,450,000	**17,130,590**	**17,556,651**	**12.81%**

Money Market Fund	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
Five Star Bank (Rocklin Rise) Money Market	4.27%	Due on Demand		5,720,940	5,720,940	4.17%
First American Govt Oblig Fund	3.75%	09/30/2025	1,031,526	1,031,526	1,031,526	0.75%
First American Govt Oblig Fund	3.75%	09/30/2025	90,486	90,486	90,486	0.07%
			1,122,012	**6,842,952**	**6,842,952**	**4.99%**

Docusign Envelope ID: 5C36AEC0-5445-4D1E-882E-A0FBE145997C

CITY OF ROCKLIN
TREASURER'S REPORT OF CASH AND INVESTMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Type of Investment	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
Municipal Bond						
State of California	4.50%	08/01/2029	590,000	593,109	605,411	0.44%
			590,000	**593,109**	**605,411**	**0.44%**
Supranational Securities	**Interest Rate**	**Maturity Date**	**Par Value**	**Cost**	**Market Value**	**% of Portfolio**
Inter-American Development Bank	3.13%	09/18/2028	700,000	670,110	689,177	0.50%
International Bank for Recon and Dev	4.63%	08/01/2028	700,000	713,846	717,718	0.52%
Inter-American Development Bank	4.13%	02/15/2029	500,000	493,885	506,664	0.37%
Inter-American Development Bank	4.00%	01/12/2028	550,000	540,254	553,759	0.40%
International Bank for Recon and Dev	3.88%	10/16/2029	515,000	513,656	517,710	0.38%
International Bank for Recon and Dev	4.13%	03/20/2030	670,000	667,311	679,921	0.50%
			3,635,000	**3,599,062**	**3,664,949**	**2.67%**
U.S. Treasury Notes	**Interest Rate**	**Maturity Date**	**Par Value**	**Cost**	**Market Value**	**% of Portfolio**
United States	2.50%	03/31/2027	1,200,000	1,145,109	1,179,750	0.86%
United States	2.25%	02/15/2027	1,250,000	1,174,854	1,226,123	0.89%
United States	2.00%	11/15/2026	1,250,000	1,167,627	1,226,465	0.89%
United States	3.88%	11/30/2027	1,250,000	1,262,695	1,256,592	0.92%
United States	3.63%	05/31/2028	1,250,000	1,224,395	1,250,195	0.91%
United States	4.38%	08/31/2028	1,750,000	1,752,393	1,785,615	1.30%
United States	4.88%	10/31/2028	800,000	801,469	828,500	0.60%
United States	3.75%	12/31/2028	1,250,000	1,234,619	1,253,955	0.91%
United States	2.75%	07/31/2027	750,000	717,363	738,281	0.54%
United States	5.25%	11/15/2028	1,000,000	1,054,102	1,046,836	0.76%
United States	4.25%	02/28/2029	800,000	797,969	815,219	0.59%
United States	2.38%	05/15/2029	500,000	450,020	478,203	0.35%
United States	4.50%	05/31/2029	1,250,000	1,262,842	1,285,059	0.94%
United States	4.25%	03/15/2027	1,250,000	1,241,553	1,260,156	0.92%
United States	4.00%	07/31/2029	600,000	598,430	606,633	0.44%
United States	1.63%	08/15/2029	1,000,000	917,422	927,773	0.68%
United States	3.25%	06/30/2029	1,000,000	988,594	985,039	0.72%
United States	3.50%	09/30/2029	600,000	585,141	595,758	0.43%
United States	4.13%	10/31/2029	550,000	547,121	558,744	0.41%
United States	4.13%	11/30/2029	600,000	600,469	609,656	0.44%

Docusign Envelope ID: 5C36AEC0-5445-4D1E-882E-A0FBE145997C

CITY OF ROCKLIN
TREASURER'S REPORT OF CASH AND INVESTMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Type of Investment	Interest Rate	Maturity Date	Par Value	Cost	Market Value	% of Portfolio
U.S. Treasury Notes (Cont.)						
United States	2.75%	02/15/2028	1,000,000	960,117	980,195	0.72%
United States	4.00%	12/15/2025	1,250,000	1,253,271	1,250,037	0.91%
United States	4.38%	12/31/2029	1,500,000	1,499,531	1,538,789	1.12%
United States	1.75%	11/15/2029	1,250,000	1,106,494	1,159,424	0.85%
United States	3.88%	01/15/2026	1,250,000	1,242,725	1,249,622	0.91%
United States	4.13%	11/15/2027	1,000,000	995,117	1,010,195	0.74%
United States	4.25%	01/31/2030	1,000,000	994,375	1,021,172	0.74%
United States	1.25%	04/30/2028	1,250,000	1,150,391	1,177,588	0.86%
United States	3.88%	04/30/2030	2,000,000	2,001,875	2,012,656	1.47%
United States	2.13%	05/31/2026	1,250,000	1,179,541	1,236,025	0.90%
United States	4.00%	05/31/2030	1,250,000	1,243,799	1,264,648	0.92%
United States	3.88%	06/30/2030	1,250,000	1,245,752	1,257,666	0.92%
United States	3.88%	07/31/2030	1,000,000	1,001,250	1,006,016	0.73%
United States	4.38%	08/15/2026	1,500,000	1,500,469	1,507,793	1.10%
United States	3.63%	08/31/2030	1,500,000	1,497,715	1,492,266	1.09%
United States	0.00%	11/20/2025	5,400,000	5,287,136	5,370,225	3.92%
Total U.S. Treasury Notes			**44,550,000**	**43,683,742**	**44,448,870**	**32.42%**
Investments Subtotal Not Including Cash & Equivalents			**$ 73,847,012.02**	**$ 78,197,845.88**	**$ 79,628,667.26**	**58.09%**
Total All Investments Including Cash & Equivalents				**135,658,992**	**137,089,814**	**100.00%**

I hereby certify that the above amounts and locations of accounts represent the total investments of the City of Rocklin as of the date of this report and that the investments are in conformity with the Investment Policy as restated in Resolution 2025-125 on June 24, 2025. I hereby certify that the City of Rocklin has sufficient funds available to meet its expenditure requirements for the next six months.

Signed by: Daniel Choe 31D843A77E39437...
Daniel Choe, City Treasurer

11/6/2025 | 6:17 PM PST
Date

Signed by: Aly Zimmermann F29E9749AAD9403...
Aly Zimmermann, City Manager

11/7/2025 | 11:32 AM PST
Date

CHANDLER ASSET MANAGEMENT

INVESTMENT REPORT

City of Rocklin | As of September 30, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures at the end of the statement.

TABLE OF CONTENTS

ECONOMIC UPDATE

ACCOUNT PROFILE

CONSOLIDATED INFORMATION

PORTFOLIO HOLDINGS

TRANSACTIONS

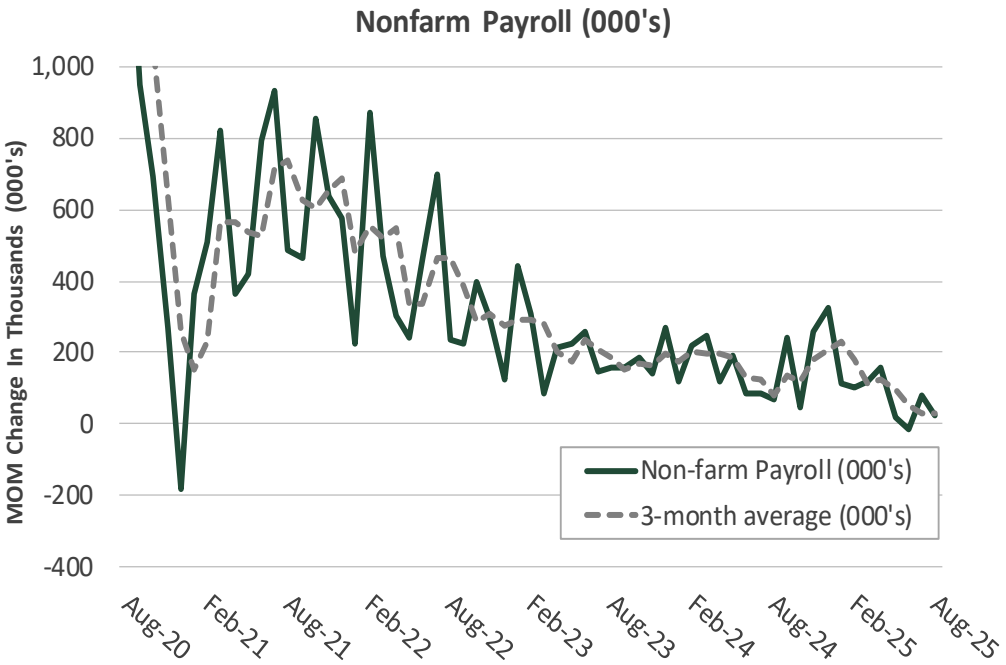
CHANDLER ASSET MANAGEMENT

ECONOMIC UPDATE

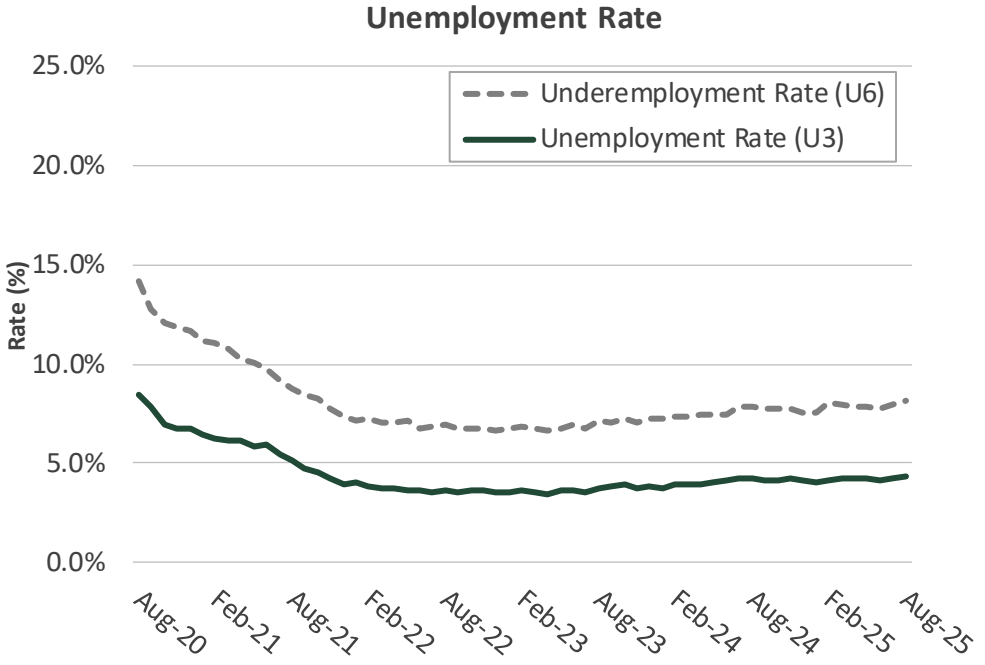
- The Federal Government shutdown that began on October 1st has halted the release of key economic data as agencies remain closed. At the same time, heightened trade policy uncertainty has added to market volatility. Core levels of inflation remain above the Federal Reserve's target, while tariffs continue to cloud forecasts. Signs of a softer labor market are emerging, prompting expectations that the Fed will move cautiously toward policy normalization. Given the economic outlook, we expect gradual normalization of monetary policy and a steepening yield curve.

- The Federal Reserve lowered the Federal Funds Rate a quarter percentage point to the range of 4.00 – 4.25% upon conclusion of the September Federal Open Market Committee meeting. The move was telegraphed by the Fed and in line with market expectations. Stephen Miran was the only opposing vote in the 11-1 decision as Governor Miran called for a larger 50 basis point rate cut. Chair Powell said concerns over signs of a softening labor market prompted the policy shift. Policymakers also updated their economic forecasts penciling in two additional quarter-point cuts through year-end.

- The US Treasury yield curve flattened in September, as the 2-year Treasury yield declined 13 basis points to 3.57%, the 5-year Treasury also down 13 basis points to 3.66%, and the 10-year Treasury yield declined 14 basis points to 4.12%. The spread between the 2-year and 10-year Treasury yield points on the curve decreased to +54 basis points at September month-end versus +61 basis points at August month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was +14 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +21 basis points in September versus +8 basis points in August.

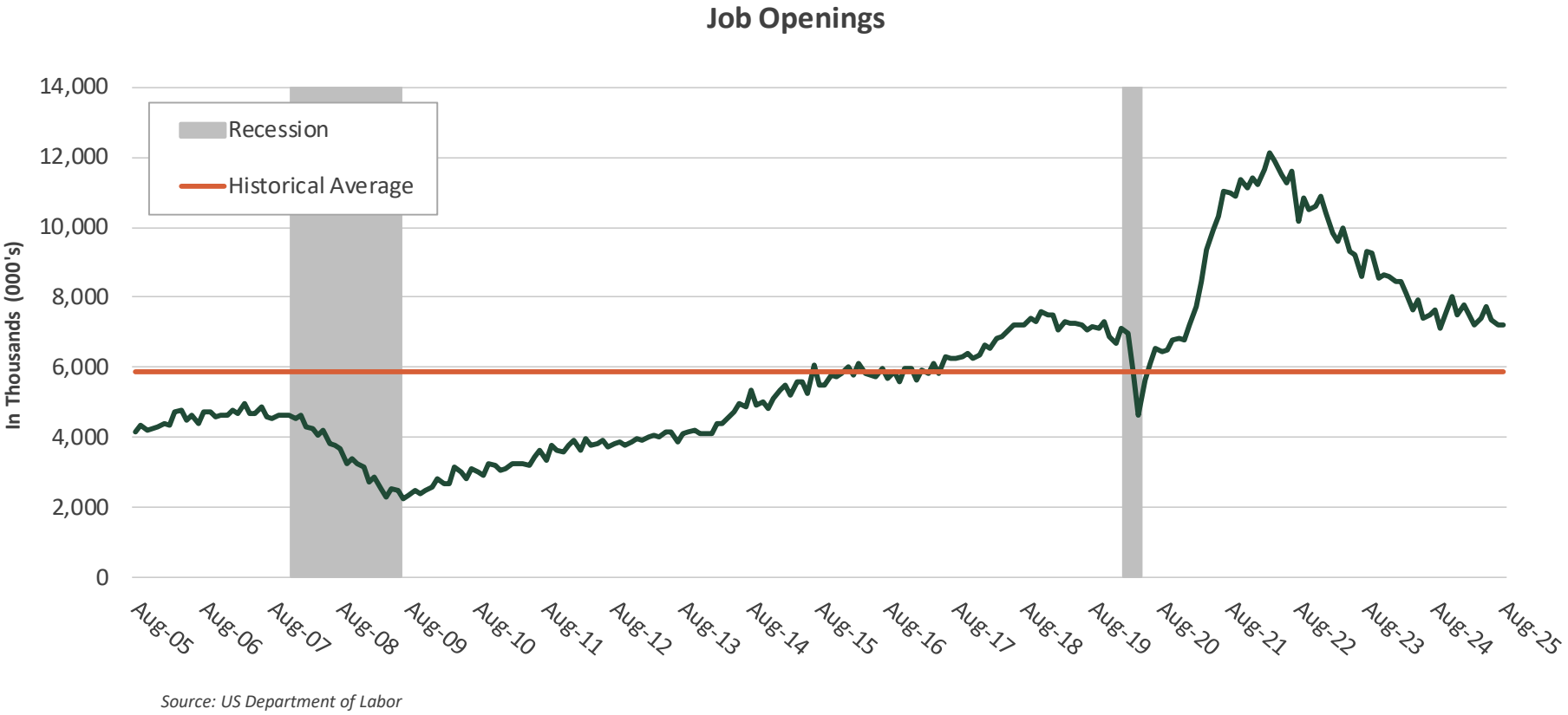


Source: US Department of Labor



Source: US Department of Labor

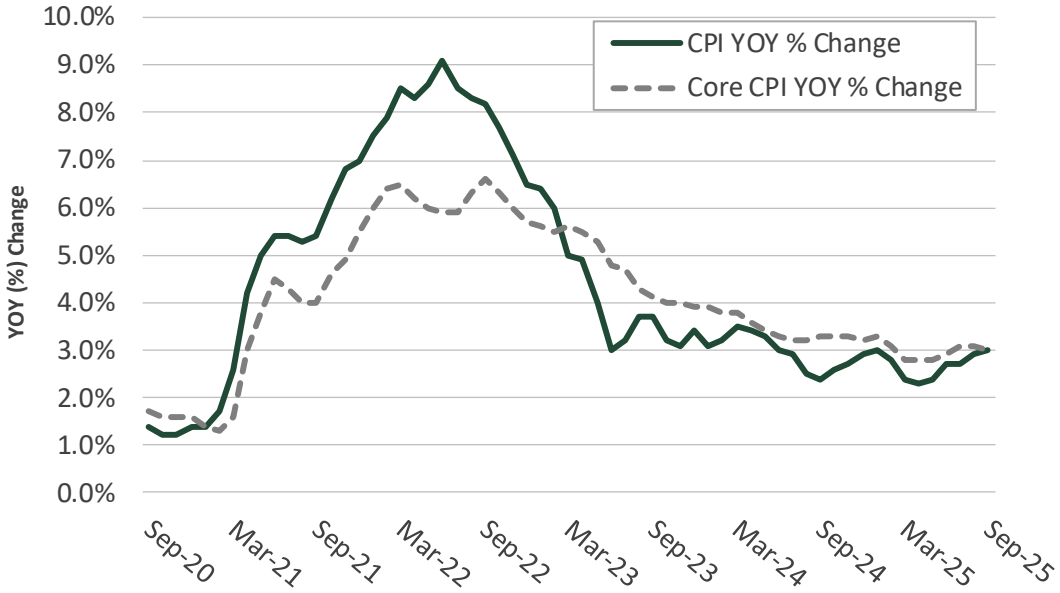
The U.S. economy added just 22,000 jobs in August, falling short of consensus expectations and punctuating the softening trend in the labor market. The three-month moving average and six-month moving average payrolls totaled 29,000 and 64,000 respectively. The unemployment rate rose to 4.3% in August from 4.2% in July. The labor participation rate inched up to 62.3%, remaining below the pre-pandemic level of 63.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons jumped to 8.1% in August from 7.9% in July. Average hourly earnings fell to 3.7% year-over-year from 3.9% last month.



Source: US Department of Labor

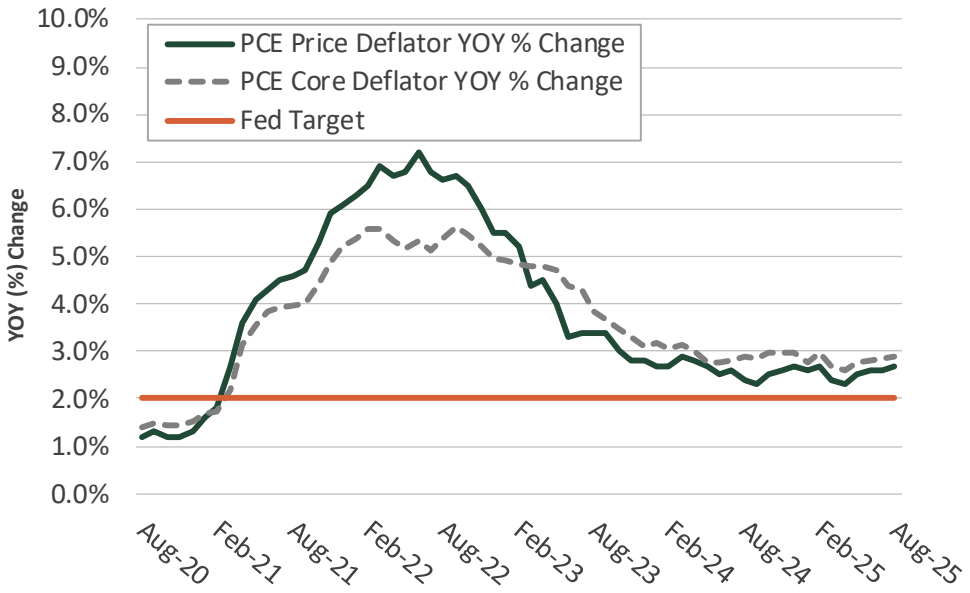
The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) showed a modest increase to 7.227 million new job openings in August from 7.2 million in July. The quits rate and layoffs remained relatively stable. Job openings indicate a ratio of approximately 1 job for each unemployed individual, representing a relatively balanced labor market.

Consumer Price Index (CPI)



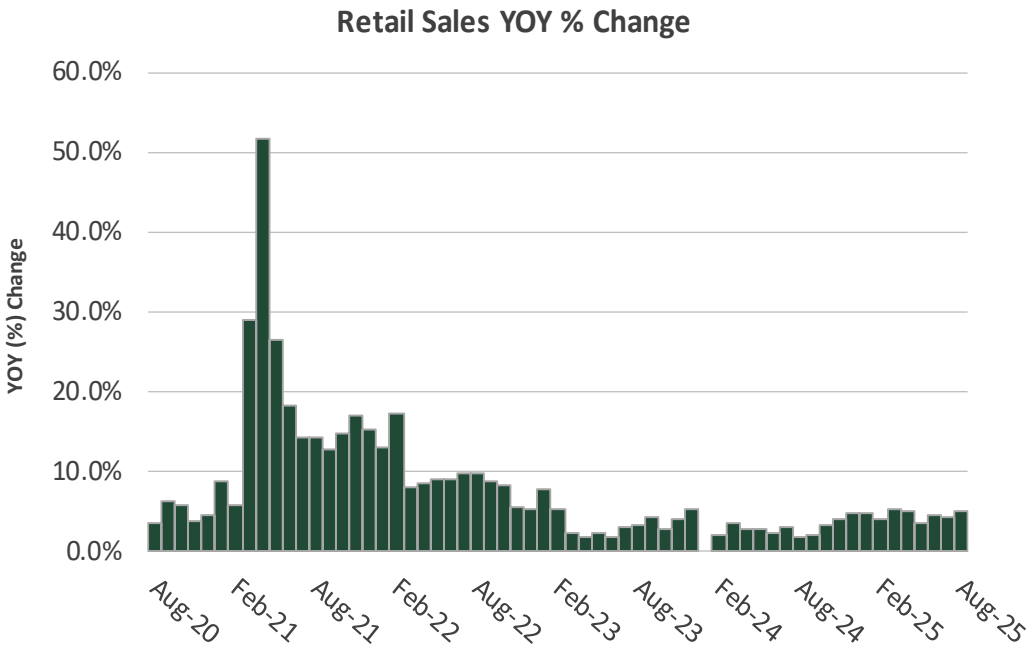
Source: US Department of Labor

Personal Consumption Expenditures (PCE)

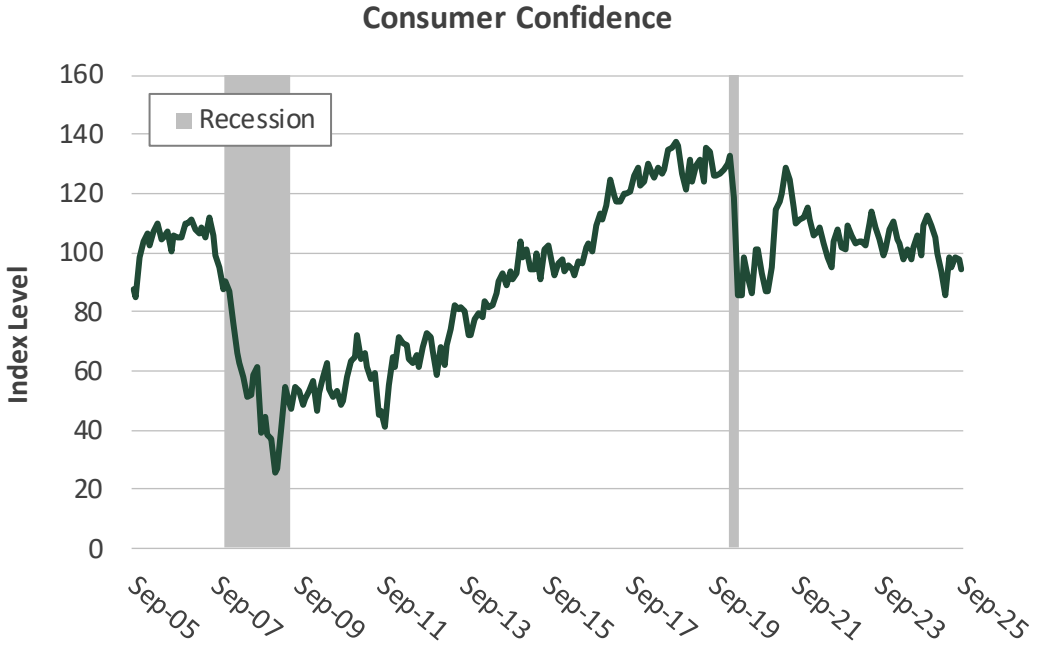


Source: US Department of Commerce

Despite the Federal Government shutdown, the Bureau of Labor Statistics released the Consumer Price Index (CPI) data for September on October 24th. Both headline and core measures came in below estimates. Headline CPI edged up 0.3% from August and 3.0% on an annual basis, while core CPI was up 0.2% from the prior month and 3.0% on an annual basis. The release was essential as third-quarter CPI data is used by the Social Security Administration to calculate the annual COLA, i.e. the cost-of-living adjustment. Other US Government data releases continue to be impacted by the shutdown.

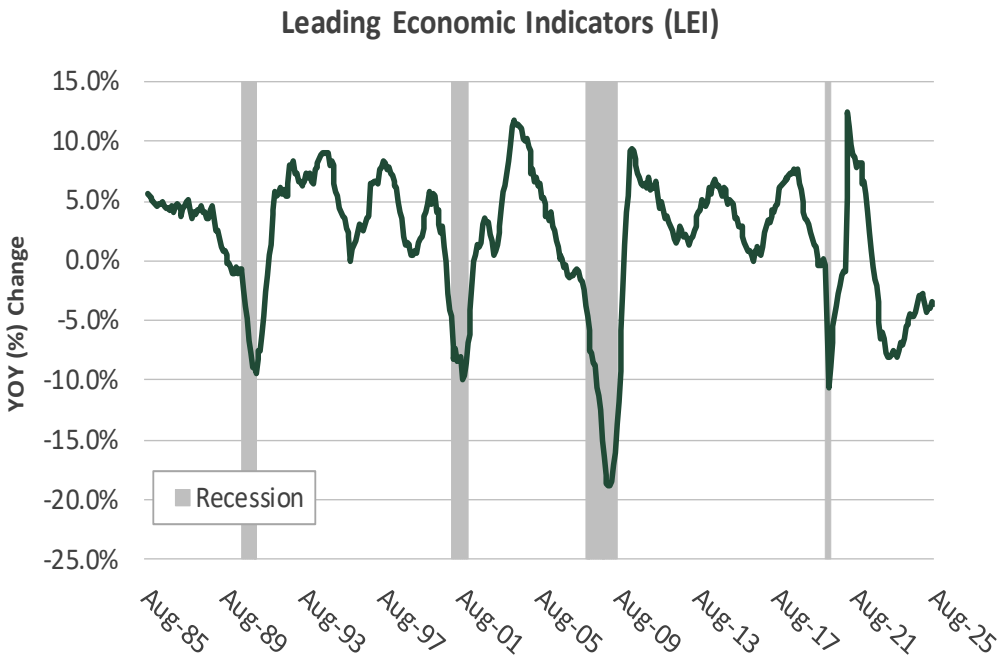


Source: US Department of Commerce

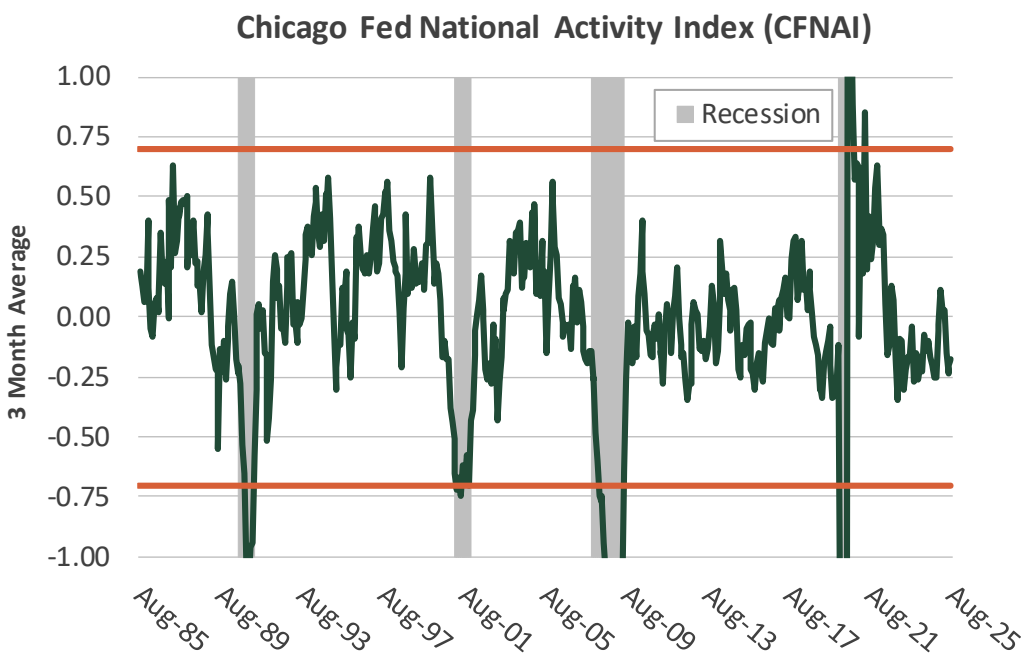


Source: The Conference Board
All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

Advance Retail Sales showed continued strength jumping 0.6% in August as July data was also revised up to 0.6% month-over-month. The increase elevated retail sales to 5.0% on an annual basis after jumping 4.1% year-over-year in July. Back-to-school shopping was a likely catalyst as online shopping, clothing, and sporting goods saw some of the largest increases. Control group sales, which feed into GDP, also jumped 0.74% in August from the prior month. The Conference Board's Consumer Confidence Index fell to 94.2 in September from a revised 97.8 in August, marking the lowest level since April 2025. Measures of current conditions and future expectations fell, signaling weaker sentiment toward employment and income. Consumers have remained resilient, but rising debt burdens, higher delinquency rates, lingering inflation worries, and emerging signs of labor market cooling could weigh on future spending.

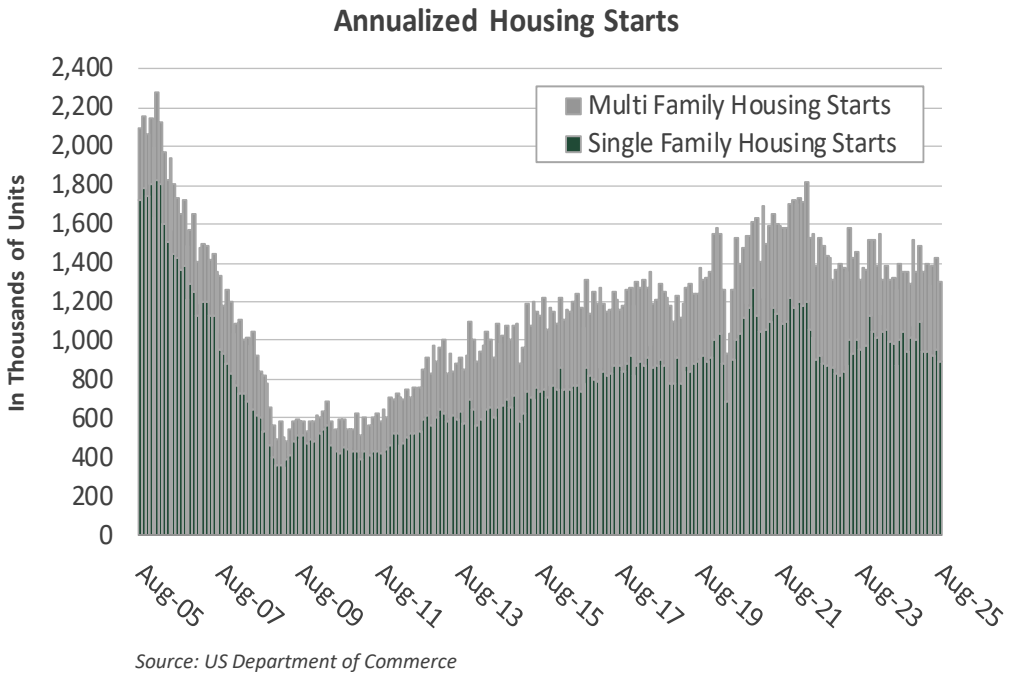


Source: The Conference Board

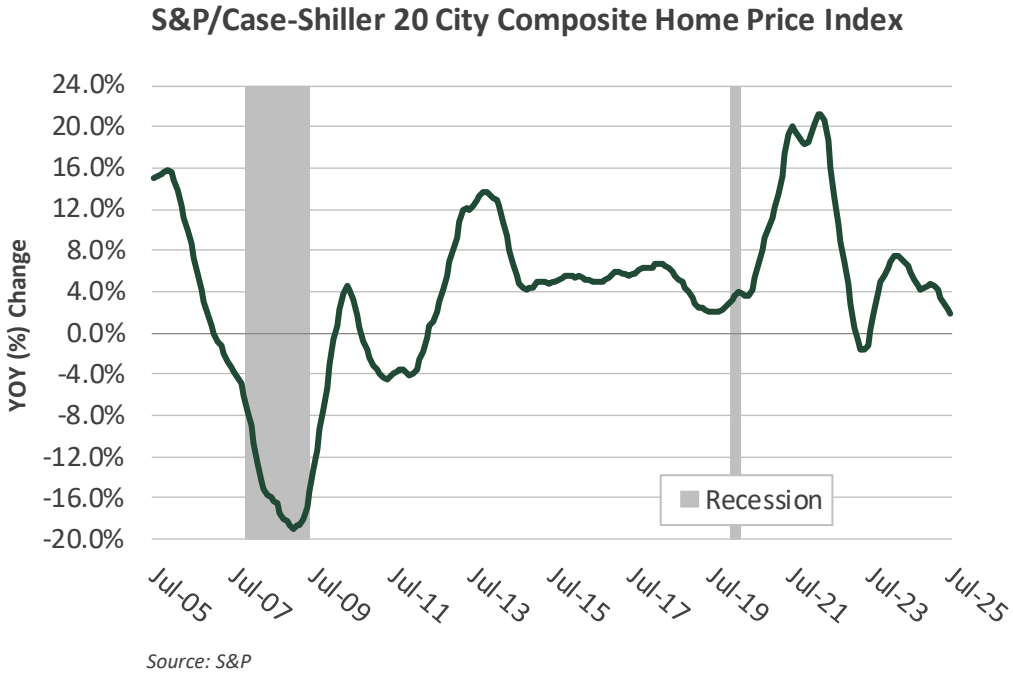


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) fell by 0.5% in August, following a 0.1% increase in July. The LEI decreased by 3.6% year-over-year. The Conference Board is expecting economic growth to slow in the second half of 2025 due to consumer pessimism, soft manufacturing new orders, and negative impacts from tariffs. The Chicago Fed National Activity Index (CFNAI) came in at -0.12% in August after a downwardly revised -0.28 in July, indicating that economic momentum remained below its historical trend for the fifth consecutive month. The three-month moving average shows a similar trend at -0.18 in August from -0.20 in the prior month signaling ongoing below-trend growth in national economic activity.

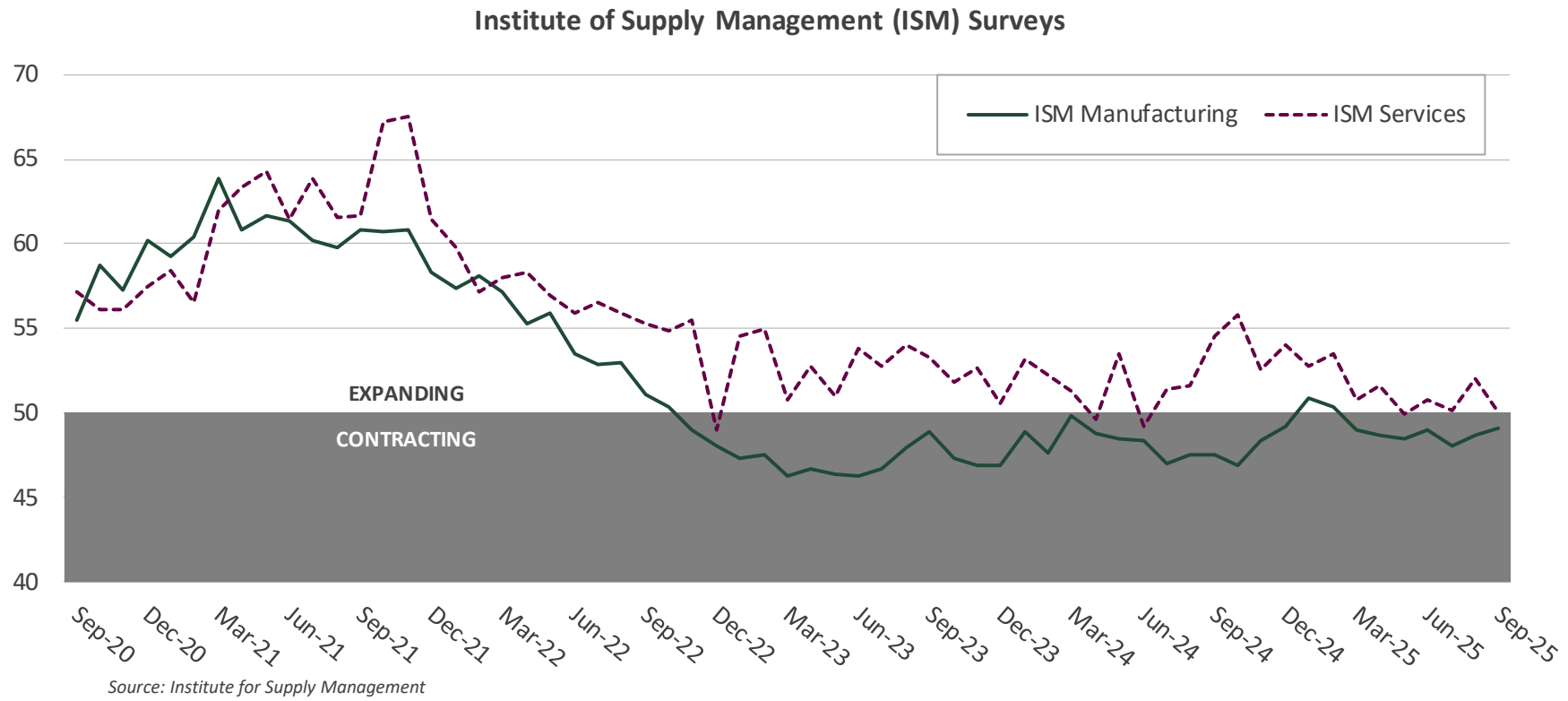


Source: US Department of Commerce



Source: S&P

Housing starts dropped 8.5% in August to 1.307 million units, marking a pullback amid elevated inventory levels and a softening labor market. Single-family starts fell 7.0% in August to 890,000 units, hitting their lowest level since July 2024. The S&P Cotality Case Shiller 20-City Home Price Index recorded a 0.07% month-over-month decline in July, marking the fifth consecutive month of losses, while still posting a modest year-over-year gain of 1.8%. Persistently high asking prices and elevated mortgage rates have continued to challenge affordability, contributing to the recent cooling across the housing market. However, the Freddie Mac 30-year fixed mortgage rate continued recent declines to 6.3% as of September.

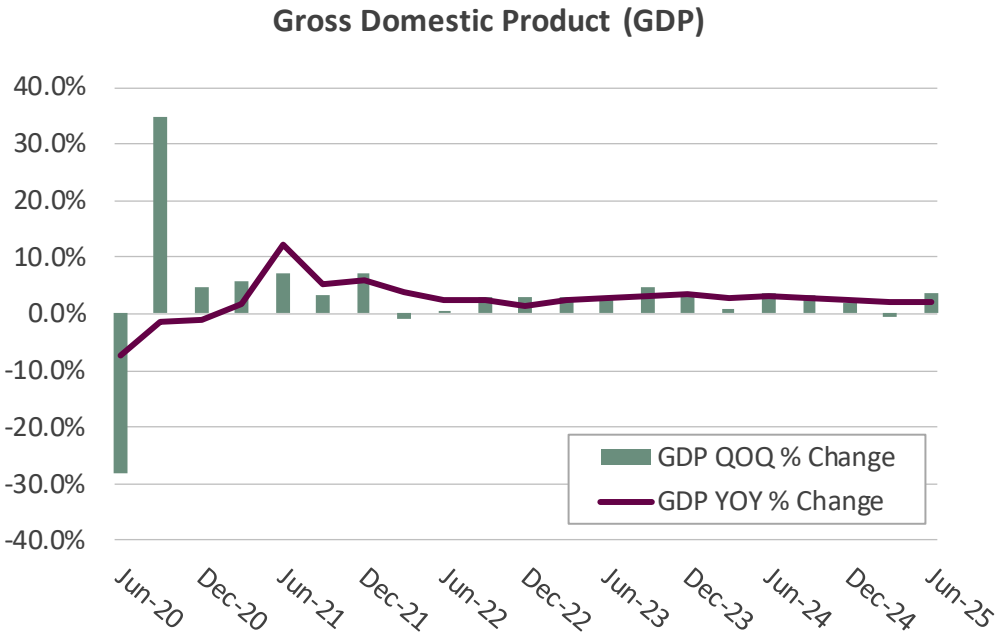


Manufacturing activity contracted at a slightly slower rate as the Institute for Supply Management (ISM) Manufacturing Index edged up to 49.1 in September, from 48.7 in August yet remaining below the expansion threshold, signaling the seventh consecutive month of contraction in the manufacturing sector. Production growth factored into the gain, although drops in new orders and inventories offset the increase. The ISM Services Index fell to 50.0 in September from 52.0 in August, which is the breakeven point between expansion and contraction. The 2.0-point decline generally indicated moderate to weak growth, with only isolated reports of supplier delivery delays. Employment remained in contraction territory, reflecting delayed hiring plans and ongoing challenges in finding qualified workers.

GROSS DOMESTIC PRODUCT (GDP)

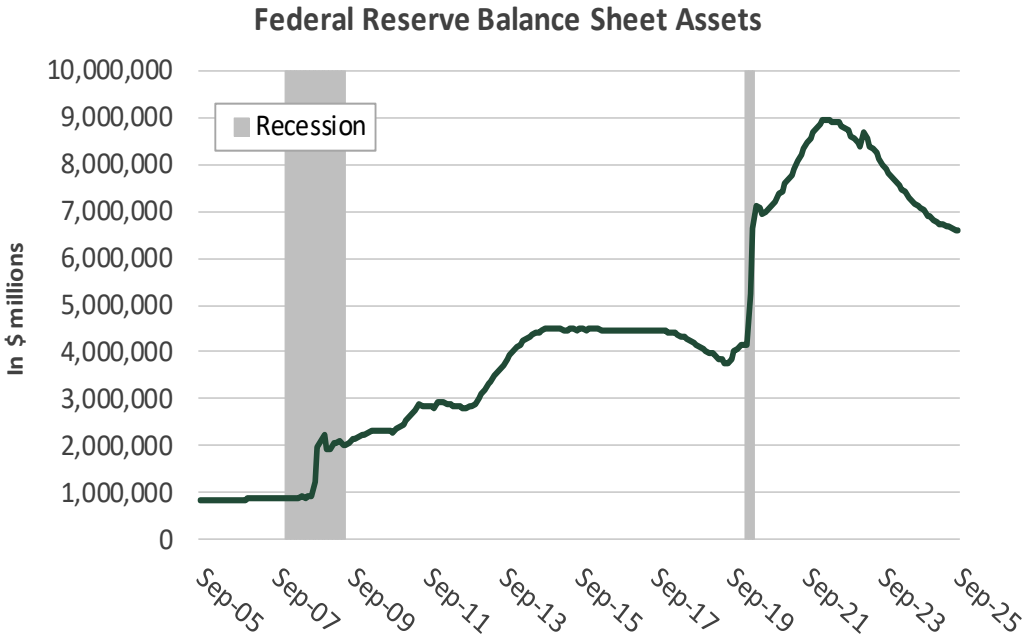
Components of GDP	9/24	12/24	3/25	6/25
Personal Consumption Expenditures	2.7%	2.6%	0.4%	1.7%
Gross Private Domestic Investment	0.2%	-1.3%	3.8%	-2.7%
Net Exports and Imports	-0.4%	-0.1%	-4.7%	4.8%
Federal Government Expenditures	0.5%	0.3%	-0.4%	-0.4%
State and Local (Consumption and Gross Investment)	0.4%	0.3%	0.2%	0.3%
Total	**3.4%**	**1.9%**	**-0.6%**	**3.8%**

Source: US Department of Commerce

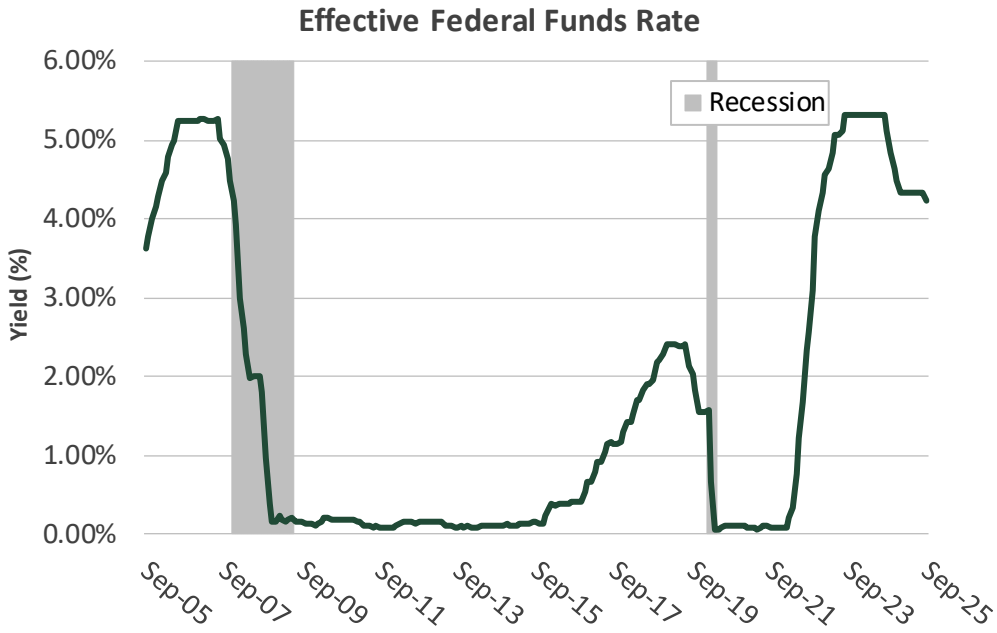


Source: US Department of Commerce

In a sharp rebound from the first quarter, real GDP increased at an annualized rate of 3.8% in the second quarter of 2025 according to the final data revision from the Bureau of Economic Analysis. The increase in real GDP in the second quarter was driven by the drop in imports following the significant rise in the first quarter in anticipation of higher tariffs and an increase in consumer spending. The consensus projection calls for 1.7% growth for the third quarter and 1.8% for the full year 2025.

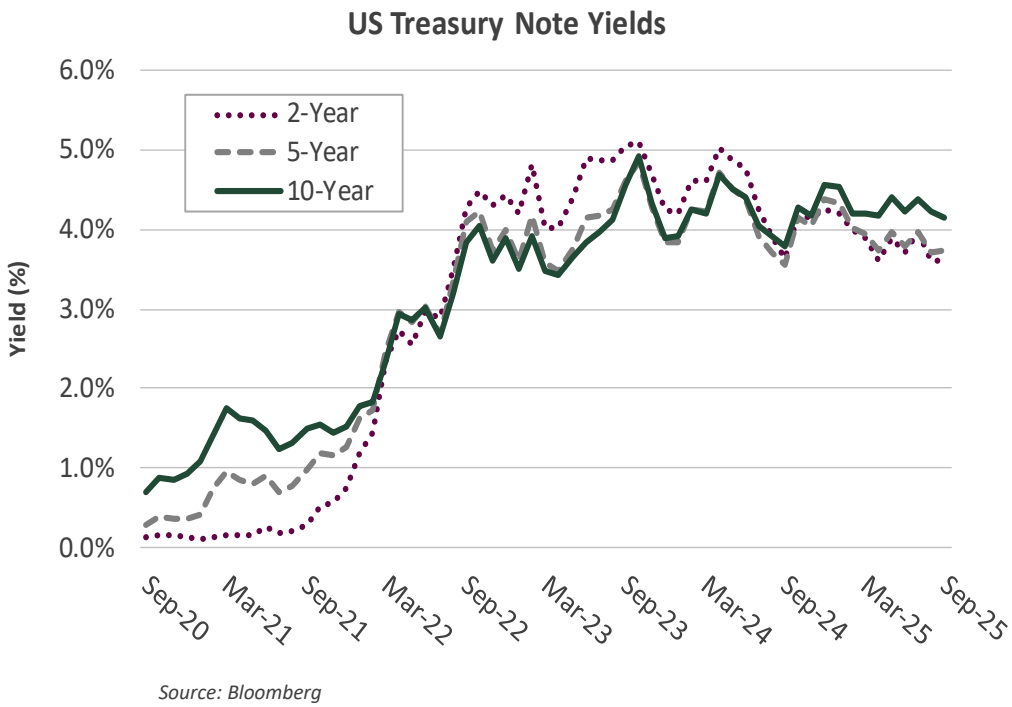


Source: Federal Reserve

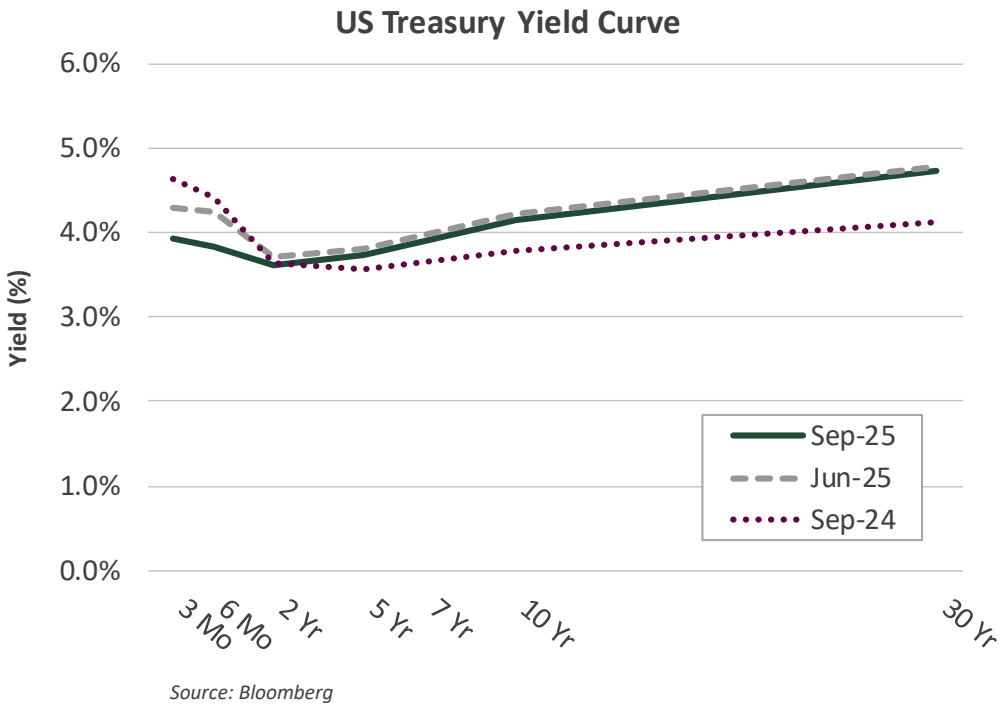


Source: Bloomberg

The Federal Reserve lowered its benchmark interest rate by a quarter point to a range of 4.00% to 4.25% at its September meeting, as officials responded to mounting signs of labor market weakness. Chair Jerome Powell said the move was aimed at cushioning the slowdown while keeping policy restrictive enough to fight lingering inflation. The Fed kept its balance-sheet runoff unchanged, maintaining a $5 billion monthly cap on Treasuries and $35 billion on agency and mortgage-backed securities. Since launching its Quantitative Tightening campaign in June 2022, the Fed has reduced its securities holdings by about $2.35 trillion, bringing the total down to roughly $6.6 trillion.



Source: Bloomberg



Source: Bloomberg

At the end of September, the 2-year Treasury yield was 5 basis points lower, and the 10-Year Treasury yield was 40 basis points higher, year-over-year. The spread between the 2-year and 10-year Treasury yield points on the curve decreased to +54 basis points at September month-end versus +61 basis points at August month-end. The prior 2-year/10-year yield curve inversion, which spanned from July 2022 to August 2024, was historically long. The average historical spread (since 2005) is about +99 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +21 basis points in September versus +8 basis points in August.

CHANDLER ASSET MANAGEMENT

ACCOUNT PROFILE

Investment Objectives

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

STATEMENT OF COMPLIANCE

City of Rocklin | Account #11014 | As of September 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES (CMOS)				
Max % (MV)	20.0	4.8	Compliant	
Max % Issuer (MV)	30.0	4.8	Compliant	
Max Maturity (Years)	5.0	4.0	Compliant	
Min Rating (AA by 1)	0.0	0.0	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 & A- by 1)	0.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	25.6	Compliant	
Max % Issuer (MV)	5.0	1.7	Compliant	
Max Maturity (Years)	5	4	Compliant	

STATEMENT OF COMPLIANCE

City of Rocklin | Account #11014 | As of September 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	4.7	Compliant	
Max % Issuer (MV)	30.0	3.2	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	3	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	20.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	1.5	Compliant	
Max % Issuer (MV)	20.0	1.5	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES, CMOS (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	30.0	0.9	Compliant	
Max % Issuer (MV)	5.0	0.9	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				

STATEMENT OF COMPLIANCE

City of Rocklin | Account #11014 | As of September 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	5.4	Compliant	
Max % Issuer (MV)	10.0	2.8	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	57.1	Compliant	
Max Maturity (Years)	5	4	Compliant	

PORTFOLIO CHARACTERISTICS

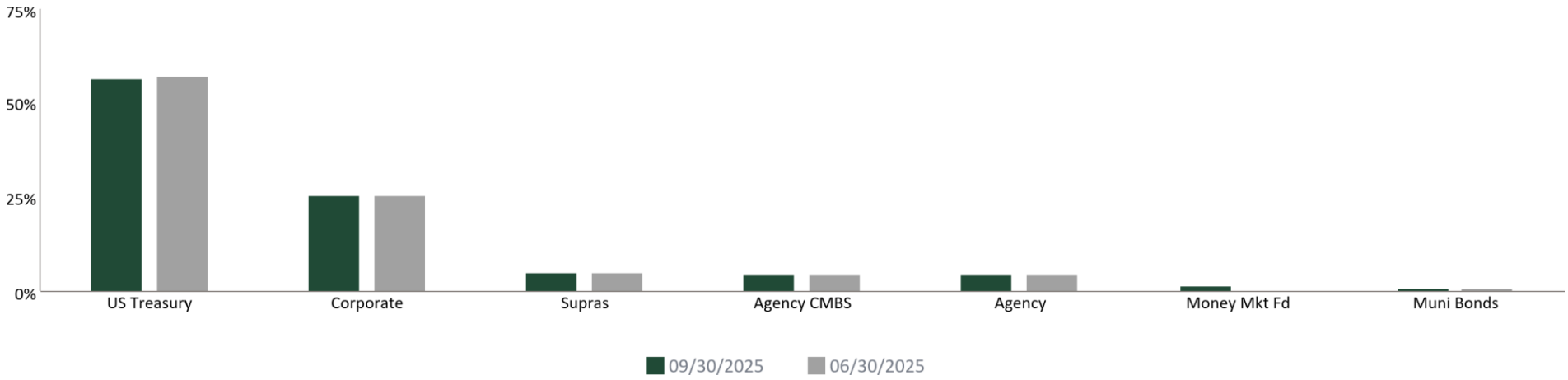
City of Rocklin | Account #11014 | As of September 30, 2025

	Benchmark*	9/30/2025 Portfolio	6/30/2025 Portfolio
Average Maturity (yrs)	2.65	2.80	2.78
Average Modified Duration	2.48	2.54	2.52
Average Purchase Yield		4.24%	4.26%
Average Market Yield	3.66%	3.80%	3.96%
Average Quality**	AA+	AA	AA
Total Market Value		69,015,285	68,168,286

*Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of Rocklin | Account #11014 | As of September 30, 2025



Sector as a Percentage of Market Value

Sector	09/30/2025	06/30/2025
US Treasury	57.11%	57.69%
Corporate	25.62%	25.95%
Supras	5.36%	5.41%
Agency CMBS	4.84%	4.88%
Agency	4.67%	4.71%
Money Mkt Fd	1.51%	0.47%
Muni Bonds	0.88%	0.89%

ISSUERS

City of Rocklin | Account #11014 | As of September 30, 2025

Issuer	Investment Type	% Portfolio
United States	US Treasury	57.11%
FHLMC	Agency CMBS	4.84%
Farm Credit System	Agency	3.20%
International Bank for Recon and Dev	Supras	2.80%
Inter-American Development Bank	Supras	2.56%
Toyota Motor Corporation	Corporate	1.66%
Deere & Company	Corporate	1.62%
First American Govt Oblig fund	Money Mkt Fd	1.51%
Federal Home Loan Banks	Agency	1.48%
National Rural Utilities Cooperative	Corporate	1.33%
Eli Lilly and Company	Corporate	1.25%
The Toronto-Dominion Bank	Corporate	1.12%
Royal Bank of Canada	Corporate	1.11%
Walmart Inc.	Corporate	1.10%
Caterpillar Inc.	Corporate	1.10%
Chubb Limited	Corporate	1.08%
UnitedHealth Group Incorporated	Corporate	1.07%
Florida Power & Light	Corporate	1.06%
PepsiCo, Inc.	Corporate	1.06%
The Home Depot, Inc.	Corporate	1.05%
State Street Corporation	Corporate	0.97%
Public Service Enterprise Group Inco	Corporate	0.94%
Honeywell International Inc.	Corporate	0.93%
The PNC Financial Services Group, In	Corporate	0.93%
State of California	Muni Bonds	0.88%
PACCAR Inc	Corporate	0.88%
Bank of America Corporation	Corporate	0.87%
Morgan Stanley	Corporate	0.86%
JPMorgan Chase & Co.	Corporate	0.82%
Duke Energy Corporation	Corporate	0.72%

ISSUERS

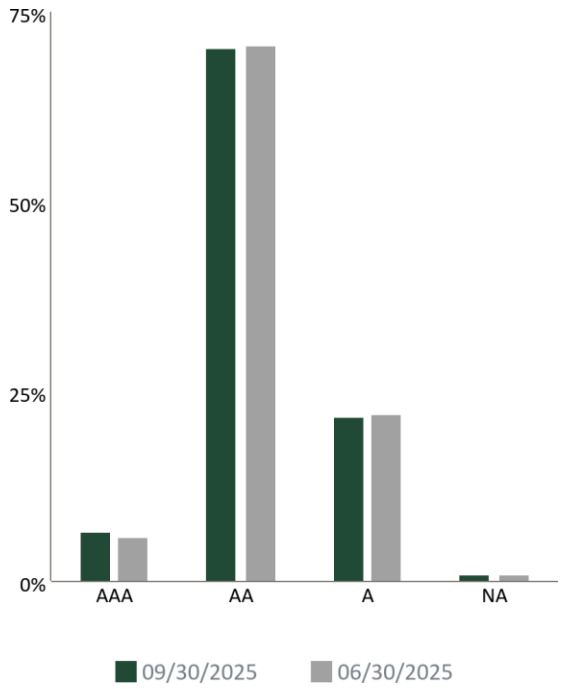
City of Rocklin | Account #11014 | As of September 30, 2025

Issuer	Investment Type	% Portfolio
Apple Inc.	Corporate	0.72%
Prologis, Inc.	Corporate	0.71%
Public Storage OP, LP	Corporate	0.64%
Cash	Cash	0.01%
TOTAL		**100.00%**

QUALITY DISTRIBUTION

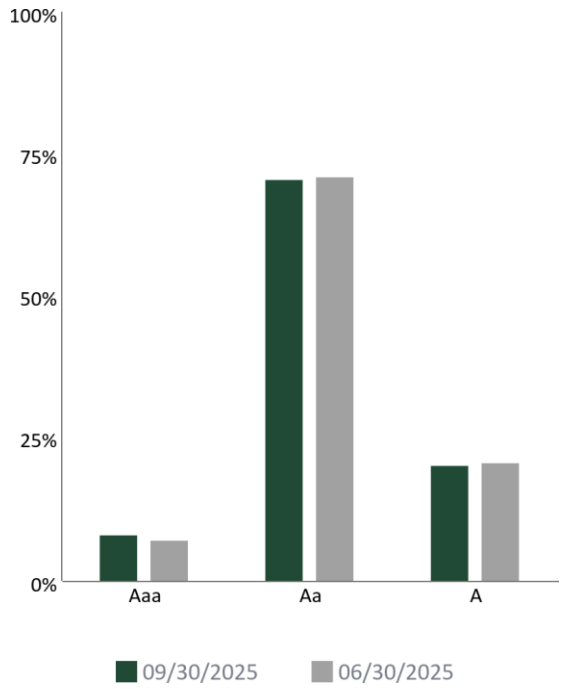
City of Rocklin | Account #11014 | As of September 30, 2025

S&P Rating



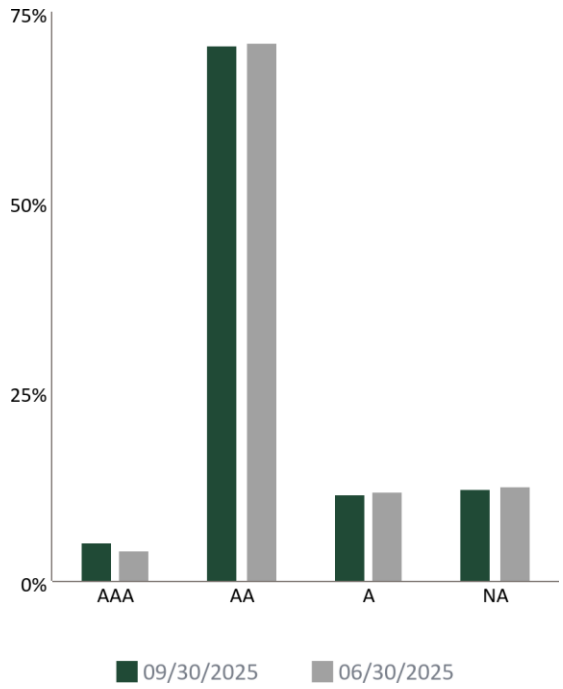
Rating	09/30/2025	06/30/2025
AAA	6.84%	5.91%
AA	70.32%	70.84%
A	21.88%	22.27%
NA	0.96%	0.98%

Moody's Rating



Rating	09/30/2025	06/30/2025
Aaa	8.51%	7.58%
Aa	70.96%	71.51%
A	20.53%	20.92%

Fitch Rating

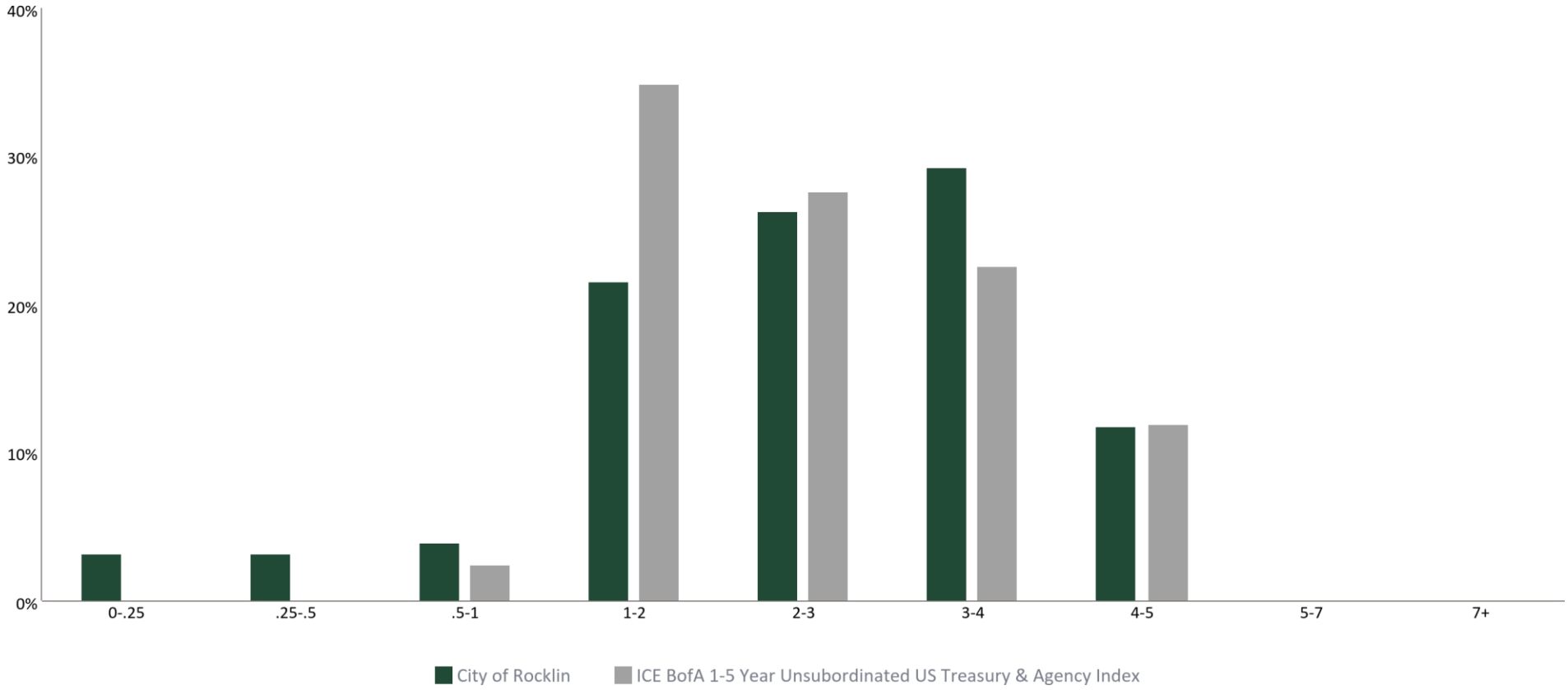


Rating	09/30/2025	06/30/2025
AAA	5.37%	4.37%
AA	70.71%	71.29%
A	11.66%	11.80%
NA	12.26%	12.54%

DURATION DISTRIBUTION

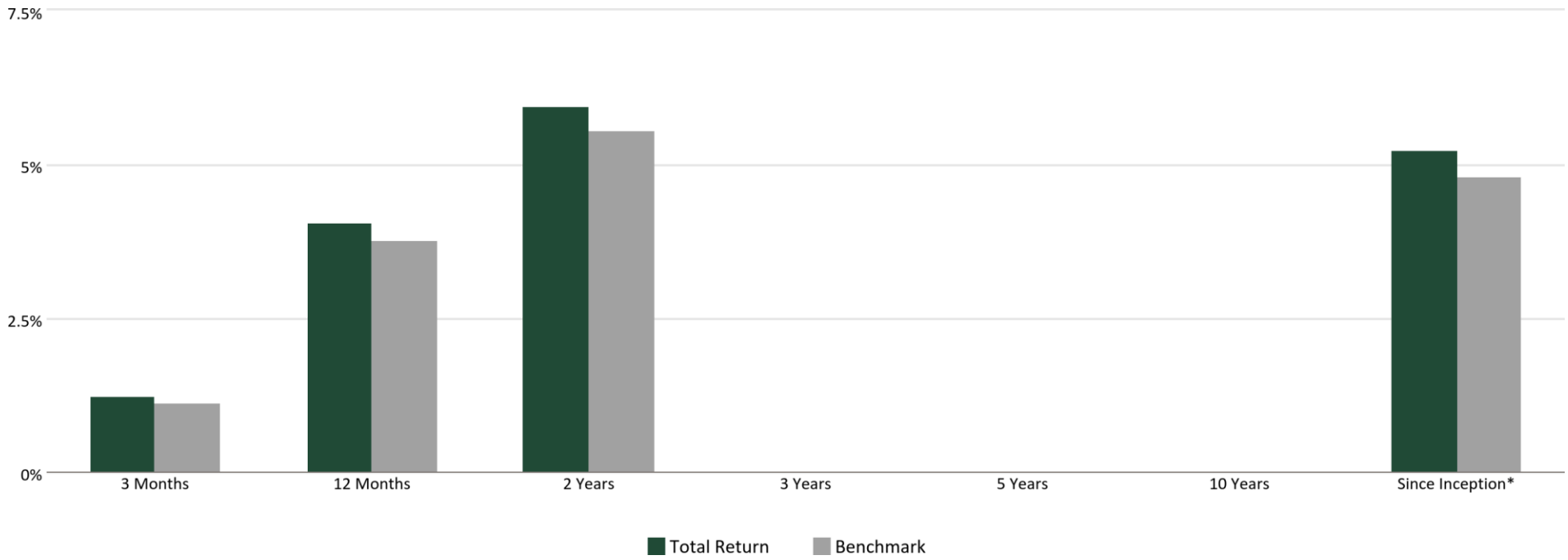
City of Rocklin | Account #11014 | As of September 30, 2025

Portfolio Compared to the Benchmark



	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	3.3%	3.3%	4.0%	21.7%	26.4%	29.4%	11.9%	0.0%	0.0%
ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	0.0%	0.1%	2.6%	35.0%	27.7%	22.6%	12.0%	0.0%	0.0%

Total Rate of Return : Inception | 03/01/2023



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
TOTAL RATE OF RETURN*							
City of Rocklin	1.26%	4.07%	5.97%				5.24%
Benchmark	*1.14%*	*3.77%*	*5.58%*				*4.83%*

*Periods over 1 year are annualized.
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio. Realized rate of return: A measure of a portfolio's return over time. It is the internal rate which equates the beginning book value of the portfolio with the ending book value; it includes interest earnings, realized gains and losses in the portfolio.
Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

PORTFOLIO CHARACTERISTICS

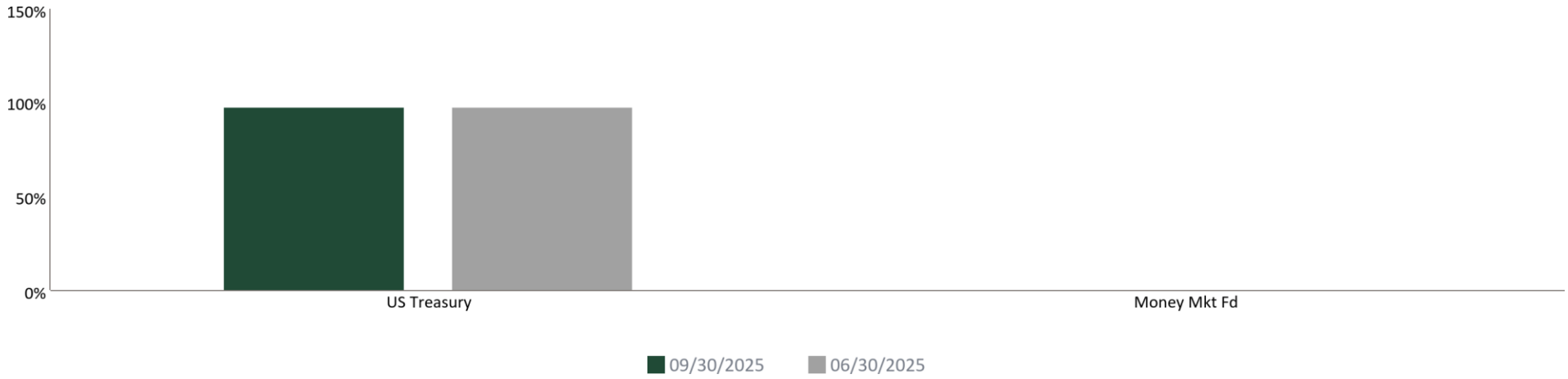
City of Rocklin Liquidity | Account #11170 | As of September 30, 2025

	Benchmark*	9/30/2025 Portfolio	6/30/2025 Portfolio
Average Maturity (yrs)	0.16	0.14	0.38
Average Modified Duration	0.16	0.13	0.38
Average Purchase Yield		4.27%	4.28%
Average Market Yield	4.04%	4.04%	4.26%
Average Quality**	AA+	AAA	AAA
Total Market Value		5,460,997	5,401,725

*Benchmark: ICE BofA 3-Month US Treasury Bill Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of Rocklin Liquidity | Account #11170 | As of September 30, 2025



Sector as a Percentage of Market Value

Sector	09/30/2025	06/30/2025
US Treasury	98.34%	98.34%
Money Mkt Fd	1.66%	1.66%

ISSUERS

City of Rocklin Liquidity | Account #11170 | As of September 30, 2025

Issuer	Investment Type	% Portfolio
United States	US Treasury	98.34%
First American Govt Oblig fund	Money Mkt Fd	1.66%
Cash	Cash	0.01%
TOTAL		**100.00%**

CHANDLER ASSET MANAGEMENT

CONSOLIDATED INFORMATION

PORTFOLIO CHARACTERISTICS

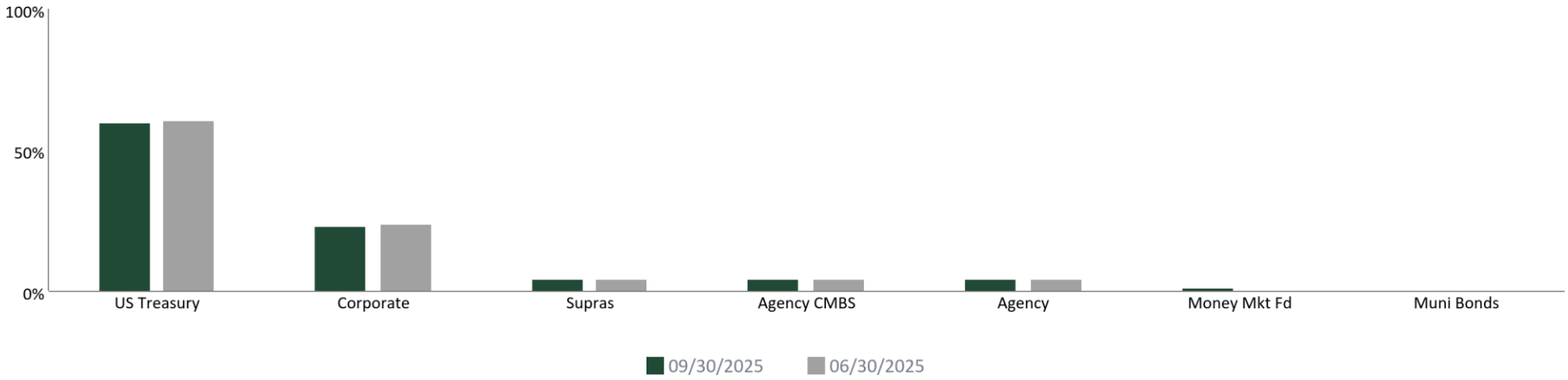
City of Rocklin Cons Agg | Account #11171 | As of September 30, 2025

	9/30/2025 Portfolio	6/30/2025 Portfolio
Average Maturity (yrs)	2.60	2.60
Average Modified Duration	2.36	2.36
Average Purchase Yield	4.24%	4.26%
Average Market Yield	3.82%	3.99%
Average Quality**	AA+	AA+
Total Market Value	74,476,282	73,570,011

*Benchmark: NO BENCHMARK REQUIRED
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of Rocklin Cons Agg | Account #11171 | As of September 30, 2025



Sector as a Percentage of Market Value

Sector	09/30/2025	06/30/2025
US Treasury	60.16%	60.70%
Corporate	23.73%	24.03%
Supras	4.96%	5.01%
Agency CMBS	4.48%	4.52%
Agency	4.33%	4.36%
Money Mkt Fd	1.52%	0.56%
Muni Bonds	0.82%	0.82%

CHANDLER ASSET MANAGEMENT

PORTFOLIO HOLDINGS

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
AGENCY									
3133EPME2	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 06/08/2028	650,000.00	06/07/2023 3.96%	647,426.00 648,617.90	100.43 3.70%	652,808.80 7,906.08	0.95% 4,190.90	Aa1/AA+ AA+	2.69 2.50
3130AWN63	FEDERAL HOME LOAN BANKS 4.0 06/30/2028	1,000,000.00	07/13/2023 4.06%	997,340.00 998,528.42	101.07 3.59%	1,010,656.32 10,111.11	1.48% 12,127.90	Aa1/AA+ AA+	2.75 2.56
3133EPSK2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 08/07/2028	500,000.00	08/17/2023 4.49%	494,755.00 496,986.73	101.46 3.70%	507,310.50 3,187.50	0.74% 10,323.77	Aa1/AA+ AA+	2.85 2.65
3133ERAK7	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 04/10/2029	1,000,000.00	04/19/2024 4.72%	985,040.00 989,386.15	102.65 3.57%	1,026,546.65 20,781.25	1.50% 37,160.50	Aa1/AA+ AA+	3.53 3.19
Total Agency		**3,150,000.00**	**4.32%**	**3,124,561.00** **3,133,519.20**	**101.51** **3.62%**	**3,197,322.27** **41,985.94**	**4.67%** **63,803.07**		**3.00** **2.76**
AGENCY CMBS									
3137BVZ82	FHMS K-063 A2 3.43 01/25/2027	1,000,000.00	12/08/2022 4.22%	970,156.25 990,776.55	99.36 3.82%	993,634.30 2,858.33	1.45% 2,857.75	Aa1/AA+ AAA	1.32 1.13
3137F1G44	FHMS K-065 A2 3.243 04/25/2027	500,000.00	12/27/2022 4.33%	478,574.22 492,448.68	98.94 3.86%	494,700.90 1,351.25	0.72% 2,252.22	Aa1/AA+ AAA	1.57 1.42
3137F2LJ3	FHMS K-066 A2 3.117 06/25/2027	1,000,000.00	12/15/2022 4.06%	961,406.25 985,551.11	98.69 3.87%	986,937.10 2,597.50	1.44% 1,385.99	Aa1/AA+ AAA	1.73 1.51
3137FJZ93	FHMS K-084 A2 3.78 10/25/2028	650,000.00	01/14/2025 4.78%	627,326.17 631,633.02	99.55 3.88%	647,102.30 2,047.50	0.95% 15,469.28	Aaa/AA+ AA+	3.07 2.80
3137FPJG1	FHMS K-099 A2 2.595 09/25/2029	200,000.00	06/06/2025 4.38%	186,367.19 187,356.74	95.07 3.95%	190,138.18 432.50	0.28% 2,781.44	Aa1/AA+ AAA	3.99 3.62
Total Agency CMBS		**3,350,000.00**	**4.31%**	**3,223,830.08** **3,287,766.11**	**98.89** **3.86%**	**3,312,512.78** **9,287.08**	**4.84%** **24,746.67**		**1.97** **1.75**
CASH									
CCYUSD	Receivable	3,458.33	--	3,458.33 3,458.33	1.00 0.00%	3,458.33 0.00	0.01% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**3,458.33**		**3,458.33** **3,458.33**	**1.00** **0.00%**	**3,458.33** **0.00**	**0.01%** **0.00**		**0.00** **0.00**

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CORPORATE									
14913R3B1	CATERPILLAR FINANCIAL SERVICES CORP 4.8 01/06/2026	750,000.00	-- 4.60%	754,040.00 750,360.66	100.16 4.15%	751,176.50 8,500.00	1.10% 815.85	A2/A A+	0.27 0.26
63743HFH0	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.45 03/13/2026	250,000.00	02/07/2023 4.73%	248,000.00 249,710.99	100.04 4.34%	250,112.42 556.25	0.37% 401.43	A2/A- A	0.45 0.36
438516BL9	HONEYWELL INTERNATIONAL INC 2.5 11/01/2026	650,000.00	12/13/2022 4.24%	609,862.50 638,783.03	98.39 4.03%	639,546.02 6,770.83	0.93% 762.99	A2/A A	1.09 1.04
26444HAC5	DUKE ENERGY FLORIDA LLC 3.2 01/15/2027	500,000.00	12/29/2022 4.60%	474,475.00 491,838.24	99.13 3.90%	495,630.53 3,377.78	0.72% 3,792.29	A1/A NA	1.29 1.24
74340XBN0	PROLOGIS LP 2.125 04/15/2027	500,000.00	12/27/2022 4.71%	450,040.00 482,125.28	97.24 3.99%	486,175.48 4,899.31	0.71% 4,050.19	A2/A NA	1.54 1.48
78016FZS6	ROYAL BANK OF CANADA 4.24 08/03/2027	250,000.00	12/16/2022 4.67%	245,507.50 248,213.12	100.58 3.91%	251,440.77 1,707.78	0.37% 3,227.65	A1/A AA-	1.84 1.74
24422EWK1	JOHN DEERE CAPITAL CORP 4.15 09/15/2027	500,000.00	12/07/2022 4.43%	494,055.00 497,561.90	100.47 3.90%	502,354.93 922.22	0.73% 4,793.02	A1/A A+	1.96 1.86
89115A2H4	TORONTO-DOMINION BANK 4.693 09/15/2027	250,000.00	12/16/2022 4.71%	249,847.50 249,937.06	101.29 4.00%	253,230.22 521.44	0.37% 3,293.16	A2/A- AA-	1.96 1.85
91324PDE9	UNITEDHEALTH GROUP INC 2.95 10/15/2027	750,000.00	-- 4.34%	704,875.00 730,925.58	98.04 3.96%	735,326.36 10,202.08	1.07% 4,400.78	A2/A+ A	2.04 1.93
69353RFG8	PNC BANK NA (DELAWARE) 3.1 10/25/2027	650,000.00	01/07/2025 4.73%	622,583.00 629,732.92	98.34 3.95%	639,186.85 8,731.67	0.93% 9,453.92	A2/A A+	2.07 1.95
037833DK3	APPLE INC 3.0 11/13/2027	500,000.00	12/16/2022 4.19%	473,720.00 488,644.81	98.68 3.65%	493,416.09 5,750.00	0.72% 4,771.28	Aaa/AA+ NA	2.12 2.01
69371RS31	PACCAR FINANCIAL CORP 4.6 01/10/2028	250,000.00	01/17/2023 4.29%	253,425.00 251,566.42	101.48 3.91%	253,708.15 2,587.50	0.37% 2,141.73	A1/A+ NA	2.28 2.12
89115A2M3	TORONTO-DOMINION BANK 5.156 01/10/2028	250,000.00	01/17/2023 4.78%	254,137.50 251,892.28	102.38 4.05%	255,944.46 2,900.25	0.37% 4,052.18	A2/A- AA-	2.28 2.11
89236TKQ7	TOYOTA MOTOR CREDIT CORP 4.625 01/12/2028	615,000.00	01/09/2023 4.64%	614,594.10 614,814.83	101.44 3.95%	623,878.60 6,241.82	0.91% 9,063.77	A1/A+ A+	2.28 2.13
78016FZW7	ROYAL BANK OF CANADA 4.9 01/12/2028	245,000.00	01/09/2023 4.91%	244,870.15 244,942.32	102.04 3.95%	249,998.07 2,634.43	0.37% 5,055.75	A1/A AA-	2.28 2.12
06051GGF0	BANK OF AMERICA CORP 3.824 01/20/2028	600,000.00	01/17/2023 5.51%	572,508.00 590,992.59	99.53 4.89%	597,209.17 4,525.07	0.87% 6,216.58	A1/A- AA-	2.31 1.25

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
61747YEK7	MORGAN STANLEY 2.475 01/21/2028	600,000.00	01/18/2023 5.24%	546,606.00 582,452.67	97.88 4.58%	587,261.85 2,887.50	0.86% 4,809.18	A1/A- A+	2.31 1.26
46625HRY8	JPMORGAN CHASE & CO 3.782 02/01/2028	565,000.00	01/30/2023 5.34%	541,219.15 553,890.98	99.56 4.74%	562,498.75 3,561.38	0.82% 8,607.76	A1/A AA-	2.34 1.28
63743HFW7	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.75 02/07/2028	650,000.00	02/18/2025 4.66%	651,553.50 651,222.72	101.47 4.08%	659,583.43 4,631.25	0.96% 8,360.71	A2/NA A	2.36 2.12
931142FB4	WALMART INC 3.9 04/15/2028	750,000.00	-- 3.97%	747,942.50 748,857.11	100.36 3.75%	752,694.34 13,487.50	1.10% 3,837.23	Aa2/AA AA	2.54 2.28
89115A2U5	TORONTO-DOMINION BANK 5.523 07/17/2028	250,000.00	08/04/2023 5.33%	252,042.50 251,154.21	103.80 4.07%	259,488.97 2,838.21	0.38% 8,334.76	A2/A- AA-	2.80 2.55
78016HZS2	ROYAL BANK OF CANADA 5.2 08/01/2028	250,000.00	08/04/2023 5.34%	248,485.00 249,138.45	103.12 4.02%	257,806.51 2,166.67	0.38% 8,668.06	A1/A AA-	2.84 2.60
74456QBX3	PUBLIC SERVICE ELECTRIC AND GAS CO 3.65 09/01/2028	650,000.00	11/30/2023 4.92%	615,478.50 628,765.19	99.03 4.00%	643,709.27 1,977.08	0.94% 14,944.07	A1/A NA	2.92 2.73
89236TLL7	TOYOTA MOTOR CREDIT CORP 4.65 01/05/2029	500,000.00	01/12/2024 4.46%	504,095.00 502,689.39	101.83 4.04%	509,166.86 5,554.17	0.74% 6,477.47	A1/A+ A+	3.27 2.97
24422EXH7	JOHN DEERE CAPITAL CORP 4.5 01/16/2029	600,000.00	01/12/2024 4.38%	603,108.00 602,047.60	101.50 4.01%	609,002.75 5,625.00	0.89% 6,955.15	A1/A A+	3.30 3.01
532457CK2	ELI LILLY AND CO 4.5 02/09/2029	415,000.00	02/07/2024 4.51%	414,726.10 414,816.05	101.57 4.00%	421,498.74 2,697.50	0.62% 6,682.69	Aa3/A+ NA	3.36 3.00
437076CW0	HOME DEPOT INC 4.9 04/15/2029	700,000.00	04/16/2024 5.18%	691,593.00 694,041.78	102.87 4.02%	720,119.80 15,816.11	1.05% 26,078.02	A2/A A	3.54 3.09
341081GT8	FLORIDA POWER & LIGHT CO 5.15 06/15/2029	700,000.00	08/22/2024 4.31%	724,549.00 718,701.24	103.77 4.04%	726,402.84 10,614.72	1.06% 7,701.60	Aa2/A+ AA-	3.71 3.18
713448FX1	PEPSICO INC 4.5 07/17/2029	710,000.00	-- 4.53%	709,005.50 709,245.68	101.78 3.99%	722,618.73 6,567.50	1.06% 13,373.05	A1/A+ NA	3.79 3.36
171239AL0	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	725,000.00	08/20/2024 4.27%	737,020.50 734,292.54	101.97 4.09%	739,260.28 4,307.71	1.08% 4,967.74	A2/A A	3.87 3.43
69371RT48	PACCAR FINANCIAL CORP 4.0 09/26/2029	350,000.00	09/23/2024 4.05%	349,279.00 349,425.10	99.94 4.02%	349,783.88 194.44	0.51% 358.78	A1/A+ NA	3.99 3.65
857449AE2	STATE STREET BANK AND TRUST CO 4.782 11/23/2029	650,000.00	12/09/2024 4.56%	656,376.50 655,336.66	102.56 4.10%	666,614.03 11,051.73	0.97% 11,277.37	Aa2/AA- AA	4.15 3.68

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
532457CV8	ELI LILLY AND CO 4.75 02/12/2030	420,000.00	02/10/2025 4.76%	419,910.70 419,921.91	102.57 4.10%	430,809.38 2,715.42	0.63% 10,887.48	Aa3/A+ NA	4.37 3.83
74464AAC5	PUBLIC STORAGE OPERATING CO 4.375 07/01/2030	435,000.00	07/17/2025 4.58%	431,058.90 431,222.30	100.46 4.27%	437,003.55 4,810.68	0.64% 5,781.25	A2/A NA	4.75 4.14
Total Corporate		**17,430,000.00**	**4.63%**	**17,110,589.60** **17,309,263.60**	**100.63** **4.08%**	**17,533,658.54** **172,333.00**	**25.62%** **224,394.94**		**2.64** **2.31**
MONEY MARKET FUND									
31846V203	FIRST AMER:GVT OBLG Y	1,031,526.24	-- 3.73%	1,031,526.24 1,031,526.24	1.00 3.73%	1,031,526.24 0.00	1.51% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**1,031,526.24**	**3.73%**	**1,031,526.24** **1,031,526.24**	**1.00** **3.73%**	**1,031,526.24** **0.00**	**1.51%** **0.00**		**0.00** **0.00**
MUNICIPAL BONDS									
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	590,000.00	10/30/2024 4.38%	593,109.30 592,516.20	102.61 3.76%	605,410.80 4,425.00	0.88% 12,894.60	Aa2/AA- AA	3.84 3.48
Total Municipal Bonds		**590,000.00**	**4.38%**	**593,109.30** **592,516.20**	**102.61** **3.76%**	**605,410.80** **4,425.00**	**0.88%** **12,894.60**		**3.84** **3.48**
SUPRANATIONAL									
4581X0EH7	INTER-AMERICAN DEVELOPMENT BANK 4.0 01/12/2028	550,000.00	03/19/2024 4.51%	540,254.00 544,167.81	100.68 3.68%	553,758.68 4,827.78	0.81% 9,590.87	Aaa/AAA NA	2.28 2.15
459058KW2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.625 08/01/2028	700,000.00	01/18/2024 4.14%	713,846.00 708,669.46	102.53 3.68%	717,717.75 5,395.83	1.05% 9,048.29	Aaa/AAA NA	2.84 2.62
4581X0DC9	INTER-AMERICAN DEVELOPMENT BANK 3.125 09/18/2028	700,000.00	01/18/2024 4.14%	670,110.00 680,969.51	98.45 3.68%	689,177.13 789.93	1.01% 8,207.62	Aaa/AAA NA	2.97 2.80
4581X0EN4	INTER-AMERICAN DEVELOPMENT BANK 4.125 02/15/2029	500,000.00	02/16/2024 4.40%	493,885.00 495,859.53	101.33 3.70%	506,664.33 2,635.42	0.74% 10,804.79	Aaa/AAA NA	3.38 3.11
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	515,000.00	10/08/2024 3.93%	513,655.85 513,913.49	100.53 3.73%	517,710.41 9,146.40	0.76% 3,796.92	Aaa/AAA NA	4.04 3.65

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	670,000.00	-- 4.21%	667,311.30 667,598.43	101.48 3.76%	679,920.76 844.48	0.99% 12,322.34	Aaa/AAA NA	4.47 4.05
Total Supranational		**3,635,000.00**	**4.22%**	**3,599,062.15 3,611,178.22**	**100.84 3.71%**	**3,664,949.05 23,639.84**	**5.36% 53,770.84**		**3.33 3.06**
US TREASURY									
91282CGA3	UNITED STATES TREASURY 4.0 12/15/2025	1,250,000.00	12/13/2022 3.91%	1,253,271.48 1,250,223.87	100.00 3.94%	1,250,036.63 14,754.10	1.83% (187.24)	Aa1/AA+ AA+	0.21 0.20
91282CGE5	UNITED STATES TREASURY 3.875 01/15/2026	1,250,000.00	02/06/2023 4.09%	1,242,724.61 1,249,281.28	99.97 3.95%	1,249,621.59 10,266.64	1.83% 340.31	Aa1/AA+ AA+	0.29 0.28
9128286X3	UNITED STATES TREASURY 2.125 05/31/2026	1,250,000.00	12/13/2022 3.87%	1,179,541.02 1,236,510.23	98.88 3.84%	1,236,025.39 8,926.74	1.81% (484.84)	Aa1/AA+ AA+	0.67 0.65
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	1,500,000.00	01/14/2025 4.35%	1,500,468.75 1,500,258.34	100.52 3.76%	1,507,792.97 8,381.45	2.20% 7,534.62	Aa1/AA+ AA+	0.87 0.85
912828U24	UNITED STATES TREASURY 2.0 11/15/2026	1,250,000.00	12/07/2022 3.81%	1,167,626.95 1,226,513.94	98.12 3.73%	1,226,464.85 9,442.93	1.79% (49.09)	Aa1/AA+ AA+	1.13 1.09
912828V98	UNITED STATES TREASURY 2.25 02/15/2027	1,250,000.00	02/06/2023 3.88%	1,174,853.52 1,224,320.26	98.09 3.69%	1,226,123.05 3,592.05	1.79% 1,802.79	Aa1/AA+ AA+	1.38 1.33
91282CKE0	UNITED STATES TREASURY 4.25 03/15/2027	1,250,000.00	06/25/2024 4.51%	1,241,552.73 1,245,486.84	100.81 3.67%	1,260,156.25 2,348.07	1.84% 14,669.41	Aa1/AA+ AA+	1.45 1.40
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	1,200,000.00	01/12/2023 3.68%	1,145,109.38 1,180,513.47	98.31 3.67%	1,179,750.00 82.42	1.72% (763.47)	Aa1/AA+ AA+	1.50 1.45
91282CFB2	UNITED STATES TREASURY 2.75 07/31/2027	750,000.00	01/18/2024 4.09%	717,363.28 733,086.63	98.44 3.64%	738,281.25 3,474.86	1.08% 5,194.62	Aa1/AA+ AA+	1.83 1.76
91282CLX7	UNITED STATES TREASURY 4.125 11/15/2027	1,000,000.00	02/18/2025 4.31%	995,117.19 996,212.03	101.02 3.62%	1,010,195.31 15,580.84	1.48% 13,983.28	Aa1/AA+ AA+	2.13 1.99
91282CFZ9	UNITED STATES TREASURY 3.875 11/30/2027	1,250,000.00	12/07/2022 3.65%	1,262,695.31 1,255,516.66	100.53 3.62%	1,256,591.80 16,278.18	1.84% 1,075.14	Aa1/AA+ AA+	2.17 2.03
9128283W8	UNITED STATES TREASURY 2.75 02/15/2028	1,000,000.00	12/09/2024 4.10%	960,117.19 970,242.34	98.02 3.63%	980,195.31 3,512.23	1.43% 9,952.97	Aa1/AA+ AA+	2.38 2.26
91282CBZ3	UNITED STATES TREASURY 1.25 04/30/2028	1,250,000.00	03/27/2025 4.02%	1,150,390.63 1,166,889.26	94.21 3.62%	1,177,587.89 6,538.72	1.72% 10,698.63	Aa1/AA+ AA+	2.58 2.49

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CHE4	UNITED STATES TREASURY 3.625 05/31/2028	1,250,000.00	-- 4.09%	1,224,394.53 1,235,946.68	100.02 3.62%	1,250,195.31 15,227.97	1.83% 14,248.64	Aa1/AA+ AA+	2.67 2.49
91282CHX2	UNITED STATES TREASURY 4.375 08/31/2028	1,750,000.00	09/08/2023 4.34%	1,752,392.58 1,751,403.14	102.04 3.63%	1,785,615.23 6,556.46	2.61% 34,212.09	Aa1/AA+ AA+	2.92 2.71
91282CJF9	UNITED STATES TREASURY 4.875 10/31/2028	800,000.00	10/30/2023 4.83%	801,468.75 800,905.21	103.56 3.64%	828,500.00 16,320.65	1.21% 27,594.79	Aa1/AA+ AA+	3.08 2.80
912810FF0	UNITED STATES TREASURY 5.25 11/15/2028	1,000,000.00	01/18/2024 4.00%	1,054,101.56 1,035,033.98	104.68 3.65%	1,046,835.94 19,830.16	1.53% 11,801.96	Aa1/AA+ AA+	3.13 2.82
91282CJR3	UNITED STATES TREASURY 3.75 12/31/2028	1,250,000.00	01/17/2024 4.03%	1,234,619.14 1,239,907.64	100.32 3.64%	1,253,955.08 11,846.13	1.83% 14,047.44	Aa1/AA+ AA+	3.25 3.01
91282CKD2	UNITED STATES TREASURY 4.25 02/28/2029	800,000.00	03/19/2024 4.31%	797,968.75 798,598.60	101.90 3.65%	815,218.75 2,911.60	1.19% 16,620.15	Aa1/AA+ AA+	3.41 3.15
9128286T2	UNITED STATES TREASURY 2.375 05/15/2029	500,000.00	05/29/2024 4.66%	450,019.53 463,515.08	95.64 3.67%	478,203.13 4,485.39	0.70% 14,688.04	Aa1/AA+ AA+	3.62 3.39
91282CKT7	UNITED STATES TREASURY 4.5 05/31/2029	1,250,000.00	06/25/2024 4.27%	1,262,841.80 1,259,545.74	102.80 3.67%	1,285,058.60 18,903.69	1.88% 25,512.86	Aa1/AA+ AA+	3.67 3.31
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	1,000,000.00	09/24/2024 3.51%	988,593.75 991,027.17	98.50 3.68%	985,039.06 8,213.32	1.44% (5,988.11)	Aa1/AA+ AA+	3.75 3.46
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	600,000.00	07/30/2024 4.06%	598,429.69 598,796.90	101.11 3.69%	606,632.81 4,043.48	0.89% 7,835.92	Aa1/AA+ AA+	3.83 3.50
912828YB0	UNITED STATES TREASURY 1.625 08/15/2029	1,000,000.00	09/24/2024 3.48%	917,421.88 934,585.18	92.78 3.64%	927,773.44 2,075.41	1.36% (6,811.74)	Aa1/AA+ AA+	3.87 3.69
91282CLN9	UNITED STATES TREASURY 3.5 09/30/2029	600,000.00	10/23/2024 4.06%	585,140.63 587,960.78	99.29 3.69%	595,757.81 57.69	0.87% 7,797.04	Aa1/AA+ AA+	4.00 3.70
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	550,000.00	11/19/2024 4.24%	547,121.09 547,623.23	101.59 3.70%	558,744.14 9,494.23	0.82% 11,120.92	Aa1/AA+ AA+	4.08 3.67
912828YS3	UNITED STATES TREASURY 1.75 11/15/2029	1,250,000.00	01/06/2025 4.40%	1,106,494.14 1,128,105.01	92.75 3.66%	1,159,423.83 8,262.57	1.69% 31,318.82	Aa1/AA+ AA+	4.13 3.89
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	600,000.00	12/05/2024 4.11%	600,468.75 600,391.74	101.61 3.70%	609,656.25 8,317.62	0.89% 9,264.51	Aa1/AA+ AA+	4.17 3.75
91282CMD0	UNITED STATES TREASURY 4.375 12/31/2029	1,500,000.00	12/30/2024 4.38%	1,499,531.25 1,499,601.59	102.59 3.71%	1,538,789.07 16,584.58	2.25% 39,187.48	Aa1/AA+ AA+	4.25 3.82
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	1,000,000.00	02/18/2025 4.38%	994,375.00 995,072.29	102.12 3.72%	1,021,171.88 7,160.33	1.49% 26,099.59	Aa1/AA+ AA+	4.34 3.91

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

City of Rocklin | Account #11014 | As of September 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	2,000,000.00	-- 3.86%	2,001,875.00 2,001,650.20	100.63 3.72%	2,012,656.24 32,432.07	2.94% 11,006.04	Aa1/AA+ AA+	4.58 4.10
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	1,250,000.00	06/06/2025 4.11%	1,243,798.83 1,244,187.90	101.17 3.72%	1,264,648.44 16,803.28	1.85% 20,460.54	Aa1/AA+ AA+	4.67 4.17
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	1,250,000.00	07/25/2025 3.95%	1,245,751.95 1,245,905.52	100.61 3.73%	1,257,666.01 12,241.00	1.84% 11,760.49	Aa1/AA+ AA+	4.75 4.26
91282CNN7	UNITED STATES TREASURY 3.875 07/31/2030	1,000,000.00	08/15/2025 3.85%	1,001,250.00 1,001,219.58	100.60 3.74%	1,006,015.62 6,528.53	1.47% 4,796.04	Aa1/AA+ AA+	4.83 4.35
91282CNX5	UNITED STATES TREASURY 3.625 08/31/2030	1,500,000.00	09/18/2025 3.66%	1,497,714.84 1,497,730.02	99.48 3.74%	1,492,265.63 4,656.42	2.18% (5,464.39)	Aa1/AA+ AA+	4.92 4.45
Total US Treasury		**39,150,000.00**	**4.06%**	**38,396,605.48 38,693,768.31**	**99.89 3.70%**	**39,078,644.54 336,131.81**	**57.11% 384,876.22**		**2.93 2.70**
Total Portfolio		**68,339,984.57**	**4.24%**	**67,082,742.19 67,662,996.20**	**98.68 3.80%**	**68,427,482.55 587,802.67**	**100.00% 764,486.35**		**2.80 2.54**
Total Market Value + Accrued						**69,015,285.22**			

HOLDINGS REPORT

City of Rocklin Liquidity | Account #11170 | As of September 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
CCYUSD	Receivable	285.94	--	285.94 285.94	1.00 0.00%	285.94 0.00	0.01% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**285.94**		**285.94** **285.94**	**1.00** **0.00%**	**285.94** **0.00**	**0.01%** **0.00**		**0.00** **0.00**
MONEY MARKET FUND									
31846V203	FIRST AMER:GVT OBLG Y	90,485.78	-- 3.73%	90,485.78 90,485.78	1.00 3.73%	90,485.78 0.00	1.66% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**90,485.78**	**3.73%**	**90,485.78** **90,485.78**	**1.00** **3.73%**	**90,485.78** **0.00**	**1.66%** **0.00**		**0.00** **0.00**
US TREASURY									
912797QR1	UNITED STATES TREASURY 11/20/2025	5,400,000.00	05/20/2025 4.28%	5,287,136.33 5,368,993.50	99.45 4.05%	5,370,224.99 0.00	98.34% 1,231.50	P-1/A-1+ F1+	0.14 0.14
Total US Treasury		**5,400,000.00**	**4.28%**	**5,287,136.33** **5,368,993.50**	**99.45** **4.05%**	**5,370,224.99** **0.00**	**98.34%** **1,231.50**		**0.14** **0.14**
Total Portfolio		**5,490,771.72**	**4.27%**	**5,377,908.05** **5,459,765.22**	**97.81** **4.04%**	**5,460,996.71** **0.00**	**100.00%** **1,231.50**		**0.14** **0.13**
Total Market Value + Accrued						**5,460,996.71**			

CHANDLER ASSET MANAGEMENT

TRANSACTIONS

TRANSACTION LEDGER

City of Rocklin | Account #11014|07/01/2025 Through 09/30/2025|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/18/2025	74464AAC5	435,000.00	PUBLIC STORAGE OPERATING CO 4.375 07/01/2030	99.094	4.58%	(431,058.90)	(951.56)	(432,010.46)	0.00
Purchase	07/28/2025	91282CNK3	1,250,000.00	UNITED STATES TREASURY 3.875 06/30/2030	99.660	3.95%	(1,245,751.95)	(3,685.46)	(1,249,437.41)	0.00
Purchase	08/18/2025	91282CNN7	1,000,000.00	UNITED STATES TREASURY 3.875 07/31/2030	100.125	3.85%	(1,001,250.00)	(1,895.38)	(1,003,145.38)	0.00
Purchase	09/19/2025	91282CNX5	1,500,000.00	UNITED STATES TREASURY 3.625 08/31/2030	99.848	3.66%	(1,497,714.84)	(2,853.94)	(1,500,568.78)	0.00
Total Purchase			**4,185,000.00**				**(4,175,775.69)**	**(9,386.34)**	**(4,185,162.03)**	**0.00**
TOTAL ACQUISITIONS			**4,185,000.00**				**(4,175,775.69)**	**(9,386.34)**	**(4,185,162.03)**	**0.00**
DISPOSITIONS										
Maturity	08/15/2025	91282CFE6	(1,250,000.00)	UNITED STATES TREASURY 3.125 08/15/2025	100.000	3.88%	1,250,000.00	0.00	1,250,000.00	0.00
Total Maturity			**(1,250,000.00)**				**1,250,000.00**	**0.00**	**1,250,000.00**	**0.00**
Sale	07/18/2025	756109BE3	(500,000.00)	REALTY INCOME CORP 4.625 11/01/2025	99.925	4.72%	499,625.00	4,946.18	504,571.18	(247.19)
Sale	07/28/2025	91282CFP1	(1,250,000.00)	UNITED STATES TREASURY 4.25 10/15/2025	100.012	4.02%	1,250,146.48	15,095.63	1,265,242.11	(423.62)
Sale	09/19/2025	91282CFW6	(1,250,000.00)	UNITED STATES TREASURY 4.5 11/15/2025	100.047	4.00%	1,250,585.94	19,412.36	1,269,998.30	(324.41)
Total Sale			**(3,000,000.00)**				**3,000,357.42**	**39,454.17**	**3,039,811.59**	**(995.21)**
TOTAL DISPOSITIONS			**(4,250,000.00)**				**4,250,357.42**	**39,454.17**	**4,289,811.59**	**(995.21)**

IMPORTANT DISCLOSURES

2025 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ICE Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest.

BENCHMARK DISCLOSURES

Benchmark	Disclosure
ICE BofA 3-Month US Treasury Bill Index	The ICE BofA US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date.
ICE BofA 1-5 Yr US Treasury & Agency Index	The ICE BofA 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.

OFFICE OF TRISTAN BUTCHER
TREASURER-TAX COLLECTOR

COUNTY OF PLACER

TREASURER'S POOLED INVESTMENT REPORT

For the Month of September 30, 2025

2976 Richardson Drive, Auburn, CA 95603
Phone: (530) 889-4120 | Fax: (530) 889-4123
www.placer.ca.gov/tax

PREFACE

Placer County Treasurer's Pooled Investment Report

September 30, 2025

For the purpose of clarity, the following glossary of investment terms has been provided.

Book Value is the purchase price of a security plus amortization of any premium or discount. This may be more or less than face value, depending upon whether the security was purchased at a premium or at a discount.

Par Value is the principal amount of a security and the amount of principal that will be paid at maturity.

Market Value is the value at which a security can be sold at the time it is priced or the need to sell arises.

Market values are only relevant if the investment is sold prior to maturity. Profit or loss would be realized only if the specific investment were to be sold.

Government Code 53646 Compliance Report

The following information is a monthly update of funds on deposit in the Placer County Treasury pursuant to California Government code Section 53646. Further details of individual investments are included in the Treasurer's Monthly Investment Report. All investment transactions and decisions have been made with full compliance with California Government Code and Placer County's Statement of Investment Policy.

Individual securities are priced at the end of each month by Wells Fargo Bank.

The Weighted Average Maturity of the investments with the Treasury is 663 days.

The ability of the Placer County Treasury to meet its cash flow needs is demonstrated by $289,703,684.48 in cash and investments maturing in the next 180 days.

Placer County

General Fund
Portfolio Management
Portfolio Summary
September 30, 2025

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LGIP	160,000,000.00	160,000,000.00	160,000,000.00	7.51	1	1	4.350	4.410
U.S. Treasury Coupons	750,000,000.00	744,712,500.00	739,800,822.86	34.71	1,055	500	4.100	4.157
mPower Placer - Long Term	2,780,723.18	2,744,262.86	2,782,974.32	0.13	7,339	3,996	4.068	4.124
Federal Agency Coupons	1,009,000,000.00	1,016,065,710.00	1,008,948,228.17	47.34	1,487	871	3.850	3.904
Collateralized Inactive Bank Deposi	5,000,000.00	5,000,000.00	5,000,000.00	0.23	1	1	4.193	4.251
Negotiable Certificates of Deposit	100,000,000.00	100,131,100.00	100,000,000.00	4.69	364	218	4.289	4.349
Collateralized CDs	23,000,000.00	23,000,000.00	23,000,000.00	1.08	366	125	4.147	4.204
Supranational	40,000,000.00	40,628,000.00	40,421,399.17	1.90	1,478	1,302	3.819	3.872
Commercial Paper Disc. -Amortizing	35,000,000.00	35,000,000.00	35,000,000.00	1.64	1	0	4.010	4.066
Local Agency Bond	8,916,585.82	8,302,155.98	8,916,585.82	0.42	7,270	4,604	2.961	3.002
mPower Placer	7,061,165.54	6,733,793.31	7,061,165.54	0.33	7,705	4,936	3.660	3.711
mPower - Folsom	316,458.10	310,743.37	316,458.10	0.01	7,684	4,121	3.439	3.487
Investments	**2,141,074,932.64**	**2,142,628,265.52**	**2,131,247,633.98**	**100.00%**	**1,186**	**663**	**3.997**	**4.053**
Cash								
Passbook/Checking (not included in yield calculations)	19,703,684.48	19,703,684.48	19,703,684.48		1	1	0.000	0.000
Total Cash and Investments	**2,160,778,617.12**	**2,162,331,950.00**	**2,150,951,318.46**		**1,186**	**663**	**3.997**	**4.053**

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	7,064,469.00	22,785,967.46
Average Daily Balance	**2,142,170,023.64**	**2,280,207,682.31**
Effective Rate of Return	**4.01%**	**3.96%**

10/14/25

JONATHAN SCHMIDT, ASST. TREASURER-TAX COLLECTOR

Reporting period 09/01/2025-09/30/2025
Data Updated: FUNDSNAP: 10/14/2025 09:47
Run Date: 10/14/2025 - 09:47

Portfolio PLCR
AC
IE (PRF_PM1) 7.3.11
Report Ver. 7.3.11

General Fund
Portfolio Management
Portfolio Details - Investments
September 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
LGIP											
LGIP	22486	California Asset Mgm't Prog			80,000,000.00	80,000,000.00	80,000,000.00	4.410	4.410	1	
SYS23345	23345	CalTRUST			80,000,000.00	80,000,000.00	80,000,000.00	4.410	4.410	1	
		Subtotal and Average	**106,666,666.67**		**160,000,000.00**	**160,000,000.00**	**160,000,000.00**		**4.410**	**1**	
U.S. Treasury Coupons											
91282CBH3	20549	U. S. TREASURY COUPON		03/10/2021	10,000,000.00	9,881,000.00	9,986,140.24	0.375	0.773	122	01/31/2026
91282CBH3	20557	U. S. TREASURY COUPON		03/11/2021	10,000,000.00	9,881,000.00	9,986,772.52	0.375	0.753	122	01/31/2026
91282CBQ3	20558	U. S. TREASURY COUPON		03/11/2021	10,000,000.00	9,861,300.00	9,988,507.23	0.500	0.786	150	02/28/2026
9128282A7	22474	U. S. TREASURY COUPON		04/21/2023	20,000,000.00	19,613,600.00	19,626,933.79	1.500	3.799	318	08/15/2026
9128282R0	22475	U. S. TREASURY COUPON		04/21/2023	20,000,000.00	19,504,000.00	19,508,701.25	2.250	3.681	683	08/15/2027
9128283W8	22476	U. S. TREASURY COUPON		04/21/2023	10,000,000.00	9,802,000.00	9,806,912.80	2.750	3.644	867	02/15/2028
9128283W8	22593	U. S. TREASURY COUPON		06/29/2023	20,000,000.00	19,604,000.00	19,396,315.38	2.750	4.161	867	02/15/2028
91282CHH7	22612	U. S. TREASURY COUPON		07/10/2023	10,000,000.00	10,023,200.00	9,968,129.96	4.125	4.614	257	06/15/2026
91282CGL9	22613	U. S. TREASURY COUPON		07/10/2023	10,000,000.00	10,001,600.00	9,974,789.70	4.000	4.722	137	02/15/2026
91282CHU8	23055	U. S. TREASURY COUPON		08/28/2023	10,000,000.00	10,052,000.00	9,973,389.89	4.375	4.705	318	08/15/2026
91282CGE5	23116	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	19,994,000.00	19,942,776.76	3.875	4.927	106	01/15/2026
91282CHM6	23117	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	20,111,400.00	19,951,713.61	4.500	4.829	287	07/15/2026
912828X88	23118	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	19,598,400.00	19,307,598.51	2.375	4.723	591	05/15/2027
9128284N7	23119	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	19,625,800.00	19,174,137.03	2.875	4.642	957	05/15/2028
91282CGE5	23129	U. S. TREASURY COUPON		10/20/2023	10,000,000.00	9,997,000.00	9,965,781.63	3.875	5.137	106	01/15/2026
91282CHM6	23130	U. S. TREASURY COUPON		10/20/2023	10,000,000.00	10,055,700.00	9,958,253.57	4.500	5.073	287	07/15/2026
912828X88	23131	U. S. TREASURY COUPON		10/20/2023	15,000,000.00	14,698,800.00	14,419,573.82	2.375	5.014	591	05/15/2027
9128284N7	23132	U. S. TREASURY COUPON		10/20/2023	15,000,000.00	14,719,350.00	14,271,606.31	2.875	4.968	957	05/15/2028
91282CHM6	23150	U. S. TREASURY COUPON		11/06/2023	10,000,000.00	10,055,700.00	9,989,953.54	4.500	4.635	287	07/15/2026
91282CGE5	23151	U. S. TREASURY COUPON		11/06/2023	10,000,000.00	9,997,000.00	9,976,427.90	3.875	4.738	106	01/15/2026
91282CHB0	23152	U. S. TREASURY COUPON		11/06/2023	10,000,000.00	9,986,300.00	9,940,187.30	3.625	4.659	226	05/15/2026
9128284V9	23203	U. S. TREASURY COUPON		12/21/2023	20,000,000.00	19,591,400.00	19,455,896.85	2.875	3.920	1,049	08/15/2028
91282CHM6	23204	U. S. TREASURY COUPON		12/21/2023	40,000,000.00	40,222,800.00	40,099,546.42	4.500	4.162	287	07/15/2026
91282CHB0	23205	U. S. TREASURY COUPON		12/21/2023	10,000,000.00	9,986,300.00	9,967,751.14	3.625	4.176	226	05/15/2026
91282CGE5	23206	U. S. TREASURY COUPON		12/21/2023	20,000,000.00	19,994,000.00	19,977,215.61	3.875	4.289	106	01/15/2026
9128282R0	23433	U. S. TREASURY COUPON		07/09/2024	15,000,000.00	14,628,000.00	14,445,665.86	2.250	4.383	683	08/15/2027
9128282R0	23434	U. S. TREASURY COUPON		07/09/2024	20,000,000.00	19,504,000.00	19,264,658.79	2.250	4.372	683	08/15/2027
91282CHH7	24089	U. S. TREASURY COUPON		11/08/2024	20,000,000.00	20,046,400.00	19,986,935.47	4.125	4.220	257	06/15/2026
91282CHX2	24090	U. S. TREASURY COUPON		11/08/2024	10,000,000.00	10,203,500.00	10,054,990.57	4.375	4.167	1,065	08/31/2028
9128284V9	24091	U. S. TREASURY COUPON		11/08/2024	15,000,000.00	14,693,550.00	14,492,557.69	2.875	4.158	1,049	08/15/2028
91282CKS9	24092	U. S. TREASURY COUPON		11/08/2024	15,000,000.00	15,099,900.00	15,062,799.32	4.875	4.215	242	05/31/2026

General Fund
Portfolio Management
Portfolio Details - Investments
September 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
U.S. Treasury Coupons											
912828P46	24115	U. S. TREASURY COUPON		12/06/2024	25,000,000.00	24,786,250.00	24,772,926.82	1.625	4.132	137	02/15/2026
91282CHB0	24116	U. S. TREASURY COUPON		12/06/2024	30,000,000.00	29,958,900.00	29,913,232.14	3.625	4.108	226	05/15/2026
91282CHM6	24117	U. S. TREASURY COUPON		12/06/2024	50,000,000.00	50,278,500.00	50,149,224.08	4.500	4.102	287	07/15/2026
91282CGE5	24118	U. S. TREASURY COUPON		12/06/2024	40,000,000.00	39,988,000.00	39,968,919.75	3.875	4.149	106	01/15/2026
91282CJA0	24127	U. S. TREASURY COUPON		12/18/2024	10,000,000.00	10,281,300.00	10,106,469.34	4.625	4.235	1,095	09/30/2028
9128284V9	24128	U. S. TREASURY COUPON		12/18/2024	30,000,000.00	29,387,100.00	28,927,125.63	2.875	4.230	1,049	08/15/2028
9128286B1	24168	U. S. TREASURY COUPON		01/28/2025	40,000,000.00	38,703,200.00	37,956,202.46	2.625	4.290	1,233	02/15/2029
91282CKD2	24209	U. S. TREASURY COUPON		03/05/2025	20,000,000.00	20,380,400.00	20,193,885.22	4.250	3.940	1,246	02/28/2029
9128286X3	24257	U. S. TREASURY COUPON		04/25/2025	15,000,000.00	14,832,300.00	14,824,610.35	2.125	3.942	242	05/31/2026
91282CHM6	24258	U. S. TREASURY COUPON		04/25/2025	15,000,000.00	15,083,550.00	15,065,606.61	4.500	3.921	287	07/15/2026
		Subtotal and Average	**749,228,875.81**		**750,000,000.00**	**744,712,500.00**	**739,800,822.86**		**4.157**	**500**	
mPower Placer - Long Term											
2015NR-A	2015NR-A	mPower Placer		06/16/2015	750,022.91	737,287.52	750,022.91	4.000	3.999	3,623	09/02/2035
2015NR-BLT	2015NR-BLT	mPower Placer		09/02/2016	1,645,818.14	1,611,716.79	1,645,818.14	4.000	4.000	3,989	09/02/2036
72601FAC2	2018B	Public Finance Authority		06/28/2018	384,882.13	395,258.55	387,133.27	5.050	4.894	4,748	10/01/2038
		Subtotal and Average	**2,788,640.30**		**2,780,723.18**	**2,744,262.86**	**2,782,974.32**		**4.124**	**3,996**	
Federal Agency Coupons											
3133EMYE6	20641	FEDERAL FARM CREDIT BANK		05/04/2021	10,000,000.00	9,833,000.00	9,998,816.67	1.000	1.021	215	05/04/2026
3133ERN72	24132	FEDERAL FARM CREDIT BANK		12/19/2024	20,000,000.00	20,190,400.00	20,000,000.00	4.220	4.221	839	01/18/2028
3133ER2R1	24171	FEDERAL FARM CREDIT BANK		01/29/2025	20,000,000.00	20,366,000.00	19,999,322.84	4.310	4.312	1,353	06/15/2029
3133ER2S9	24172	FEDERAL FARM CREDIT BANK		01/29/2025	15,000,000.00	15,275,250.00	14,999,364.66	4.310	4.312	1,360	06/22/2029
3133ER2Q3	24173	FEDERAL FARM CREDIT BANK		01/29/2025	15,000,000.00	15,279,750.00	14,999,492.72	4.310	4.312	1,343	06/05/2029
3133ER2P5	24174	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,466,000.00	25,000,000.00	4.310	4.311	1,421	08/22/2029
3133ER2M2	24175	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,463,750.00	25,000,000.00	4.310	4.310	1,407	08/08/2029
3133ER2N0	24176	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,464,750.00	25,000,000.00	4.310	4.311	1,414	08/15/2029
3133ER6S5	24213	FEDERAL FARM CREDIT BANK		03/06/2025	20,000,000.00	20,126,400.00	20,000,000.00	3.970	3.970	1,436	09/06/2029
3130AKWV4	20503	FEDERAL HOME LOAN BANK		02/01/2021	10,000,000.00	9,877,400.00	9,999,868.74	0.500	0.504	120	01/29/2026
3130ALCV4	20609	FEDERAL HOME LOAN BANK		04/14/2021	10,000,000.00	9,873,300.00	9,993,307.60	0.750	0.923	146	02/24/2026
3130ANJD3	21083	FEDERAL HOME LOAN BANK		08/26/2021	5,000,000.00	4,932,250.00	5,000,000.00	1.750	0.995	329	08/26/2026
3130ANRX0	21084	FEDERAL HOME LOAN BANK		08/26/2021	5,000,000.00	4,891,900.00	5,000,000.00	1.250	1.000	329	08/26/2026
3130ANVS6	21092	FEDERAL HOME LOAN BANK		08/30/2021	10,000,000.00	9,762,500.00	10,000,000.00	1.000	1.001	329	08/26/2026
3130ANW22	21093	FEDERAL HOME LOAN BANK		08/30/2021	5,000,000.00	4,937,700.00	5,000,000.00	0.850	0.850	147	02/25/2026
3130APUN3	21215	FEDERAL HOME LOAN BANK		11/30/2021	4,000,000.00	3,913,360.00	4,000,000.00	1.250	1.250	331	08/28/2026
3130AQCT8	21256	FEDERAL HOME LOAN BANK		12/17/2021	5,000,000.00	4,906,300.00	5,000,000.00	1.330	1.468	289	07/17/2026

General Fund
Portfolio Management
Portfolio Details - Investments
September 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupons											
3130AVWF5	22491	FEDERAL HOME LOAN BANK		05/03/2023	10,000,000.00	9,999,800.00	10,000,000.00	3.660	3.661	274	07/02/2026
3130AVWA6	22493	FEDERAL HOME LOAN BANK		05/03/2023	20,000,000.00	20,008,800.00	20,000,000.00	3.725	3.726	639	07/02/2027
3130AVWC2	22494	FEDERAL HOME LOAN BANK		05/03/2023	10,000,000.00	9,963,400.00	10,000,000.00	3.615	3.616	824	01/03/2028
3130AW2U3	22511	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	9,986,100.00	10,000,000.00	3.620	3.621	503	02/16/2027
3130AW2V1	22512	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	9,986,600.00	10,000,000.00	3.625	3.626	495	02/08/2027
3130AW2W9	22513	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	9,987,900.00	10,000,000.00	3.635	3.636	488	02/01/2027
3130AW7B0	22527	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,020,400.00	10,000,000.00	3.925	3.926	350	09/16/2026
3130AW7C8	22528	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,020,500.00	10,000,000.00	3.920	3.921	357	09/23/2026
3130AW7A2	22529	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,019,800.00	10,000,000.00	3.930	3.932	338	09/04/2026
3130AW6Z8	22530	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,020,300.00	10,000,000.00	3.930	3.931	344	09/10/2026
3130AWFA3	22559	FEDERAL HOME LOAN BANK		06/12/2023	10,000,000.00	10,067,500.00	10,000,000.00	4.060	4.061	707	09/08/2027
3130AWF96	22560	FEDERAL HOME LOAN BANK		06/12/2023	10,000,000.00	10,054,200.00	10,000,000.00	4.020	4.021	859	02/07/2028
3130AWFB1	22565	FEDERAL HOME LOAN BANK		06/13/2023	10,000,000.00	10,068,400.00	10,000,000.00	4.070	4.071	700	09/01/2027
3130AWFC9	22566	FEDERAL HOME LOAN BANK		06/13/2023	10,000,000.00	10,056,400.00	10,000,000.00	4.025	4.026	866	02/14/2028
3130AWL57	22602	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,193,200.00	20,000,000.00	4.460	4.461	499	02/12/2027
3130AWL73	22603	FEDERAL HOME LOAN BANK		07/06/2023	10,000,000.00	10,098,200.00	10,000,000.00	4.450	4.451	512	02/25/2027
3130AWL81	22604	FEDERAL HOME LOAN BANK		07/06/2023	10,000,000.00	10,110,900.00	10,000,000.00	4.275	4.276	859	02/07/2028
3130AWL65	22605	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,195,000.00	20,000,000.00	4.450	4.451	509	02/22/2027
3130AWL99	22606	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,226,200.00	20,000,000.00	4.270	4.271	874	02/22/2028
3130AWMN7	23031	FEDERAL HOME LOAN BANK		08/16/2023	20,000,000.00	20,385,600.00	19,973,590.86	4.375	4.430	982	06/09/2028
3130AWWZ9	23032	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,130,600.00	10,000,000.00	4.500	4.502	622	06/15/2027
3130AWX21	23033	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,139,200.00	10,000,000.00	4.480	4.480	678	08/10/2027
3130AWX62	23034	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,136,300.00	10,000,000.00	4.470	4.470	673	08/05/2027
3130AWX54	23035	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,128,600.00	10,000,000.00	4.495	4.497	617	06/10/2027
3130AYBK1	23210	FEDERAL HOME LOAN BANK		12/22/2023	15,000,000.00	15,059,700.00	15,000,000.00	3.855	3.855	1,013	07/10/2028
3130AYBJ4	23211	FEDERAL HOME LOAN BANK		12/22/2023	15,000,000.00	15,050,550.00	15,000,000.00	4.000	4.001	467	01/11/2027
3130AYGV2	23232	FEDERAL HOME LOAN BANK		01/11/2024	10,000,000.00	10,037,100.00	10,000,000.00	4.193	4.194	308	08/05/2026
3130AYGR1	23233	FEDERAL HOME LOAN BANK		01/11/2024	15,000,000.00	15,056,700.00	15,000,000.00	4.180	4.181	315	08/12/2026
3130AYGU4	23234	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,093,000.00	20,000,000.00	4.110	4.110	461	01/05/2027
3130AYGW0	23235	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,119,800.00	20,000,000.00	3.985	3.985	1,195	01/08/2029
3130AYGT7	23236	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,102,400.00	20,000,000.00	4.020	4.020	832	01/11/2028
3130AYGP5	23237	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,119,200.00	20,000,000.00	4.050	4.050	644	07/07/2027
3130AYGQ3	23238	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,144,000.00	20,000,000.00	3.980	3.980	1,008	07/05/2028
3130AYQF6	23260	FEDERAL HOME LOAN BANK		01/29/2024	30,000,000.00	30,185,700.00	30,000,000.00	4.060	4.061	649	07/12/2027
3130AYQE9	23261	FEDERAL HOME LOAN BANK		01/29/2024	15,000,000.00	15,087,750.00	15,000,000.00	4.070	4.071	608	06/01/2027
3130AYQB5	23262	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,149,400.00	20,000,000.00	4.040	4.040	1,213	01/26/2029

General Fund
Portfolio Management
Portfolio Details - Investments
September 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupons											
3130AYQ90	23263	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,183,600.00	20,000,000.00	4.057	4.058	1,006	07/03/2028
3130AYQA7	23264	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,179,800.00	20,000,000.00	4.062	4.063	974	06/01/2028
3130AYQD1	23265	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,136,200.00	20,000,000.00	4.060	4.061	712	09/13/2027
3130AYQC3	23266	FEDERAL HOME LOAN BANK		01/29/2024	15,000,000.00	15,091,500.00	15,000,000.00	4.070	4.071	628	06/21/2027
3130B1NC7	23411	FEDERAL HOME LOAN BANK		06/05/2024	15,000,000.00	15,114,600.00	15,000,000.00	4.710	4.713	296	07/24/2026
3130B1XB8	23436	FEDERAL HOME LOAN BANK		07/10/2024	10,000,000.00	10,152,000.00	10,000,000.00	4.300	4.301	988	06/15/2028
3130B4CD1	24129	FEDERAL HOME LOAN BANK		12/19/2024	30,000,000.00	30,337,800.00	30,000,000.00	4.110	4.112	1,080	09/15/2028
3130B4CE94	24130	FEDERAL HOME LOAN BANK		12/19/2024	20,000,000.00	20,218,200.00	20,000,000.00	4.080	4.081	1,451	09/21/2029
3130B4CF6	24131	FEDERAL HOME LOAN BANK		12/19/2024	20,000,000.00	20,220,000.00	20,000,000.00	4.080	4.081	1,388	07/20/2029
3130B4LH2	24149	FEDERAL HOME LOAN BANK		01/13/2025	20,000,000.00	20,354,600.00	20,000,000.00	4.370	4.370	1,197	01/10/2029
3130B5GJ1	24212	FEDERAL HOME LOAN BANK		03/06/2025	20,000,000.00	20,145,200.00	20,000,000.00	3.980	3.980	1,436	09/06/2029
3130B5U48	24238	FEDERAL HOME LOAN BANK		04/07/2025	20,000,000.00	19,987,800.00	20,000,000.00	3.750	3.751	1,387	07/19/2029
3130B5W87	24247	FEDERAL HOME LOAN BANK		04/14/2025	15,000,000.00	15,038,700.00	15,000,000.00	3.875	3.876	1,198	01/11/2029
3130B6QL3	24297	FEDERAL HOME LOAN BANK		06/11/2025	10,000,000.00	10,118,800.00	10,000,000.00	4.050	4.051	1,576	01/24/2030
3130B6QM1	24298	FEDERAL HOME LOAN BANK		06/11/2025	10,000,000.00	10,118,800.00	10,000,000.00	4.050	4.051	1,577	01/25/2030
3134GXHY3	21206	FED HOME LOAN MORT CORP		11/22/2021	5,000,000.00	4,898,900.00	4,984,464.08	0.750	1.190	265	06/23/2026
		Subtotal and Average	**1,018,946,082.68**		**1,009,000,000.00**	**1,016,065,710.00**	**1,008,948,228.17**		**3.904**	**871**	
Collateralized Inactive Bank Deposi											
SYS19055	19055	Five Star Bank - PIMMA			5,000,000.00	5,000,000.00	5,000,000.00	4.251	4.251	1	
		Subtotal and Average	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**5,000,000.00**		**4.251**	**1**	
Negotiable Certificates of Deposit											
22536JQW8	24295	Credit Agricole CIB NY		06/10/2025	10,000,000.00	10,022,000.00	10,000,000.00	4.350	4.410	282	07/10/2026
53947B3X6	24296	Lloyds Bank Corp Mkts NY		06/10/2025	25,000,000.00	25,059,750.00	25,000,000.00	4.380	4.441	282	07/10/2026
89115DZT6	24244	TORONTO DOMINION BANK NY		04/11/2025	15,000,000.00	15,004,050.00	15,000,000.00	4.280	4.339	103	01/12/2026
89115DZX7	24245	TORONTO DOMINION BANK NY		04/11/2025	10,000,000.00	10,002,900.00	10,000,000.00	4.230	4.289	135	02/13/2026
89115DA48	24260	TORONTO DOMINION BANK NY		04/25/2025	20,000,000.00	20,020,800.00	20,000,000.00	4.220	4.279	233	05/22/2026
89115D7L4	24261	TORONTO DOMINION BANK NY		04/25/2025	20,000,000.00	20,021,600.00	20,000,000.00	4.250	4.309	219	05/08/2026
		Subtotal and Average	**100,000,000.00**		**100,000,000.00**	**100,131,100.00**	**100,000,000.00**		**4.349**	**218**	
Collateralized CDs											
SYS24153	24153	Five Star Bank - CD		01/06/2025	10,000,000.00	10,000,000.00	10,000,000.00	4.150	4.208	97	01/06/2026
SYS24185	24185	Five Star Bank - CD		02/07/2025	10,000,000.00	10,000,000.00	10,000,000.00	4.190	4.248	131	02/09/2026
SYS24254	24254	River City Bank		04/19/2025	3,000,000.00	3,000,000.00	3,000,000.00	3.990	4.045	200	04/19/2026

General Fund
Portfolio Management
Portfolio Details - Investments
September 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
		Subtotal and Average	**23,000,000.00**		**23,000,000.00**	**23,000,000.00**	**23,000,000.00**		**4.204**	**125**	
Supranational											
45950KDH0	24236	International Finance Corp		04/04/2025	20,000,000.00	20,361,400.00	20,329,191.31	4.250	3.770	1,370	07/02/2029
4581X0EN4	24243	INTER-AMERICAN DEVELOPMENT BNK		04/11/2025	20,000,000.00	20,266,600.00	20,092,207.86	4.125	3.975	1,233	02/15/2029
		Subtotal and Average	**40,426,033.64**		**40,000,000.00**	**40,628,000.00**	**40,421,399.17**		**3.872**	**1,302**	
Commercial Paper Disc. -Amortizing											
22533TX19	25067	Credit Agricole CIB		09/30/2025	35,000,000.00	35,000,000.00	35,000,000.00	4.010	4.066	0	10/01/2025
		Subtotal and Average	**60,830,587.08**		**35,000,000.00**	**35,000,000.00**	**35,000,000.00**		**4.066**	**0**	
Federal Agency Disc. -Amortizing											
		Subtotal and Average	**3,499,718.75**								
Treasury Discounts -Amortizing											
		Subtotal and Average	**666,666.67**								
Local Agency Bond											
SYS16098	16098	Ackerman School District		04/03/2017	4,655,686.80	4,437,893.77	4,655,686.80	2.800	2.800	4,202	04/03/2037
SYS17042	17042	Mid Placer Public School Trans		12/21/2017	107,761.94	109,291.08	107,761.94	2.850	2.850	811	12/21/2027
SYS18093	18093	Mid Placer Public School Trans		01/16/2019	374,410.82	381,812.92	374,410.82	3.000	3.000	1,203	01/16/2029
16115	16115	Newcastle Elementary SD		06/30/2017	2,426,371.83	2,020,803.78	2,426,371.83	2.800	2.800	7,942	06/30/2047
SYS23342	23342	Placer Hills Fire Protection		04/03/2024	599,876.73	599,876.73	599,876.73	4.170	4.170	1,280	04/03/2029
SYS23287	23287	Placer CEO Fire		02/01/2024	752,477.70	752,477.70	752,477.70	4.000	4.000	1,219	02/01/2029
		Subtotal and Average	**8,916,585.82**		**8,916,585.82**	**8,302,155.98**	**8,916,585.82**		**3.002**	**4,604**	
mPower Placer											
2016NR-A	2016NR-A	mPower Placer		08/04/2016	2,775,439.11	2,543,051.59	2,775,439.11	3.000	3.042	4,354	09/02/2037
2017 NR	2017 NR	mPower Placer		07/06/2017	18,650.43	16,961.26	18,650.43	3.000	3.042	4,719	09/02/2038
2017 R	2017 R	mPower Placer		07/06/2017	21,433.08	19,491.89	21,433.08	3.000	3.042	4,719	09/02/2038
2018 NR	2018 NR	mPower Placer		07/26/2018	37,556.42	32,797.65	37,556.42	4.500	4.563	5,084	09/02/2039
2018 R	2018 R	mPower Placer		07/12/2018	93,281.87	93,756.67	93,281.87	4.500	4.563	5,084	09/02/2039
2018 S-NR	18003	Pioneer Community Energy		08/09/2018	244,282.52	245,975.40	244,282.52	4.500	4.563	5,084	09/02/2039
2017 S NR	2017 S-NR	Pioneer Community Energy		09/28/2017	106,759.75	93,988.08	106,759.75	3.000	3.042	4,719	09/02/2038
2017 S-R	2017 S-R	Pioneer Community Energy		07/06/2017	983,336.37	897,196.10	983,336.37	3.000	3.042	4,719	09/02/2038
2018 S-R	2018 S-R	Pioneer Community Energy		07/12/2018	806,270.20	810,970.76	806,270.20	4.500	4.563	5,084	09/02/2039
2019-20 R-1	2019-20 R-1	Pioneer Community Energy		07/11/2019	626,826.71	629,741.45	626,826.71	4.500	4.563	5,450	09/02/2040

General Fund
Portfolio Management
Portfolio Details - Investments
September 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
mPower Placer											
2020-21 R1	2020-21 R1	Pioneer Community Energy		07/23/2020	618,005.20	620,532.84	618,005.20	4.500	4.563	5,815	09/02/2041
2021-22 R1	2021-22 R1	Pioneer Community Energy		08/26/2021	682,361.22	685,841.26	682,361.22	4.500	4.563	6,180	09/02/2042
2016S R-1	2016S R-1	Sierra Valley Energy Authority		01/26/2017	46,962.66	43,488.36	46,962.66	3.000	3.042	4,354	09/02/2037
	Subtotal and Average		**7,076,389.06**		**7,061,165.54**	**6,733,793.31**	**7,061,165.54**		**3.711**	**4,936**	
mPower - Folsom											
2016-IA3 #2	2016-IA3 #2	mPower Folsom		07/14/2016	63,240.57	63,029.98	63,240.57	3.500	3.549	4,354	09/02/2037
2017-IA3 #3	2017-IA3 #3	mPower Folsom		07/27/2017	25,631.43	25,148.28	25,631.43	2.750	2.788	4,719	09/02/2038
MFIA-3	MFIA-3	mPower Folsom		09/01/2015	137,397.53	138,761.89	137,397.53	3.500	3.549	3,989	09/02/2036
MF R-1	MFR-1	mPower Folsom		09/01/2015	90,188.57	83,803.22	90,188.57	3.500	3.549	3,989	09/02/2036
	Subtotal and Average		**318,479.61**		**316,458.10**	**310,743.37**	**316,458.10**		**3.487**	**4,121**	
	Total and Average		**2,142,170,023.64**		**2,141,074,932.64**	**2,142,628,265.52**	**2,131,247,633.98**		**4.053**	**663**	

General Fund
Portfolio Management
Portfolio Details - Cash
September 30, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity
Cash at Bank										
SYS00000	00000	PLACER COUNTY CASH			18,663,757.25	18,663,757.25	18,663,757.25		0.000	1
Undeposited Receipts										
SYS00000VAULT	00000VAULT	PLACER COUNTY CASH			1,039,927.23	1,039,927.23	1,039,927.23		0.000	1
		Average Balance	**0.00**							**1**
		Total Cash and Investments	**2,142,170,023.64**		**2,160,778,617.12**	**2,162,331,950.00**	**2,150,951,318.46**		**4.053**	**663**

General Fund
Purchases Report
Sorted by Fund - Fund
September 1, 2025 - September 30, 2025

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment	Principal Purchase	Accrued at Purchase	Rate at Purchas	Maturity Date	YTM	Ending Book Value
General Fund													
63873JW30	25045	1010	ACP	NATXNY	70,000,000.00	09/02/2025	09/03 - At Maturity	69,991,716.66		4.260	09/03/2025	4.260	0.00
63873JW30	25046	1010	ACP	NATXNY	10,000,000.00	09/02/2025	09/03 - At Maturity	9,998,816.67		4.260	09/03/2025	4.260	0.00
63873JW48	25047	1010	ACP	NATXNY	80,000,000.00	09/03/2025	09/04 - At Maturity	79,990,533.33		4.260	09/04/2025	4.260	0.00
63873JW55	25048	1010	ACP	NATXNY	80,000,000.00	09/04/2025	09/05 - At Maturity	79,990,533.33		4.260	09/05/2025	4.260	0.00
63873JW89	25049	1010	ACP	NATXNY	65,000,000.00	09/05/2025	09/08 - At Maturity	64,976,925.00		4.260	09/08/2025	4.262	0.00
63873JW97	25050	1010	ACP	NATXNY	60,000,000.00	09/08/2025	09/09 - At Maturity	59,992,900.00		4.260	09/09/2025	4.260	0.00
63873JWA4	25051	1010	ACP	NATXNY	60,000,000.00	09/09/2025	09/10 - At Maturity	59,992,900.00		4.260	09/10/2025	4.260	0.00
63873JWB2	25052	1010	ACP	NATXNY	55,000,000.00	09/10/2025	09/11 - At Maturity	54,993,491.66		4.260	09/11/2025	4.260	0.00
63873JWC0	25053	1010	ACP	NATXNY	40,000,000.00	09/11/2025	09/12 - At Maturity	39,995,266.67		4.260	09/12/2025	4.260	0.00
63873JWF3	25054	1010	ACP	NATXNY	40,000,000.00	09/12/2025	09/15 - At Maturity	39,985,800.00		4.260	09/15/2025	4.262	0.00
63873JWG1	25055	1010	ACP	NATXNY	35,000,000.00	09/15/2025	09/16 - At Maturity	34,995,858.33		4.260	09/16/2025	4.260	0.00
63873JWH9	25056	1010	ACP	NATXNY	50,000,000.00	09/16/2025	09/17 - At Maturity	49,994,083.33		4.260	09/17/2025	4.260	0.00
63873JWJ5	25057	1010	ACP	NATXNY	45,000,000.00	09/17/2025	09/18 - At Maturity	44,994,675.00		4.260	09/18/2025	4.260	0.00
63873JWK2	25058	1010	ACP	NATXNY	45,000,000.00	09/18/2025	09/19 - At Maturity	44,994,987.50		4.010	09/19/2025	4.010	0.00
313385MA1	25059	1010	AFD	FHLBDN	25,000,000.00	09/19/2025	09/22 - At Maturity	24,991,562.50		4.050	09/22/2025	4.108	0.00
313385MB9	25060	1010	AFD	FHLBDN	30,000,000.00	09/22/2025	09/23 - At Maturity	29,996,625.00		4.050	09/23/2025	4.107	0.00
912797QV2	25061	1010	ATD	USTB	20,000,000.00	09/22/2025	09/23 - At Maturity	19,997,817.22		3.929	09/23/2025	3.984	0.00
63873JWQ9	25062	1010	ACP	NATXNY	60,000,000.00	09/23/2025	09/24 - At Maturity	59,993,316.67		4.010	09/24/2025	4.010	0.00
63873JWR7	25063	1010	ACP	NATXNY	80,000,000.00	09/24/2025	09/25 - At Maturity	79,991,088.89		4.010	09/25/2025	4.010	0.00
63873JWS5	25064	1010	ACP	NATXNY	85,000,000.00	09/25/2025	09/26 - At Maturity	84,990,531.95		4.010	09/26/2025	4.010	0.00
63873JWV8	25065	1010	ACP	NATXNY	135,000,000.00	09/26/2025	09/29 - At Maturity	134,954,887.51		4.010	09/29/2025	4.011	0.00
63873JWW6	25066	1010	ACP	NATXNY	155,000,000.00	09/29/2025	09/30 - At Maturity	154,982,734.74		4.010	09/30/2025	4.010	0.00
22533TX19	25067	1010	ACP	CACPNY	35,000,000.00	09/30/2025	10/01 - At Maturity	34,996,101.39		4.010	10/01/2025	4.010	35,000,000.00
				Subtotal	**1,360,000,000.00**			**1,359,783,153.35**	**0.00**				**35,000,000.00**
				Total Purchases	**1,360,000,000.00**			**1,359,783,153.35**	**0.00**				**35,000,000.00**

PLACER COUNTY 2025/26
Summary by Issuer
September 30, 2025

Issuer	Number of Investments	Par Value	Remaining Cost	% of Portfolio	Average YTM 365	Average Days to Maturity
Ackerman School District	1	4,655,686.80	4,655,686.80	0.22	2.800	4,202
Credit Agricole CIB	1	35,000,000.00	34,996,101.39	1.63	4.066	0
California Asset Mgm't Prog	1	80,000,000.00	80,000,000.00	3.74	4.410	1
Credit Agricole CIB NY	1	10,000,000.00	10,000,000.00	0.47	4.410	282
CalTRUST	1	80,000,000.00	80,000,000.00	3.74	4.410	1
FEDERAL FARM CREDIT BANK	9	175,000,000.00	174,987,850.00	8.17	4.074	1,265
FEDERAL HOME LOAN BANK	59	829,000,000.00	828,868,820.00	38.71	3.884	791
FED HOME LOAN MORT CORP	1	5,000,000.00	4,902,100.00	0.23	1.190	265
Five Star Bank - PIMMA	1	5,000,000.00	5,000,000.00	0.23	4.251	1
Five Star Bank - CD	2	20,000,000.00	20,000,000.00	0.93	4.228	114
International Finance Corp	1	20,000,000.00	20,372,320.00	0.95	3.770	1,370
INTER-AMERICAN DEVELOPMENT BNK	1	20,000,000.00	20,105,120.00	0.94	3.975	1,233
Lloyds Bank Corp Mkts NY	1	25,000,000.00	25,000,000.00	1.17	4.441	282
Mid Placer Public School Trans	2	482,172.76	482,172.76	0.02	2.966	1,115
mPower Folsom	4	316,458.10	316,458.10	0.01	3.487	4,121
mPower Placer	7	5,342,201.96	5,342,201.96	0.25	3.509	4,160
Newcastle Elementary SD	1	2,426,371.83	2,426,371.83	0.11	2.800	7,942
Placer Hills Fire Protection	1	599,876.73	599,876.73	0.03	4.170	1,280
Public Finance Authority	1	384,882.13	392,579.77	0.02	4.894	4,748
Pioneer Community Energy	7	4,067,841.97	4,067,841.97	0.19	4.155	5,337
PLACER COUNTY CASH	2	19,703,684.48	19,703,684.48	0.92	0.000	1
Placer CEO Fire	1	752,477.70	752,477.70	0.04	4.000	1,219
River City Bank	1	3,000,000.00	3,000,000.00	0.14	4.045	200

PLACER COUNTY 2025/26
Summary by Issuer
September 30, 2025

Issuer	Number of Investments	Par Value	Remaining Cost	% of Portfolio	Average YTM 365	Average Days to Maturity
Sierra Valley Energy Authority	1	46,962.66	46,962.66	0.00	3.042	4,354
TORONTO DOMINION BANK NY	4	65,000,000.00	65,000,000.00	3.04	4.304	184
U. S. TREASURY COUPON	41	750,000,000.00	730,094,921.88	34.10	4.157	500
Total and Average	**153**	**2,160,778,617.12**	**2,141,113,548.03**	**100.00**	**4.015**	**657**

City Council Special Staff Report

Subject: Janitorial and Security Services for City of Rocklin Park Facilities

Date: November 18, 2025

Submitted By: Laurie York, Administrative Analyst
Veronica Tracy, Parks and Recreation Director

Department: Parks and Recreation

Recommendation:
Adopt a Resolution of the City Council of the City of Rocklin Awarding the Agreement for Services for Janitorial and Park Security Services for City of Rocklin Park Facilities and Authorizing the City Manager to Execute the Contract.

Background:
The City of Rocklin contracts out various janitorial and security services for its parks, including restroom cleaning, security services, and trash collection for the dog park. These services are essential to ensure the cleanliness, safety, and overall quality of public parks. The invitation for bids for the Janitorial and Security Services for City of Rocklin Park Facilities was advertised on October 3, 2025 and October 10, 2025, with the bid opening held on Tuesday, October 28, 2025. Four (4) bids were received, as shown below (see Attachment 2 for bid documents):

CONTRACTOR (Location)	BID
Four Star Building Maintenance (Carmichael, CA)	$565,162.62
Universal Building Services and Supply Co. (Richmond, CA)	$777,618.00
X Cleaning LLC (Roseville, CA)	$1,176,125.00
Integrated Facilities Services (Rocklin, CA)	$10,788,607.20

Four Star Building Maintenance is deemed the lowest responsive and responsible bidder. Staff recommends that the City Council award the contract to Four Star Building Maintenance for an initial term of twelve (12) months, automatically renewing for an additional four (4) one-year terms. Approval of this contract will allow the City to maintain high standards of cleanliness, security, and operational efficiency in its public parks.

Fiscal Impact:
There is no direct fiscal impact from the staff recommendation, as sufficient funds are available in the Fiscal Years 2025-2027 Operating Budget in the General Fund (100) and Community Facilities District No. 5 Fund (232). Funding for the remainder of the contract term will be included in future operating budgets.

ATTACHMENTS:
1. Resolution
2. Resolution Exhibit A - Agreement for Services
3. Bid Summary
4. Combined Bid Documents

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN AWARDING THE AGREEMENT FOR SERVICES FOR JANITORIAL AND PARK SECURITY SERVICES FOR CITY OF ROCKLIN PARK FACILITIES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT

WHEREAS, the City contracts out janitorial and security services for its parks, including restroom cleaning, security services, and trash collection for the dog park; and

WHEREAS, these services are essential to ensure the cleanliness, safety, and overall quality of the City's public parks; and

WHEREAS, the invitation for bids was advertised on October 3, 2025 and October 10, 2025 with the bid opening held on Tuesday, October 28, 2025, and the bids were thereafter examined and found to be in compliance with all applicable specifications; and

WHEREAS, the lowest responsive and responsible bid was determined to be $565,162.62 submitted by Four Star Building Maintenance, and staff recommends that the contract for the project be awarded to Four Star Building Maintenance.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The Agreement for Services for Janitorial and Park Security Services for City of Rocklin Park Facilities is awarded to Four Star Building Maintenance and the City Manager is authorized to execute the Agreement with Four Star Building Maintenance in substantially the form attached hereto as Exhibit "A."

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

AGREEMENT FOR SERVICES BETWEEN THE CITY OF ROCKLIN AND FOUR STAR BUILDING MAINTENANCE

This agreement is entered into between the City of Rocklin, through its Parks and Recreation Department ("City") and Four Star Building Maintenance ("Contractor") (collectively, the "Parties" and individually a "Party") for the purpose of Janitorial and Security Services for City of Rocklin Park Facilities.

Section 1. RESPONSIBILITIES OF CONTRACTOR

A. Pursuant to the terms and conditions of this agreement, Contractor shall perform the services found in Exhibit A – Scope of Work

B. Contractor shall assign and utilize only competent personnel to perform services pursuant to this Agreement. Contractor shall designate a project manager who at all times shall represent the Contractor before the City on all matters relating to this Contract. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Contractor, or is replaced with the written approval of the City, which approval shall not be unreasonably withheld. Contractor shall notify City in writing, of any other changes in Contractor's staff assigned to perform the services required under this Agreement, prior to any such performance. In the event the City desires the removal of any person assigned by Contractor to perform services pursuant to this Agreement, because the City in its sole discretion, determines that such person is not performing in accordance with the standards required herein, Contractor shall remove such person immediately upon receiving notice from the City of the desire for the removal of such person.

C. Contractor agrees and represents that it is qualified to properly provide the services set forth herein in a manner consistent with the generally accepted standards of Contractor's profession. Contractor is duly licensed, qualified and experienced to perform the services set forth in this Agreement. Contractor represents and warrants that it has all licenses, permits, qualifications and approvals of whatsoever nature that are legally required for Contractor to practice its profession or provide any services under this Agreement. Contractor represents and warrants that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits and approvals that are legally required for Contractor to practice its profession or provide such services. If Contractor is an out of state corporation, Contractor further warrants and represents that it possesses a valid certification of qualification to transact business in the State of California issued by the California Secretary of State. Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California. Contractor shall devote such time and effort to the performance of services pursuant to this Agreement as is necessary for the satisfactory and timely performance of Contractor's obligations under this Agreement.

Section 2. RESPONSIBILITIES OF CITY

Pursuant to the terms and conditions of this agreement, City shall:

A. Compensate Contractor as prescribed in Sections 3 and 4 of this agreement and shall monitor the outcomes achieved by Contractor.
B. Work with the Contractor to schedule the as-needed and emergency hour services to ensure Contractor is aware of the City's needs.

Section 3. COMPENSATION

A. Contractor shall be paid as found in Exhibit B – Schedule of Fees for the services described in this agreement.

B. In no event shall the maximum amount payable under this agreement exceed Five Hundred Sixty-Five Thousand, One Hundred Sixty-Two Dollars and Sixty-Two Cents ($565,162.62).

C. Contractor's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of agreement.

Section 4. BILLING AND PAYMENT

A. Contractor shall submit to Parks and Recreation Department within five days after completion of the services prescribed in Section 1, an itemized statement or invoice of services rendered. City shall make payment within 30 days of receipt of Contractor's correct and approved statement or invoice.

At minimum, all invoices submitted by Contractor shall contain the following information:

i. Job/project name or description;
ii. City's current purchase order and/or work order number (if applicable);
iii. Contractor's invoice number;
iv. Date of invoice issuance;
v. Description of services billed under invoice, including the description of tasks performed and the corresponding rate charged for the completion of that task;
vi. Amount of invoice, itemizing all authorized reimbursable expenses; and
vii. Total billed to date under agreement.

B. Compensation under this agreement shall be reduced by applicable Contractor revenues. The term "applicable Contractor revenues" refers to those receipts or reductions in expenditures or costs which operate to offset or reduce expense or cost items that are allocable to Contractor's compensation under this agreement (such as but not limited to: purchase discounts, rebates or allowances, insurance

refunds and adjustments or overpayment, or other erroneous charges). To the extent that applicable Contractor revenues, accruing or received by Contractor relate to allowable costs, they shall be credited to City either as a reduction, or a cash refund, as appropriate.

C. Should City, or the county, state, or federal government, disallow any amount claimed by or paid by City to Contractor, Contractor shall reimburse City, county, state or federal government, as directed by City or the state or federal government, for such disallowed cost.

D. Contractor shall pay when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of payment upon request. Contractor agrees to indemnify City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Contractor's breach of this section.

Section 5. TERM OF AGREEMENT

A. The initial term of this agreement shall be for one year beginning January 1, 2026 and ending December 31, 2026. The term of this agreement shall be automatically renewed for four additional one-year terms at the end of the initial term, under the same terms and conditions, except as provided in Section 3, unless written notice of non-renewal is provided by either Party to the other Party at least 30 days prior to the expiration of the initial term or the then current term. Notwithstanding the foregoing, City shall not be obligated for payments hereunder for any future City fiscal year unless or until the City Council appropriates funds for this agreement in the City's budget for that City fiscal year or fiscal years. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30 of the last City fiscal year for which funds for this agreement were appropriated. For the purposes of this agreement, the City fiscal year commences on July 1 and ends on June 30 of the following year. City shall notify Contractor in writing of such non-appropriation at the earliest possible date.

Section 6. TERMINATION OF AGREEMENT

A. If Contractor materially fails to perform Contractor's responsibilities under this agreement to the satisfaction of City, or if Contractor fails to fulfill in a timely and professional manner Contractor's responsibilities under this agreement, or if Contractor violates any of the terms or provisions of this agreement, then City shall have the right to terminate this agreement for cause effective immediately upon the City giving written notice thereof to Contractor. If termination for cause is given by City to Contractor and it is later determined that Contractor was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this Section.

B. City may terminate this agreement without cause on thirty (30) days written notice to Contractor.

C. City may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.

D. City's right to terminate this agreement may be exercised by the City Manager or their designee.

E. Should this agreement be terminated, Contractor shall promptly provide to City any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Contractor pursuant to this agreement in a format acceptable to City.

F. If this agreement is terminated, Contractor shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

Section 7. <u>ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES</u>

A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Contractor shall be entitled to no other benefits other than those specified herein. Contractor specifically acknowledges that in entering into and executing this agreement, Contractor relies solely upon the provisions contained in this agreement and no others.

B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments, including retroactive, that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Contractor and City Manager or the City Manager's designee, provided that the amendment is in substantially the same format as the City's standard format amendment.

C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.

D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

E. Contract Documents. This Agreement and its exhibits shall be known as the "Contract Documents." Terms set forth in any Contract Document shall be deemed to be incorporated in all Contract Documents as if set forth in full therein. In the event of conflict between terms contained in these Contract Documents, the more specific term shall control. If any portion of the Contract Documents shall be in conflict with any other portion, provisions contained in the Contract shall govern over conflicting provisions contained in the exhibits to the Contract. In the event of any conflict between the terms or conditions of this written Agreement

and any terms or conditions of any document prepared or provided by Contractor and made a part of this Agreement, including without limitation any document relating to the scope of services or payment therefor, the written terms of this document shall control over those terms or conditions.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER

Inasmuch as this agreement is intended to secure the specialized services of Contractor, Contractor may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of City. The waiver by City of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF CONTRACTOR

A. Contractor shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow City to exercise discretion or control over the professional manner in which Contractor performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Contractor shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of City is to ensure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Contractor shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Contractor were a City employee. City shall not be liable for deductions for any amount for any purpose from Contractor's compensation. Contractor shall not be eligible for coverage under City's workers' compensation insurance plan nor shall Contractor be eligible for any other City benefit. Contractor must issue W-2 and 941 Forms for income and employment tax purposes, for all of Contractor's assigned personnel under the terms and conditions of this agreement.

Section 10. INDEMNIFICATION

A. To the fullest extent permitted by law, Contractor shall indemnify and hold harmless City, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of the City Attorney and counsel retained by City, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Contractor, or by any of Contractor's subcontractors, any person employed under Contractor, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of City. Contractor shall also, at Contractor's own expense, defend the City, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against City, its

elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this agreement by Contractor, or any of Contractor's subcontractors, any person employed under Contractor, or under any Subcontractor, or in any capacity. Contractor shall also defend and indemnify City for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless City with respect to Contractor's "independent contractor" status that would establish a liability on City for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this agreement.

B. The indemnification provisions are independent of, and shall not in any way be limited by, Contractor's insurance coverage or lack of coverage, or by the insurance requirements of this agreement. City acknowledgement or approval of Contractor's evidence of insurance coverage required by this agreement does not in any way relieve Contractor from its obligations under this Section.

Section 11. <u>INSURANCE REQUIREMENTS</u>

Without limiting Contractor's duties of defense and indemnification, Contractor and any subcontractor agrees to have and maintain the policies set forth below, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor , its agents, representatives, or employees. All policies, endorsements, certificates, and/or binders shall be subject to approval by the City as to form and content. A lapse in any required insurance coverage during this Agreement shall be a breach of this Agreement.

A. **Minimum Scope and Limit of Insurance**

1. **Commercial General Liability (CGL)**: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability**: Insurance Services Office Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired (Code 8) and non-owned autos (Code 9), with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. **Workers' Compensation** as required by the State of California, with Statutory Limits and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease. If Contractor has no employees,

Contractor must notify City if an employee is hired, verify proof of coverage for any subcontractors, and agrees to hold City harmless and defend City from claims arising from failure to provide workers' compensation benefits. Contractor is aware of the provisions of the Labor Code, including section 3700, which require every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Contractor shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement.

4. Contractor shall require its subcontractors, if any, to carry and maintain insurance coverage and evidence that equals or exceeds the coverage requirements imposed upon Contractor by this agreement.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

B. **Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status**. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

2. **Primary Coverage**. For any claims related to this Contract, the Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, or volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. **Umbrella or Excess Policy**. The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this Agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess Policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as

broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

4. **Notice of Cancelation**. Each insurance policy required above shall provide that coverage shall not be canceled, except with 30 days' notice to the City, with ten days notice of cancelation due to non-payment. Further, in the event coverage is reduced or canceled, or otherwise materially changed, a notice of said reduction or cancellation or change shall be provided to City within 24 hours.

5. **Waiver of Subrogation**. Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

6. **Self-Insured Retentions**. Self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

7. **Acceptability of Insurers**. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

8. **Claims Made Policies**. If any of the required policies for professional liability insurance provide claims-made coverage:

   a. The Retroactive Date must be shown and must be before the date of the Contract or the beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.

   c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

9. **Verification of Coverage**. Contractor shall furnish the City with original Certificate of Insurance including all required amendatory endorsements (or copies of

the applicable policy language affecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Further, any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City of Rocklin, its elected officials, officers, employees, agents, or volunteers.

10. **Subcontractors**. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

11. **Special Risks or Circumstances**. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Section 12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE

A. If any claim for damages is filed with Contractor or if any lawsuit is instituted concerning Contractor's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect City, Contractor shall give prompt and timely notice thereof to City. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.

B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Placer County.

Section 13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION

A. Contractor shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.

B. Contractor shall not unlawfully discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under

either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.

C. Contractor represents that Contractor is in compliance with and agrees that Contractor shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq*.), the Fair Employment and Housing Act (Government Code sections 12900, *et seq*.), and regulations and guidelines issued pursuant thereto. Furthermore, where applicable, Contractor represents and warrants all websites created for City, or used by Contractor to provide services pursuant to this agreement shall comply with the Americans with Disabilities Act of 1990 and shall specifically conform to the Web Content Accessibility Guidelines found at www.w3.org.7., and comply with section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), Subpart B, 1194.22.

D. In addition to any other provisions of this agreement, Contractor shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Contractor's noncompliance with the provisions of this section.

Section 14. ACCESS TO RECORDS; RECORDS RETENTION

A. City, federal, and state officials shall have access to any books, documents, papers, and records of Contractor that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Contractor or City. Except where longer retention is required by federal or state law, Contractor shall maintain all records for five years after City makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.

B. Contractor shall maintain appropriate records to ensure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Contractor shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to City during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by City, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.

C. Contractor agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or City audit directly related to the provisions of this agreement. Contractor agrees to repay City the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Contractor agrees that City may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Contractor.

D. During performance of the agreement and for a period of three (3) years after completing all services, Contractor shall maintain all accounting and financial records related to this Agreement, including but not limited to records of Contractor's costs for all services performed under this Agreement and records of Contractor's reimbursable expenses, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the City upon reasonable written notice.

Section 15. LICENSES AND PERMITS

Contractor, and Contractor's officers, employees, and agents performing the work or services required by this agreement, shall possess and maintain, at its sole cost and expense, all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Placer, the City of Rocklin, and all other appropriate governmental agencies, including any certification and credentials required by City. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by City.

Section 16. PERFORMANCE STANDARDS

Contractor shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Contractor's work or services.

Section 17. CONFLICTS OF INTEREST

Contractor and Contractor's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

Section 18. NOTICES

A. Except as provided in Section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to City: Parks and Recreation Department
5460 5th Street
Rocklin, CA 95677
916-625-5256
laurie.york@rocklin.ca.us

If to Contractor: [Insert full name of Contractor]
[Contractor's mailing address]
[Telephone and FAX and/or Email]

B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 18.A. and shall be deemed to be effective immediately.

C. Unless otherwise stated in this agreement, any written or oral notices on behalf of the City as provided for in this agreement may be executed and/or exercised by the City Manager or their designee.

Section 19. AGREEMENT PREPARATION

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

Section 20. COMPLIANCE WITH POLITICAL REFORM ACT

Contractor shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the City's Conflict of Interest Code, with regard to any obligation on the part of Contractor to disclose financial interests and to recuse from influencing any City decision which may affect Contractor's financial interests. If required by the City's Conflict of Interest Code, Contractor shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

Section 21. SEVERABILITY

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or City ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

Section 22. CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700 [Labor Code § 1861]

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

CONTRACTOR

By: _____
[Name, Title]

Section 23. POWER AND AUTHORITY TO ENTER INTO AGREEMENT

All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which Contractor is obligated, which breach would have a material effect hereon.

Section 24. OWNERSHIP OF WORK

To the extent Contractor's scope of services requires any of the following work or services, all research data, reports, and every other work product of any kind or character arising from or relating to this agreement shall become the property of the City and be delivered to the City upon completion of its authorized use pursuant to this agreement with the exception of informal communications such as emails and staff notes, whether those communications or notes are internal to Contractor's staff or between Contractor and any subcontractors. City may use Contractor's such work products for any purpose whatsoever. City acknowledges that its alteration of documents without consent of Contractor, or use of the documents for any purpose unrelated to this agreement's purposes, is at the City's own risk and without liability to Contractor. All works produced under this agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the City without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, Contractor shall retain all of Contractor's rights in Contractor's own proprietary information, including, without limitation, Contractor's methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by Contractor prior to, or acquired by Contractor during the performance of this agreement and Contractor shall not be restricted in any way with respect thereto.

Section 25. USE OF CITY PROPERTY

Contractor shall not use City premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of Contractor's obligations under this agreement.

Section 26. COUNTERPARTS/ELECTRONIC, FACSIMILE, AND PDF SIGNATURES

This agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this

agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this agreement. The Parties further agree that the electronic signatures of the Parties included in this agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among Parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the Parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (h) of Section 1633.2 of the Civil Code. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, City and Contractor have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that they have the authority to execute this agreement and to bind the Party on whose behalf their execution is made.

CITY OF ROCKLIN

By: _____ Date: _____
Aly Zimmermann, City Manager
City of Rocklin

APPROVED AS TO FORM:
MATTHEW McOMBER
CITY ATTORNEY

By: _____
Matthew McOmber, City Attorney

ATTEST:

By: _____
Avinta Singh, City Clerk

CONTRACTOR

By: _____ Date: _____

Contractor
Tax I.D.#: _____

EXHIBIT A – SCOPE OF WORK

The City of Rocklin Park Restrooms locations and descriptions are the following:

- Whitney Ranch Community Park, 1801 Whitney Ranch Parkway
  - 6 Single commode restrooms
- Margaret Azevedo Community Park, 1900 Wildcat Blvd.
  - 2 Single commode restrooms
- Kathy Lund Community Park, 6101 West Oaks Blvd.
  - 4 Single commode restrooms
  - Men's Restroom with 2 urinals and 1 stall
  - Women's Restroom with 3 stalls
- Twin Oaks Community Park, 5500 Park Drive
  - Men's restroom with 2 urinals and 2 stalls
  - Women's Restroom with 3 stalls
- Johnson-Springview Community Park, 5480 5th Street
  - 4 Single commode restrooms (near pavilions)
  - 2 Single commode restrooms (major field)
  - 2 Single commode restrooms (softball field)
  - Men's restroom with 1 urinal and 1 stall (minor field)
  - Women's restroom with 2 stalls (minor field)
- Memorial Park, 3970 Rocklin Road
  - 2 Single commode restrooms

Scope of Work
The following work will be performed

- **Sunday - Friday Restroom Cleaning at Park Restrooms Listed Above**
  - Clean and sanitize toilets, sinks and restrooms floor.
  - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
  - Sweep floors and remove any debris
  - Dust top to bottom/Remove cobwebs
  - Restock all paper products, hand soap and dispensers (material provided by City)
  - Keep pipe chases stocked with toilet paper
  - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
  - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
  - Remove toilet paper/seat covers stuck on ceilings/walls
  - Communicate any repairs/issues, graffiti vandalism to City staff
- **Sunday Trash Removal Services**
  - Trash removal at the five (5) Community Park locations listed above. The removal of trash is specific to the pavilion areas and ball fields of the locations, with the exception of Johnson-Springview Community Park which includes the six (6) ballfields.
  - As requested on task order basis
  - Contractor to provide 2 mil, 40-gallon capacity trash liners

- **Monthly Restroom Cleaning at Peter Hill Heritage Park (5251 Front Street) and Sunset Whitney Recreation Area Shop (4201 Midas Avenue) Restrooms**
    - Clean and sanitize toilets, sinks and restrooms floor.
    - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
    - Sweep floors and remove any debris
    - Dust top to bottom/Remove cobwebs
    - Restock all paper products, hand soap and dispensers (material provided by City)
    - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
    - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
    - Remove toilet paper/seat covers stuck on ceilings/walls
    - Communicate any repairs/issues, graffiti vandalism to City staff
- **As Needed Cleaning at Quarry Park Amphitheater (4000 Rocklin Road)**
    - Stage Restrooms
        - Clean and sanitize toilets, sinks and restrooms floor.
        - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
        - Sweep floors and remove any debris
        - Dust top to bottom/Remove cobwebs
        - Restock all paper products, hand soap and dispensers (material provided by City)
        - Keep pipe chases stocked with toilet paper
        - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
        - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
        - Remove toilet paper/seat covers stuck on ceilings/walls
        - Communicate any repairs/issues, graffiti vandalism to City staff
    - Green Room
        - Clean restroom
            - Clean and sanitize toilets, sinks, counters and restroom floor
            - Sweep floors and remove any debris
            - Restock all paper products, hand soap and dispensers (material provided by city)
        - Vacuum floors
        - Wipe down horizontal surfaces (counter tops, tables, etc…)
        - Remove trash, replace liners
- **Daily Security**
    - Unlock (Between 4:00 AM and 7:00 AM) and Lock (between 7:30 PM and 11 PM) the following locations:

  - Restrooms at 5 Community Parks – Whitney Ranch, Margaret Azevedo, Kathy Lund, Twin Oaks, Johnson-Springview
  - Restrooms at Memorial Park
  - Train Station for business access, 3700 Rocklin Road
  - Park access gate at Sunset Whitney Recreation Area, 4201 Midas Avenue
  - Park access gate at Boulder Ridge Park, 3555 Park Drive
  - Main parking lot gate at Margaret Azevedo Community Park
  - Ballfield access road gate at Johnson-Springview Community Park
- **Dog Park Trashing Service (Monday – Saturday)**
  - Remove trash from 8 trash bins to designated area and replace trash liners (trash liners provided by contractor)
  - Blow/clear the concrete walkway/entrance to the dog park
  - Walk through dog park area and check for additional dog feces and remove
  - Check and replenish, as necessary, the dog poop trash bags in the dog poop bag stations (dog poop trash bags provided by the City)

EXHIBIT B – SCHEDULE OF FEES

		Cost Per Service				
Item No.	Service Description	2026	2027	2028 (Leap Year)	2029	2030
1	**Restroom Cleaning - Sunday - Friday**	313 Days	313 Days	313 Days	313 Days	313 Days
1A	Whitney Ranch Community Park	21.84	21.84	21.84	21.84	21.84
1B	Margaret Azevedo Community Park	7.28	7.28	7.28	7.28	7.28
1C	Kathy Lund Community Park	36.40	36.40	36.40	36.40	36.40
1D	Twin Oaks Community Park	25.48	25.48	25.48	25.48	25.48
1E	Johnson Springview Community Park	43.68	43.68	43.68	43.68	43.68
1F	Memorial Park	7.28	7.28	7.28	7.28	7.28
1	**TOTAL - For each Column Add Items 1A-1F, then multiply by number of service days in year - see line 1 above)**	44,433.48	44,433.48	44,433.48	44,433.48	44,433.48
2	**Sunday Trash Removal Services**	52 Sundays	52 Sundays	53 Sundays	52 Sundays	52 Sundays
2A	Whitney Ranch Community Park	40.95	40.95	40.95	40.95	40.95
2B	Margaret Azevedo Community Park	12.87	12.87	12.87	12.87	12.87
2C	Kathy Lund Community Park	45.63	45.63	45.63	45.63	45.63
2D	Twin Oaks Community Park	14.04	14.04	14.04	14.04	14.04
2E	Johnson Springview Community Park	37.44	37.44	37.44	37.44	37.44
2	**TOTAL - For each Column Add Items 2A-2E, then multiply by number of Sundays in year - see line 2 above)**	7,848.36	7,848.36	7,999.29	7,848.36	7,848.36

EXHIBIT B – SCHEDULE OF FEES

		Cost Per Service				
Item No.	Service Description	2026	2027	2028 (Leap Year)	2029	2030
3	**Restroom Cleaning - Monthly**					
3A	Heritage Park	12.50	12.50	12.50	12.50	12.50
3B	SWRA Shop Restroom	12.50	12.50	12.50	12.50	12.50
3	**TOTAL - For each Column Add Items 3A-3B, then multiply by 12 (Number of Months in Year)**	300.00	300.00	300.00	300.00	300.00
4	**Restroom Green Room Cleaning - As Needed**					
4A	Stage Restrooms	65.00	65.00	65.00	65.00	65.00
4B	Green Room	25.00	25.00	25.00	25.00	25.00
4	**TOTAL - For each Column Add Items 4A-4B, then multiply 50 (Estimated Services per year)**	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
5	**Restroom Security - Lock & Unlock Park Facilities - Daily**	365 Days	365 Days	366 Days ✓	365 Days	365 Days
5A	Train Station, 3700 Rocklin Road (Business Access)	10.00	10.00	10.00	10.00	10.00
5B	Whitney Ranch Community Park, 1801 Whitney Ranch Parkway (Park Restrooms)	10.00	10.00	10.00	10.00	10.00
5C	Margaret Azevedo Community Park, 1900 Wildcat Boulevard (Park Restrooms & Access Gate)	10.00	10.00	10.00	10.00	10.00
5D	Kathy Lund Community Park, 6101 West Oaks Boulevard (Park Restrooms)	20.00	20.00	20.00	20.00	20.00
5E	Twin Oaks Community Park, 5500 Park Drive (Park Restrooms)	10.00	10.00	10.00	10.00	10.00
5F	Johnson Springview Community Park, 5480 5th Street (Park Restrooms)	25.00	25.00	25.00	25.00	25.00
5G	Memorial Park, 3970 Rocklin Road (Park Restrooms)	10.00	10.00	10.00	10.00	10.00
5H	Boulder Ridge Park, 3555 Park Drive (Park Access Gate)	10.00	10.00	10.00	10.00	10.00
5I	Sunset Whitney Recreation Area, 4201 Midas Ave. (Park Access Gate)	10.00	10.00	10.00	10.00	10.00
5	**TOTAL - For each Column Add Items 5A-5I, then multiply by number of days in year, line 5 above)**	41,975.00	41,975.00	42,090.00	41,975.00	41,975.00

EXHIBIT B – SCHEDULE OF FEES

		Cost Per Service				
Item No.	Service Description	2026	2027	2028	2029	2030
6	DogPark Trashing Service (Monday - Saturday)					
6A	Johnson-Springview Park	32.50	32.50	32.50	32.50	32.50
6	TOTAL - For each Column multiply Item 6A by 313 (Total Days in year less Sundays)	10,172.50	10,172.50	10,172.50	10,172.50	10,172.50
7	Emergency Service					
7A	Emergency Hourly Rate	75.00	75.00	75.00	75.00	75.00
7	TOTAL - For each Column multiply Item 7A by 50 (Estimated Emergency Hours per Year)	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00

		Cost Per Year				
		2026	2027	2028	2029	2030
	For Each Column Add the totals for Lines 1 - 7	112,979.34	112,979.34	113,245.27	112,979.34	112,979.34
		$565,162.62				

ROCKLIN
CALIFORNIA

CITY OF ROCKLIN BID SUMMARY

PROJECT: Janitorial and Security Services for City of Rocklin Park Facilities	
DATE: October 28, 2025	TIME: 1:00pm

Name/Address/Phone of Bidder	Bid Amount	Alt. Bid Amt	Addendum(S) Acknowledged	Bid Bond / Cashier Check
1. Universal Building Services and Supply Co.	$777,618.00	$	4	n/a
2. Four Star Building Maintenance	$565,162.62	$	4	n/a
3. Integrated Facilities Services	$10,788,607.20	$	4	n/a
4. X Cleaning LLC	$1,176,125.00	$	2	n/a
5.	$	$		
6.	$	$		
7.	$	$		
8.	$	$		
9.	$	$		
10.	$	$		

Taryn Purpura
Taryn Purpura, Finance

10/28/2025
Date

Avinta Singh
Avinta Singh, City Clerk

10/28/25
Date

EXHIBIT A

CITY OF ROCKLIN
SEALED BID

(MUST BE SIGNED BY BIDDER)

Sealed Bids will be received not later than Time 1:00 p.m. on Tuesday, October 28, 2025 at the office of the City Clerk 3970 Rocklin Road, Rocklin, and opened at 1:00 p.m. or as soon thereafter as business allows.

TO THE HONORABLE CITY COUNCIL:
The undersigned hereby proposes and agrees to furnish any and all required labor, material, equipment transportation, and services for

Janitorial and Security Services for City of Rocklin Park Facilities

in the City of Rocklin, County of Placer, California.

The work is to be done in strict conformity with the Contract Documents, at the following Lump Sum and/or Unit Prices:

		Cost Per Service				
Item No.	Service Description	2026	2027	2028 (Leap Year)	2029	2030
1	**Restroom Cleaning - Sunday - Friday**	313 Days	313 Days	313 Days	313 Days	313 Days
1A	Whitney Ranch Community Park	21.84	21.84	21.84	21.84	21.84
1B	Margaret Azevedo Community Park	7.28	7.28	7.28	7.28	7.28
1C	Kathy Lund Community Park	36.40	36.40	36.40	36.40	36.40
1D	Twin Oaks Community Park	25.48	25.48	25.48	25.48	25.48
1E	Johnson Springview Community Park	43.68	43.68	43.68	43.68	43.68
1F	Memorial Park	7.28	7.28	7.28	7.28	7.28
1	**TOTAL - For each Column Add Items 1A-1F, then multiply by number of service days in year - see line 1 above)**	44,433.48	44,433.48	44,433.48	44,433.48	44,433.48
2	**Sunday Trash Removal Services**	52 Sundays	52 Sundays	53 Sundays	52 Sundays	52 Sundays
2A	Whitney Ranch Community Park	40.95	40.95	40.95	40.95	40.95
2B	Margaret Azevedo Community Park	12.87	12.87	12.87	12.87	12.87
2C	Kathy Lund Community Park	45.63	45.63	45.63	45.63	45.63
2D	Twin Oaks Community Park	14.04	14.04	14.04	14.04	14.04
2E	Johnson Springview Community Park	37.44	37.44	37.44	37.44	37.44
2	**TOTAL - For each Column Add Items 2A-2E, then multiply by number of Sundays in year - see line 2 above)**	7,848.36	7,848.36	7,999.29	7,848.36	7,848.36

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

Item No.	Service Description	Cost Per Service				
		2026	2027	2028 (Leap Year)	2029	2030
3	**Restroom Cleaning - Monthly**					
3A	Heritage Park	12.50	12.50	12.50	12.50	12.50
3B	SWRA Shop Restroom	12.50	12.50	12.50	12.50	12.50
3	**TOTAL - For each Column Add Items 3A-3B, then multiply by 12 (Number of Months in Year)**	300.00	300.00	300.00	300.00	300.00
4	**Restroom Green Room Cleaning - As Needed**					
4A	Stage Restrooms	65.00	65.00	65.00	65.00	65.00
4B	Green Room	25.00	25.00	25.00	25.00	25.00
4	**TOTAL - For each Column Add Items 4A-4B, then multiply 50 (Estimated Services per year)**	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
5	**Restroom Security - Lock & Unlock Park Facilities - Daily**	365 Days	365 Days	366 Days ✓	365 Days	365 Days
5A	Train Station, 3700 Rocklin Road (Business Access)	10.00	10.00	10.00	10.00	10.00
5B	Whitney Ranch Community Park, 1801 Whitney Ranch Parkway (Park Restrooms)	10.00	10.00	10.00	10.00	10.00
5C	Margaret Azevedo Community Park, 1900 Wildcat Boulevard (Park Restrooms & Access Gate)	10.00	10.00	10.00	10.00	10.00
5D	Kathy Lund Community Park, 6101 West Oaks Boulevard (Park Restrooms)	20.00	20.00	20.00	20.00	20.00
5E	Twin Oaks Community Park, 5500 Park Drive (Park Restrooms)	10.00	10.00	10.00	10.00	10.00
5F	Johnson Springview Community Park, 5480 5th Street (Park Restrooms)	25.00	25.00	25.00	25.00	25.00
5G	Memorial Park, 3970 Rocklin Road (Park Restrooms)	10.00	10.00	10.00	10.00	10.00
5H	Boulder Ridge Park, 3555 Park Drive (Park Access Gate)	10.00	10.00	10.00	10.00	10.00
5I	Sunset Whitney Recreation Area, 4201 Midas Ave. (Park Access Gate)	10.00	10.00	10.00	10.00	10.00
5	**TOTAL - For each Column Add Items 5A-5I, then multiply by number of days in year, line 5 above)**	41,975.00	41,975.00	42,090.00	41,975.00	41,975.00

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

Item No.	Service Description	Cost Per Service 2026	2027	2028	2029	2030
6	Dog Park Trashing Service (Monday - Saturday)					
6A	Johnson-Springview Park	32.50	32.50	32.50	32.50	32.50
6	TOTAL - For each Column multiply Item 6A by 313 (Total Days in year less Sundays)	10,172.50	10,172.50	10,172.50	10,172.50	10,172.50
7	Emergency Service					
7A	Emergency Hourly Rate	75.00	75.00	75.00	75.00	75.00
7	TOTAL - For each Column multiply Item 7A by 50 (Estimated Emergency Hours per Year)	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00

		Cost Per Year 2026	2027	2028	2029	2030
Bid Totals	For Each Column Add the totals for Lines 1 - 7	112,979.34	112,979.34	113,245.27	112,979.34	112,979.34

Project Bid Total
(Add all "Cost Per Year" totals from above row) $565,162.62

Total Project Bid, Project Bid Total shall be (spell out) Five hundred sixty-five thousand one hundred sixty-two dollars and 62/100 Dollars.

If awarded the Contract, the undersigned shall execute said Contract and furnish any necessary Performance and Payment Bonds and insurance within ten (10) calendar days after the Notice of Award of said Contract and begin work per the terms of the Contract.

In determining the amount bid by each bidder, the City shall disregard mathematical errors in addition, subtraction, multiplication, and division that appear obvious on the face of the Bid. When such a mathematical error appears on the Bid, the City shall have the right to correct such error and to compute the total amount bid by said bidder on the basis of the corrected figure or figures.

When an item price is required to be set forth in the Bid, and the total for the item set forth separately does not agree with a figure which is derived by multiplying the item price times the City's estimate of the quantity of work to be performed for said item, the item price shall prevail over the sum set forth as the total for the item unless, in the sole discretion of the City, such a procedure would be inconsistent with the policy of the bidding procedure. The total paid for each such item of work shall be based upon the item price and not the total price. Should the Bid contain only a total price for the item and the item price is omitted, the City shall determine the item price by dividing the total price for the item by City's estimate of the estimated quantities of work to be performed as items of work.

If the Bid contains neither the item price nor the total price for the item, then it shall be deemed incomplete and the Bid shall be disregarded.

The undersigned represents and warrants that the undersigned has examined the location of the proposed work and is familiar with the local conditions at the place where the work is to be done, and

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

the undersigned has reviewed and understands the plans, specifications and other Contract Documents, and the undersigned is satisfied with all conditions for the performance of the work.

The undersigned has checked carefully all of the above figures and understands that the City of Rocklin will not be responsible for any errors or omissions on the part of the undersigned in making up this Bid.

The Contractor shall initial below that it has received the appropriate addenda and has incorporated the addenda into its Bid.

Addenda Received and Acknowledged

No. 1 _____

No. 2 _____

No. 3 _____

No. 4 _____

The undersigned Bidder agrees that the information and representations provided herein are made under penalty of perjury.

NOTE: If Bidder is a corporation, the legal name of the corporation shall be set forth below, together with the signatures of authorized officers or agents and the document shall bear the corporate seal; if Bidder is a partnership, the true name of the firm shall be set forth below together with the signature of the partner or partners authorized to sign contracts on behalf of the partnership; and if Bidder is an individual, his/her signature shall be placed below.

SIGNATURE IS ON SEPARATE PAGE TO PERMIT BLIND SELECTION/RANKING OF BIDDERS, IF APPLICABLE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

NAME OF BIDDER:
Four Star Building Maintenance

Affix Corporate Seal Here

BY: _____
Signature

Michael A. Davis
Type/Print Name

Owner
Title

DATE: 10-24-25

Valid Contractor's License No. (if applicable): LNB32011.50112

Expiration date: 2-1-2026

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ADDENDUM NO. 1
TO THE PLANS AND SPECIFICATIONS FOR THE
JANITORIAL AND SECURITY SERVICES FOR
CITY OF ROCKLIN PARKS

This addendum covers changes to the Plans and Specifications and shall become part of the contract documents. It is a mandatory requirement of a bidder to sign and include this addendum as part of your bid package.

PRE-BID QUESTIONS AND CLARIFICATIONS

Item #1 – Clarify Pre-bid Meeting Day, Date and Time –

The pre-bid meeting is **Tuesday**, October 14, 2025, 10:00 am, not Wednesday as previously identified in the October 3, 2025 newspaper posting in the Placer Herald.

End of Addendum No. 1

Signature of Bidder: _____

Four Star Building Maintenance
Contractor

10-3-25
Date

SUBMIT THIS SHEET AS PART OF YOUR BID PACKAGE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ADDENDUM NO. 2
TO THE PLANS AND SPECIFICATIONS FOR THE
JANITORIAL AND SECURITY SERVICES FOR
CITY OF ROCKLIN PARKS

This addendum covers changes to the Plans and Specifications and shall become part of the contract documents. It is a mandatory requirement of a bidder to sign and include this addendum as part of your bid package.

PRE-BID QUESTIONS AND CLARIFICATIONS

Item #1 – Reminder: Clarifying Pre-bid Meeting Day, Date and Time –

Reminder: The pre-bid meeting is **Tuesday**, October 14, 2025, 10:00 am, not Wednesday as previously identified in the October 3, 2025 newspaper posting in the Placer Herald.

Item #2 – The sealed Bid has been updated –

The Sealed Bid has been updated. Replace the existing Sealed Bid Form with Exhibit A.

End of Addendum No. 2

Signature of Bidder: _____

Four Star Building Maintenance _____ 10-14-25

Contractor Date

SUBMIT THIS SHEET AS PART OF YOUR BID PACKAGE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ADDENDUM NO. 3
TO THE PLANS AND SPECIFICATIONS FOR THE
JANITORIAL AND SECURITY SERVICES FOR
CITY OF ROCKLIN PARKS

This addendum covers changes to the Plans and Specifications and shall become part of the contract documents. It is a mandatory requirement of a bidder to sign and include this addendum as part of your bid package.

PRE-BID QUESTIONS AND CLARIFICATIONS

Item #1 – Pre-Bid Meeting Sign In Sheet –

The pre-bid meeting sign in sheet is attached as Exhibit A

Item #2 – Scope of Work has been updated –

The Scope of Work (Attachment F of the Sample Contract) has been updated. Replace existing Scope of Work in the bid book with Exhibit B.

End of Addendum No. 3

Signature of Bidder: _____

Four Star Building Maintenance
Contractor

10-15-25
Date

SUBMIT THIS SHEET AS PART OF YOUR BID PACKAGE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

City of Rocklin
Mandatory Pre-Bid Meeting Sign-In Sheet
October 14, 2025, 10:00 a.m.

Janitorial and Security for City of Rocklin Parks

	NAME	COMPANY	PHONE		E-MAIL ADDRESS
1	John E Bayan	Nobelguard Security Inc	279-6009335		john@nobelguardsecurity.com
2	SERGIO ALVAREZ	UNIVERSAL BLDG. SERVICE	(916)638-1078		sergio2@Ubscv.com
3	Chris Barela	Integrated Facilities Services	(916)532-8110		Chris@IFServices.com
4	MIKE DAVIS	Four Star Building Maint	916883-2351		Mike 4 Star Maintenance Found.com
5	Mo Bayan	X Cleaning LCC	2749285240 / 2799770052	info@xcleaningllc.com	info@xcleaningllc.com
6					
7					
8					
9					
10					
11					
12					

EXHIBIT A

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT B

ATTACHMENT F

Janitorial and Security for City of Rocklin Park Facilities

The City of Rocklin Park Restrooms locations and descriptions are the following:

- Whitney Ranch Community Park, 1801 Whitney Ranch Parkway
  - 6 Single commode restrooms
- Margaret Azevedo Community Park, 1900 Wildcat Blvd.
  - 2 Single commode restrooms
- Kathy Lund Community Park, 6101 West Oaks Blvd.
  - 4 Single commode restrooms
  - Men's Restroom with 2 urinals and 1 stall
  - Women's Restroom with 3 stalls
- Twin Oaks Community Park, 5500 Park Drive
  - Men's restroom with 2 urinals and 2 stalls
  - Women's Restroom with 3 stalls
- Johnson-Springview Community Park, 5480 5th Street
  - 4 Single commode restrooms (near pavilions)
  - 2 Single commode restrooms (major field)
  - 2 Single commode restrooms (softball field)
  - Men's restroom with 1 urinal and 1 stall (minor field)
  - Women's restroom with 2 stalls (minor field)
- Memorial Park, 3970 Rocklin Road
  - 2 Single commode restrooms

Scope of Work
The following work will be performed

- **Sunday - Thursday Restroom Cleaning at Park Restrooms Listed Above**
  - Clean and sanitize toilets, sinks and restrooms floor.
  - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
  - Sweep floors and remove any debris
  - Dust top to bottom/Remove cobwebs
  - Restock all paper products, hand soap and dispensers (material provided by City)
  - Keep pipe chases stocked with toilet paper
  - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
  - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
  - Remove toilet paper/seat covers stuck on ceilings/walls
  - Communicate any repairs/issues, graffiti vandalism to City staff
- **Sunday Trash Removal Services**
  - Trash removal at the five (5) Community Park locations listed above. The removal of trash is specific to the pavilion areas of the locations, with the exception of Johnson-Springview Community Park which includes the six (6) ballfields.
  - As requested on task order basis
  - Contractor to provide 2 mil, 40-gallon capacity trash liners
- **Monthly Restroom Cleaning at Peter Hill Heritage Park (5251 Front Street) and Sunset Whitney Recreation Area Shop (4201 Midas Avenue) Restrooms**
  - Clean and sanitize toilets, sinks and restrooms floor.

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

- Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
- Sweep floors and remove any debris
- Dust top to bottom/Remove cobwebs
- Restock all paper products, hand soap and dispensers (material provided by City)
- Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
- Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
- Remove toilet paper/seat covers stuck on ceilings/walls
- Communicate any repairs/issues, graffiti vandalism to City staff

- **As Needed Cleaning at Quarry Park Amphitheater (4000 Rocklin Road)**
  - Stage Restrooms
    - Clean and sanitize toilets, sinks and restrooms floor.
    - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
    - Sweep floors and remove any debris
    - Dust top to bottom/Remove cobwebs
    - Restock all paper products, hand soap and dispensers (material provided by City)
    - Keep pipe chases stocked with toilet paper
    - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
    - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
    - Remove toilet paper/seat covers stuck on ceilings/walls
    - Communicate any repairs/issues, graffiti vandalism to City staff
  - Green Room
    - Clean restroom
      - Clean and sanitize toilets, sinks, counters and restroom floor
      - Sweep floors and remove any debris
      - Restock all paper products, hand soap and dispensers (material provided by city)
    - Vacuum floors
    - Wipe down horizontal surfaces (counter tops, tables, etc…)
    - Remove trash, replace liners
- **Daily Security**
  - Unlock (Between 4:00 AM and 7:00 AM) and Lock (between 7:30 PM and 11 PM) the following locations:
    - Restrooms at 5 Community Parks – Whitney Ranch, Margaret Azevedo, Kathy Lund, Twin Oaks, Johnson-Springview
    - Restrooms at Memorial Park
    - Train Station for business access, 3700 Rocklin Road
    - Park access gate at Sunset Whitney Recreation Area, 4201 Midas Avenue
    - Park access gate at Boulder Ridge Park, 3555 Park Drive
    - Main parking lot gate at Margaret Azevedo Community Park
    - Ballfield access road gate at Johnson-Springview Community Park
- **Dog Park Trashing Service (Monday – Saturday)**
  - Remove trash from 8 trash bins to designated area and replace trash liners (trash liners provided by contractor)

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

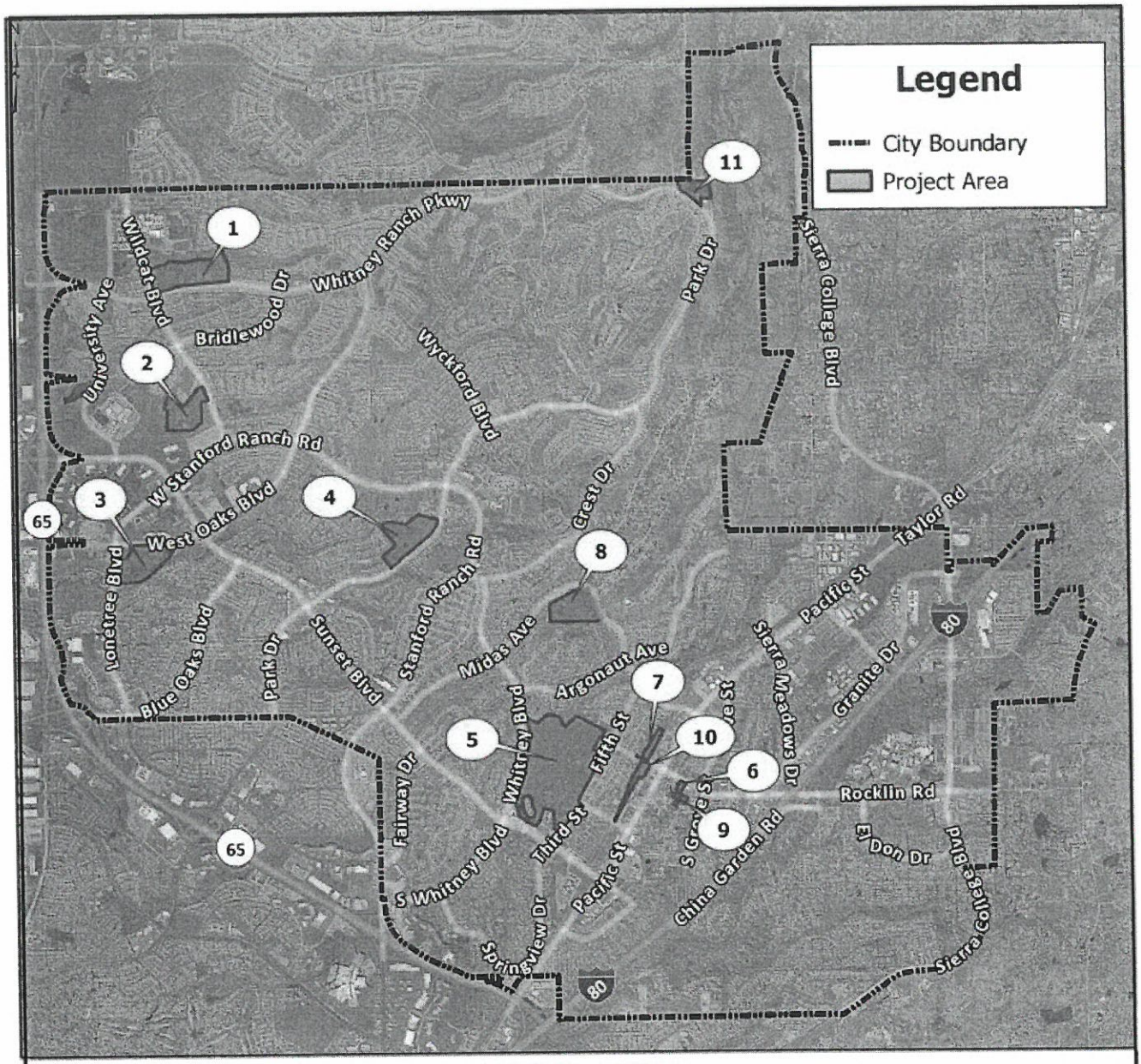
EXHIBIT B

- Blow/clear the concrete walkway/entrance to the dog park
- Walk through dog park area and check for additional dog feces and remove
- Check and replenish, as necessary, the dog poop trash bags in the dog poop bag stations (dog poop trash bags provided by the City)

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ATTCHMENT F

Exhibit A



Project Locations

1. Whitney Ranch Community Park	1801 Whitney Ranch Pkwy.
2. Margaret Azvedo Community Park	1900 Wildcat Blvd.
3. Kathy Lund Community Park	6101 West Oaks Blvd.
4. Twin Oaks Community Park	5500 Park Dr.
5. Johnson-Springview Community Park	5480 5th St.
6. Memorial Park	3970 Rocklin Rd.
7. Peter Hill Heritage Park	5251 Front St.
8. Sunset Whitney Recreation Area Shop	4201 Midas Ave.
9. Quarry Park Amphitheater	4000 Rocklin Rd.
10. Train Station	3700 Rocklin Rd.
11. Boulder Ridge Park	3555 Park Dr.

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ADDENDUM NO. 4
TO THE PLANS AND SPECIFICATIONS FOR THE
JANITORIAL AND SECURITY SERVICES FOR
CITY OF ROCKLIN PARKS

This addendum covers changes to the Plans and Specifications and shall become part of the contract documents. It is a mandatory requirement of a bidder to sign and include this addendum as part of your bid package.

PRE-BID QUESTIONS AND CLARIFICATIONS

Item #1 – Scope of Work has been updated –

The Scope of Work (Attachment F of the Sample Contract) has been updated. The scope of work for Restroom Cleaning showed "Sunday – Thursday", while the Bid Detail showed "Sunday – Friday." The Bid Detail "Sunday – Friday" is correct, the scope of work has been updated to match. Replace existing Scope of Work in the bid book with Exhibit A.

Item #2 – Will Sunday trash removal at the community park Pavilion areas include the adjacent Baseball field trash cans?

Yes, we would like trash removal at all of the baseball backstop/snack bar areas at all of the community parks on Sundays when the Pavilion Areas are serviced.

Item #3 – Trash at the Park is only done on Sunday (1x per week), correct?

Correct, trash service is performed once weekly on Sunday mornings.

Item #4 – How many garbage cans are there at each park?

Johnson-Springview:	***Kathy Lund:***	***Whitney Ranch:***
Pavilion (12)	Pavilions (12)	Pavilion (15)
Baseball fields (20)	Softball (27)	Baseball (20)
Twin Oaks:	***Margaret Azevedo:***	
Baseball (12)	Pavilion/Play structure (7)	
	Baseball (4)	

Item #5 – What is meant by "Pavilion Area"?

A "pavilion area" is defined as multiple picnic tables located under a shade structure and the adjoining area (Play structure/Water toy and the connecting sidewalks)

Item #6 – Does each park have one (Pavilion Area)?

All community parks have Pavilions, with the exception of Twin Oaks Community Park. At Johnson-Springview and Whitney Ranch community parks the "Pavilion areas" refer to the main pavilions located adjacent to the water play features. At Lund Community Park, the

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

term encompasses the four shade structures surrounding the water play area, and the trash cans utilized by pavilion users.

Item #7 – What is the total garbage cans that we are responsible for?

There are 129 pavilion area/baseball field trash cans in total.

Item #8 – Can you please confirm whether bid security (or bid bond) is mandatory for this solicitation, and if so, specify the required amount or percentage of the total bid value?

No bid security (bid bond) is required

End of Addendum No. 4

Signature of Bidder: _____

Four Star Building Maintenance — 10-22-25

Contractor — Date

SUBMIT THIS SHEET AS PART OF YOUR BID PACKAGE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

ATTACHMENT F

Janitorial and Security for City of Rocklin Park Facilities

The City of Rocklin Park Restrooms locations and descriptions are the following:

- Whitney Ranch Community Park, 1801 Whitney Ranch Parkway
  - 6 Single commode restrooms
- Margaret Azevedo Community Park, 1900 Wildcat Blvd.
  - 2 Single commode restrooms
- Kathy Lund Community Park, 6101 West Oaks Blvd.
  - 4 Single commode restrooms
  - Men's Restroom with 2 urinals and 1 stall
  - Women's Restroom with 3 stalls
- Twin Oaks Community Park, 5500 Park Drive
  - Men's restroom with 2 urinals and 2 stalls
  - Women's Restroom with 3 stalls
- Johnson-Springview Community Park, 5480 5th Street
  - 4 Single commode restrooms (near pavilions)
  - 2 Single commode restrooms (major field)
  - 2 Single commode restrooms (softball field)
  - Men's restroom with 1 urinal and 1 stall (minor field)
  - Women's restroom with 2 stalls (minor field)
- Memorial Park, 3970 Rocklin Road
  - 2 Single commode restrooms

Scope of Work
The following work will be performed

- **Sunday - Friday Restroom Cleaning at Park Restrooms Listed Above**
  - Clean and sanitize toilets, sinks and restrooms floor.
  - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
  - Sweep floors and remove any debris
  - Dust top to bottom/Remove cobwebs
  - Restock all paper products, hand soap and dispensers (material provided by City)
  - Keep pipe chases stocked with toilet paper
  - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
  - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
  - Remove toilet paper/seat covers stuck on ceilings/walls
  - Communicate any repairs/issues, graffiti vandalism to City staff
- **Sunday Trash Removal Services**
  - Trash removal at the five (5) Community Park locations listed above. The removal of trash is specific to the pavilion areas and ball fields of the locations, with the exception of Johnson-Springview Community Park which includes the six (6) ballfields.
  - As requested on task order basis
  - Contractor to provide 2 mil, 40-gallon capacity trash liners
- **Monthly Restroom Cleaning at Peter Hill Heritage Park (5251 Front Street) and Sunset Whitney Recreation Area Shop (4201 Midas Avenue) Restrooms**

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

- Clean and sanitize toilets, sinks and restrooms floor.
- Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
- Sweep floors and remove any debris
- Dust top to bottom/Remove cobwebs
- Restock all paper products, hand soap and dispensers (material provided by City)
- Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
- Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
- Remove toilet paper/seat covers stuck on ceilings/walls
- Communicate any repairs/issues, graffiti vandalism to City staff

- **As Needed Cleaning at Quarry Park Amphitheater (4000 Rocklin Road)**
  - Stage Restrooms
    - Clean and sanitize toilets, sinks and restrooms floor.
    - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
    - Sweep floors and remove any debris
    - Dust top to bottom/Remove cobwebs
    - Restock all paper products, hand soap and dispensers (material provided by City)
    - Keep pipe chases stocked with toilet paper
    - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
    - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
    - Remove toilet paper/seat covers stuck on ceilings/walls
    - Communicate any repairs/issues, graffiti vandalism to City staff
  - Green Room
    - Clean restroom
      - Clean and sanitize toilets, sinks, counters and restroom floor
      - Sweep floors and remove any debris
      - Restock all paper products, hand soap and dispensers (material provided by city)
    - Vacuum floors
    - Wipe down horizontal surfaces (counter tops, tables, etc…)
    - Remove trash, replace liners
- **Daily Security**
  - Unlock (Between 4:00 AM and 7:00 AM) and Lock (between 7:30 PM and 11 PM) the following locations:
    - Restrooms at 5 Community Parks – Whitney Ranch, Margaret Azevedo, Kathy Lund, Twin Oaks, Johnson-Springview
    - Restrooms at Memorial Park
    - Train Station for business access, 3700 Rocklin Road
    - Park access gate at Sunset Whitney Recreation Area, 4201 Midas Avenue
    - Park access gate at Boulder Ridge Park, 3555 Park Drive
    - Main parking lot gate at Margaret Azevedo Community Park
    - Ballfield access road gate at Johnson-Springview Community Park
- **Dog Park Trashing Service (Monday – Saturday)**

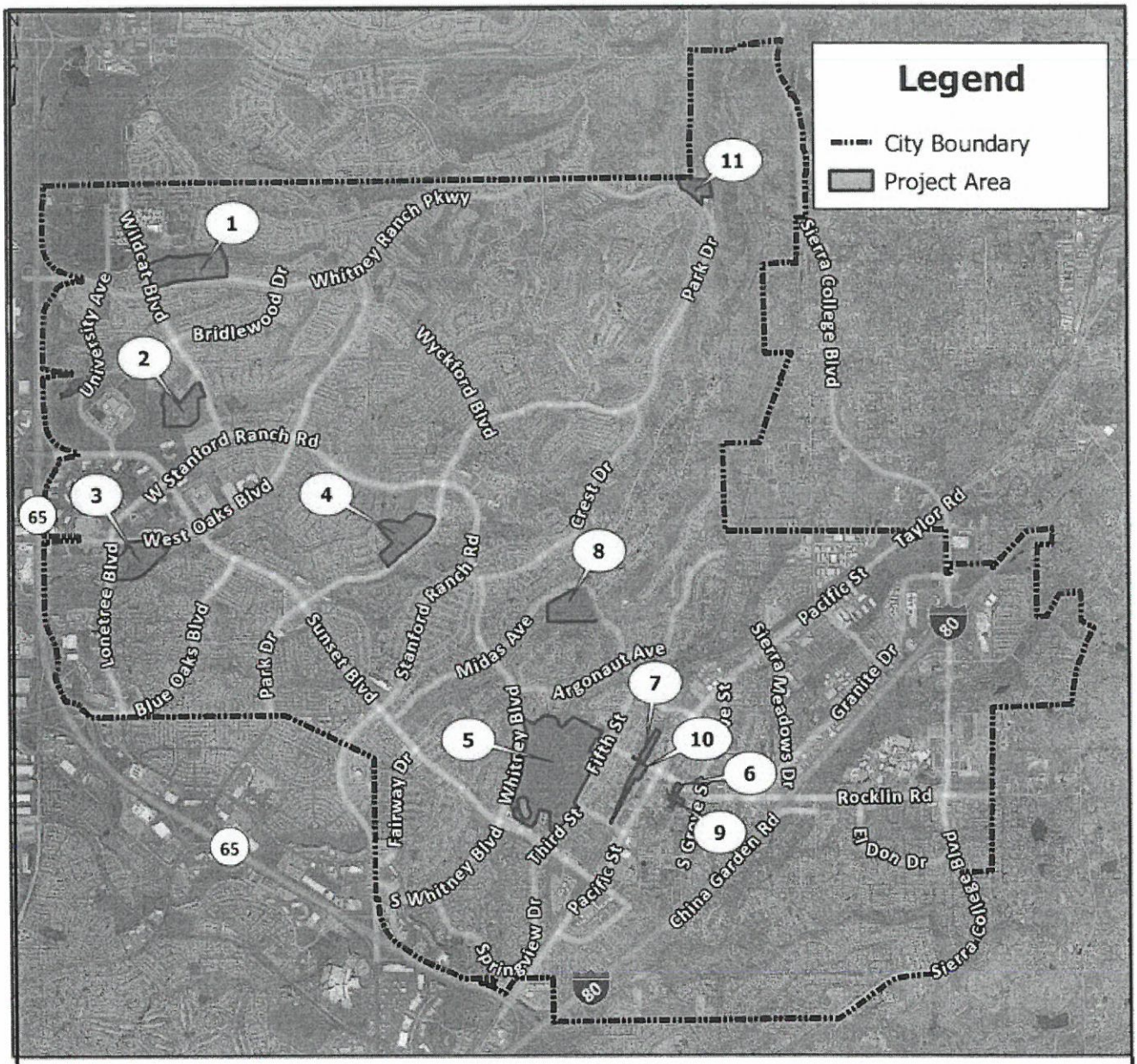
Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

- Remove trash from 8 trash bins to designated area and replace trash liners (trash liners provided by contractor)
- Blow/clear the concrete walkway/entrance to the dog park
- Walk through dog park area and check for additional dog feces and remove
- Check and replenish, as necessary, the dog poop trash bags in the dog poop bag stations (dog poop trash bags provided by the City)

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ATTCHMENT F

Exhibit A



Project Locations

1.	Whitney Ranch Community Park	1801 Whitney Ranch Pkwy.
2.	Margaret Azvedo Community Park	1900 Wildcat Blvd.
3.	Kathy Lund Community Park	6101 West Oaks Blvd.
4.	Twin Oaks Community Park	5500 Park Dr.
5.	Johnson-Springview Community Park	5480 5th St.
6.	Memorial Park	3970 Rocklin Rd.
7.	Peter Hill Heritage Park	5251 Front St.
8.	Sunset Whitney Recreation Area Shop	4201 Midas Ave.
9.	Quarry Park Amphitheater	4000 Rocklin Rd.
10.	Train Station	3700 Rocklin Rd.
11.	Boulder Ridge Park	3555 Park Dr.

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ATTACHMENT A

SUBCONTRACTOR LISTING FORM

LIST OF SUBCONTRACTORS FOR _____
(BIDDER)

PROJECT: _____

Pursuant to the provisions of Sections 4100 to 4114 inclusive, of the California Public Contract Code, and as set forth in Instructions to Bidders, and the General Conditions, the above named Contractor hereby designates below the names, contractor license numbers (if applicable), and locations of the place of business of each Subcontractor. Please check one of the boxes and sign below:

✓ We are not using any Subcontractors.

____ All of our Subcontractors are performing at least 1/2 of 1% of the Work listed below, including for additive Alternates, if any.

WORK TO BE PERFORMED	NAME & BUSINESS ADDRESS OF SUBCONTRACTOR	LICENSE NUMBER	DIR #

_____
Signed

Bidders shall provide the registration numbers for all listed Subcontractors within 24 hours of bid opening and registration numbers of all Subcontractors who are not required to be listed not later than 24 hours before they are to start work on the Project.

ATTACHMENT B

NONCOLLUSION AFFIDAVIT

STATE OF CALIFORNIA
COUNTY OF Sacramento

Michael Allen Davies, being first duly sworn, deposes and says that (he) or she is Owner [Title] of Four Star Building Maint, the party making the foregoing Bid, that the Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the Bid is genuine and not collusive or sham; that Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham Bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid or to refrain from bidding; that Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the price Bid of Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the price Bid, or of that of any other Bidder. All statements contained in the Bid are true. Bidder has not, directly or indirectly, submitted its price Bid or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham Bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

Signed: _____

Title: Owner 10/24/25

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.

Subscribed and sworn to before me this

See Attached
CALIFORNIA JURAT WITH
AFFIANT STATEMENT

Oct 24th 2025

_____ day of _____, 20 __,
by _____
proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(seal)

_____
Signature

CALIFORNIA JURAT

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 Sacramento)

Subscribed and sworn to (or affirmed) before me on this 24th day of Oct, 20 25, by Michael Allen Davis,

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

MUIRURI KINYANJUI
COMM. # 2405866
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
MY COMM. EXP. MAY 27, 2026

(Seal)

Signature _____

Optional Information

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

Description of Attached Document

This certificate is attached to a document titled/for the purpose of

Non collusion Affidavit

containing 1 pages, and dated Oct 24th 2025

Additional Information

Method of Affiant 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

☐ Affiant(s) Thumbprint(s) ☐ Describe: _____

© Copyright 2007-2015 Notary Rotary, Inc. PO Box 41400, Des Moines, IA 50311-0507. All Rights Reserved. Item Number 101884. Please contact your Authorized Reseller to purchase copies of this form.

ATTACHMENT C

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT OR SUSPENSION

Bidder hereby certifies, to the best of its knowledge and belief, except as expressly disclosed on this Certificate, that:

The Bidder and/or any of its Principals:

1. Are not presently debarred, suspended, proposed for debarment or suspension, or declared ineligible for award of the contract by any Federal, State, or local agency.

2. Have not, within a three-year period preceding this Bid, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property.

3. Are not presently indicted for, or otherwise criminally or civilly charged by a government entity with, commission of any of the offenses enumerated in Item 2. above.

4. The Bidder has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, State, or local agency.

"Principals," for the purposes of this certification, means: officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

Bidder shall provide immediate written notice to the City if, at any time prior to contract award, Bidder learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

This Certification is a material representation of fact upon which reliance will be placed when making the award, if and when made. If it is later determined that Bidder knowingly rendered an erroneous certification, in addition to other remedies available to the City, the City may terminate the Contract resulting from this solicitation for default.

BIDDER: Four Star Building Maintenance Date 10-24-25

BY: _____
Signature

Michael A. Davis
Type/Print Name

Owner
Title

ATTACHMENT C

EXCEPTIONS TO CERTIFICATION

If Bidder has any exceptions to the Certification set forth above, state the exception and an explanation of the circumstances:

N/A

BIDDER: Four Star Building Maintenance Date 10-24-25

BY: _____
Signature

Michael A. Davis
Type/Print Name

Owner
Title

ATTACHMENT D

RESOLUTION OF DISPUTES REGARDING THE BIDDING PROCESS

The lack of a prompt procedure to resolve disputes regarding the bidding process would impair the City's ability to carry out its purpose of constructing this project in a timely manner. Therefore, to the maximum extent authorized by law and notwithstanding any other procedures specified in documents referenced herein, all disputes and/or protests regarding the bidding process shall be subject to the following procedure. In submitting a Bid to the City for this project, the Bidder agrees to comply with and to be bound by this procedure.

1. If the Bidder believes that any provision in the solicitation for Bids is vague, ambiguous, conflicting or contrary to law, then the Bidder shall promptly bring its concern to the City by written notice specifying the provision(s) in question and the factual and legal bases for concern. Failure of the Bidder to raise any concern relating to a solicitation requirement within at least two (2) working days prior to the Bid due date will be deemed a waiver of the Bidder's right to protest based on alleged vague, ambiguous, conflicting or unlawful requirements in the solicitation.

2. Within five (5) calendar days after the opening of Bids, Bidder shall provide a written notice to the City of any and all mistakes regarding the Bid for which a Bidder requests relief. The City shall not consider any requests for relief due to mistake if notice is not received within the time requirements of Public Contract Code section 5100, *et seq.*, Relief of Bidders.

3. No later than five (5) calendar days after Bids are opened, the Bidder must submit in writing to the City an explanation of all legal and factual grounds for any protest. These requirements are to be strictly construed. Untimely protests and/or grounds not set forth in the protest will not be considered. Failure to timely protest or otherwise comply with the protest requirements will constitute a waiver of the right to challenge and forever bar the Bidder from challenging, whether before the City or any administrative or judicial tribunal, any particular Bid(s), the bidding process, or the Contract award on any ground not set forth in the protest. Upon receipt of a protest, the City will provide a copy to any Bidder whose Bid is challenged in the protest.

4. If a timely written protest is provided to the City at least two (2) business days before any City Council meeting at which the award of the Contract will be considered, then the City shall make reasonable efforts to provide the protesting Bidder with a written response to the protest prior to the City Council meeting. A copy of any City response will be provided to any other Bidder responding to the protest.

5. Notice of the date and time of the City Council meeting at which the award of the Contract for the Project shall be considered will be posted on the City's website.

6. Any Bidder complying with the above procedure may bring an action within sixty (60) days from the action of the City Council, in accordance with Sections 860 and 863 of the California Code of Civil Procedure, to determine the validity of the City Council's action on the award of the contract. The City shall be a defendant and shall be served with the summons and complaint in the action in the manner provided by law for the service of a summons in a civil action. In any such action the summons shall be in the form prescribed in Section 861.1 of the California Code of Civil Procedure except that in addition to being directed to "all persons interested in the matter of [specifying

the matter]," it shall also be directed to the City. If the bidder bringing such action fails to complete the publication and such other notice as may be prescribed by the court in accordance with Section 863 of the California Code of Civil Procedure and to file proof thereof in the action within 60 days from the filing of his complaint, the action shall be dismissed on the motion of the City unless good cause for such failure is shown by the bidder.

Four Star Building Maintenance
Contractor

10-24-25
Date

Signature

Printed on: 12/12/2024 8:27:33 PM

To verify most current certification status go to: https://www.caleprocure.ca.gov

DGS
CALIFORNIA DEPARTMENT OF GENERAL SERVICES

Office of Small Business & DVBE Services

Certification ID: 2041069

Legal Business Name:
Four Star Janitorial Service

Doing Business As (DBA) Name 1:
Four Star Building Maintenance

Doing Business As (DBA) Name 2:

Address:
P.O. Box 300
Carmichael
CA 95609

Email Address:
mike4star.maintenance@gmail.com

Business Web Page:

Business Phone Number:
916/803-2351

Business Fax Number:

Business Types:
Service

Certification Type	Status	From	To
SB(Micro)	Approved	12/12/2024	12/31/2026
SB-PW	Approved	12/12/2024	12/31/2026

Stay informed! KEEP YOUR CERTIFICATION PROFILE UPDATED!
-LOG IN at CaleProcure.CA.GOV

Questions?
Email: OSDSHELP@DGS.CA.GOV
Call OSDS Main Number: 916-375-4940
707 3rd Street, 1-400, West Sacramento, CA 95605



CITY OF ROCKLIN
STANDARD BID PACKAGE
AND
GENERAL PROVISIONS
FOR THE

JANITORIAL AND SECURITY SERVICES FOR CITY OF ROCKLIN PARK FACILITIES

BID OPENING TUESDAY, OCTOBER 28, 2025, 1:00 PM AT 3970 ROCKLIN ROAD ROCKLIN, CA

Parks and Recreation Department
5460 5th Street
Rocklin, CA 95677

TABLE OF CONTENTS

Notice to Contractors

Bid Documents

Attachments

DOCUMENTS THAT MUST BE SUMITTED WITH BID

BID FORM (With Addenda Acknowledgement)
SUBCONTRACTOR LISTING FORM – ATTACHMENT A
NONCOLLUSION AFFIDAVIT – ATTACHMENT B
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT OR SUSPENSION – ATTACHMENT C
RESOLUTION OF DISPUTES – ATTACHMENT D

DOCUMENTS THAT MUST BE SUBMITTED UPON AWARD

AGREEMENT FOR SERVICES – ATTACHMENT E

SCOPE OF WORK – ATTACHMENT F

NOTICE TO CONTRACTORS

Notice is hereby given that the City Council of the City of Rocklin, California, will receive sealed Bids as follows:

BID DATE / TIME:	Until Tuesday, October 28, 2025 1:00PM (Local Time)
SUBMIT BIDS TO:	City Clerk City of Rocklin 3970 Rocklin Road Rocklin, CA 95677
FOR:	Janitorial and Security Services for City of Rocklin Park Facilities Submit Bids (original/no copies) in a sealed envelope marked "Bid for the Janitorial and Security Services for City of Rocklin Park Facilities"
TOTAL CONTRACT TIME:	January 1, 2026 – December 31, 2030
CONTRACTOR'S CALIFORNIA LICENSE AND/OR CLASS REQUIRED	N/A
MANDATORY PRE-BID CONFERENCE DATE, TIME, AND LOCATION	Tuesday, October 14, 2025 at 10:00 AM at the City of Rocklin Parks & Recreation Office, 5460 5th Street, Rocklin, CA 95677

Submit Bids (original/no copies) and bid security in a sealed envelope, marked "**Bid for the Janitorial and Security Services for City of Rocklin Park Facilities**" ("Project") and include the company name and address on the envelope.

At the mandatory pre-bid conference meeting identified above, representatives of City will discuss the Contract Documents, bid submission requirements, site constraints, order of work and other items specific to this project. A project walk-through may follow after the pre-bid conference meeting. A sign-in sheet will be available up until commencement of the pre-bid conference meeting only. Attendance at the entire pre-bid meeting and project walk-through, if scheduled, is mandatory for bidding. Bids received from Bidders who did not sign the sign-in sheet and attend the meeting and project walk-through will be returned to the Bidder unopened. Attendance by Subcontractors is not mandatory, but all interested prospective Subcontractors are encouraged to attend. The City will transmit Addenda to all prospective Bidders who have purchased full sets of Contract Documents, as the City considers necessary in response to questions raised at the meeting and walk-through. Addenda also will be posted on the City's website. Oral statements not confirmed by Addenda may not be relied upon and are not binding or legally effective. Except for mandatory walk-through, no other access to the project site will be granted pre-bid without the City's prior approval, which will require advanced notice and a scheduled appointment. During all site visits the Bidder must be accompanied full time by an authorized representative of the City. No exceptions to this requirement.

Contract Documents may be purchased at the City of Rocklin Parks and Recreation Office, located at 5460 5th Street, Rocklin, CA 95677, telephone (916) 625-5200 between the hours of 7:30 a.m. - 4:00 p.m. Monday through Friday. The non-refundable cost for each set is $25.00. Alternatively, **Contract Documents may be downloaded at no charge from the City of Rocklin's website at www.rocklin.ca.us/DownloadBids**

Complete sets of Contract Documents must be used in preparing Bids. The City does not assume responsibility for errors or misinterpretations resulting from the use of incomplete sets of Contract Documents. The City, in making copies of the Contract Documents available on the above terms, does so only for the purpose of obtaining Bids for the Work and does not confer license or grant for any other use.

Written questions regarding this Invitation for Bids should be directed to Tim O'Connor, Parks Division Supervisor by email at tim.oconnor@rocklin.ca.us no later than October 21, 2025 at 3:00 p.m. All emails shall require verification of receipt by sender in accordance with the Instructions to Bidders.

Bidders shall develop and submit Bids at their own expense. The City will not reimburse any costs associated with the development and submittal of any and all Bids.

Each Bid must be submitted on the Bid Forms provided in the Contract Documents. The Bid must be submitted in a sealed envelope and received by the City Clerk no later than the time and date prescribed. The clock located in the City Clerk's office is considered the official local time. Bid submissions received after the designated time will not be opened and will be returned to the Bidder unopened. Telephones will not be available to Bidders at the City's offices for the preparation of Bids.

Alternate Bids. Unless otherwise specified in the Special Provisions, if an alternate or alternates are identified by the City to the bidders, award will be based on any combination of Base Bid and Alternates as determined by the City. This process is conducted by the City in a "blind selection" format, *i.e.*, without knowledge of the identity of any of the Bidders before ranking of all Bidders from lowest to highest has been determined. Bidders are to submit their Bid in two sealed envelopes, both containing all identifying information for the Project, and both of which are then to be included in a third sealed envelope containing all identifying information for the Project but without any identifying information regarding the Bidder. The first envelope shall be marked "Envelope 1" and shall contain only an unsigned copy of the bidder's bid form, without any identifying information for the bidder and without any other required bid submissions. The second envelope shall be marked "Envelope 2" and shall contain a complete copy of all required bid documents, including a signed copy of the bid form. Any discrepancies in the pricing information in the two sealed envelopes may render the bid nonresponsive. Alternates may be selected for award by the City at its discretion. All awards will be made in the City's best interest.

If the lowest responsive, responsible bidder fails or refuses to execute any Contract for the Project, the City may, in its discretion, award the Contract to the second lowest, responsive responsible bidder. If the second lowest responsible, responsible bidder fails or refuses to execute any Contract for the Project, the City may, in its discretion, award that and all other Contracts for the Project to the third lowest, responsive responsible bidder. Any Bidder to whom any Contract for the Project is awarded who fails to execute the Contract and file acceptable bonds and insurance certificates as required in the Contract Documents will have its Bid Guarantee forfeited.

No Bid received and read aloud may be withdrawn for a period of sixty (60) days after the bid opening date, except pursuant to California Public Contract Code Section 5101 *et seq*.

The City reserves the right to award the Contract, to reject any or all Bids, to waive non-material and inconsequential irregularities in any Bid, and to reject nonconforming, nonresponsive, non-responsible, or conditional Bids.

Veronica Tracy
Parks and Recreation Director, City of Rocklin

CITY OF ROCKLIN
SEALED BID

(MUST BE SIGNED BY BIDDER)

Sealed Bids will be received not later than Time 1:00 p.m. on Tuesday, October 28, 2025 at the office of the City Clerk 3970 Rocklin Road, Rocklin, and opened at 1:00 p.m. or as soon thereafter as business allows.

TO THE HONORABLE CITY COUNCIL:
The undersigned hereby proposes and agrees to furnish any and all required labor, material, equipment transportation, and services for

Janitorial and Security Services for City of Rocklin Park Facilities

in the City of Rocklin, County of Placer, California.

The work is to be done in strict conformity with the Contract Documents, at the following Lump Sum and/or Unit Prices:

		Cost Per Service				
Item No.	Service Description	2026	2027	2028	2029	2030
1	Restroom Cleaning - Daily	365 Days	365 Days	366 Days (Leap Year)	365 Days	365 Days
1A	Whitney Ranch Community Park					
1B	Margaret Azevedo Community Park					
1C	Kathy Lund Community Park					
1D	Twin Oaks Community Park					
1E	Johnson Springview Community Park					
1F	Memorial Park					
1	TOTAL - For each Column Add Items 1A-1F, then multiply by number of days in year - see line 1 above)					
2	Sunday Trash Removal Services	52 Sundays	52 Sundays	53 Sundays	52 Sundays	52 Sundays
2A	Whitney Ranch Community Park					
2B	Margaret Azevedo Community Park					
2C	Kathy Lund Community Park					
2D	Twin Oaks Community Park					
2E	Johnson Springview Community Park					
2	TOTAL - For each Column Add Items 2A-2E, then multiply by number of Sundays in year - see line 2 above)					

		Cost Per Service				
Item No.	**Service Description**	**2026**	**2027**	**2028**	**2029**	**2030**
3	**Restroom Cleaning - Monthly**					
3A	Heritage Park					
3B	SWRA Shop Restroom					
3	**TOTAL - For each Column Add Items 3A-3B, then multiply by 12 (Number of Months in Year)**					
4	**Restroom Green Room Cleaning - As Needed**					
4A	Stage Restrooms					
4B	Green Room					
4	**TOTAL - For each Column Add Items 4A-4B, then multiply 50 (Estimated Services per year)**					
5	**Restroom Security - Lock & Unlock Park Facilities - Daily**					
5A	Train Station, 3700 Rocklin Road (Business Access)					
5B	Whitney Ranch Community Park, 1801 Whitney Ranch Parkway (Park Restrooms)					
5C	Margaret Azevedo Community Park, 1900 Wildcat Boulevard (Park Restrooms & Access Gate)					
5D	Kathy Lund Community Park, 6101 West Oaks Boulevard (Park Restrooms)					
5E	Twin Oaks Community Park, 5500 Park Drive (Park Restrooms)					
5F	Johnson Springview Community Park, 5480 5th Street (Park Restrooms)					
5G	Memorial Park, 3970 Rocklin Road (Park Restrooms)					
5H	Boulder Ridge Park, 3555 Park Drive (Park Access Gate)					
5I	Sunset Whitney Recreation Area, 4201 Midas Ave. (Park Access Gate)					
5	**TOTAL - For each Column Add Items 5A-5I, then multiply by number of days in year)**					

		Cost Per Service				
Item No.	Service Description	2026	2027	2028	2029	2030
6	Dog Park Trashing Service (Monday - Saturday)					
6A	Johnson-Springview Park					
6	TOTAL - For each Column multiply Item 6A by 313 (Total Days in year less Sundays)					
7	Emergency Service					
7A	Emergency Hourly Rate					
7	TOTAL - For each Column multiply Item 7A by 50 (Estimated Emergency Hours per Year)					

		Cost Per Year				
		2026	2027	2028	2029	2030
Bid Totals	For Each Column Add the totals for Lines 1 - 7					
	Project Bid Total (Add all "Cost Per Year" totals from above row)					

Total Project Bid, Project Bid Total shall be (spell out) _____Dollars.

If awarded the Contract, the undersigned shall execute said Contract and furnish any necessary Performance and Payment Bonds and insurance within ten (10) calendar days after the Notice of Award of said Contract and begin work per the terms of the Contract.

In determining the amount bid by each bidder, the City shall disregard mathematical errors in addition, subtraction, multiplication, and division that appear obvious on the face of the Bid. When such a mathematical error appears on the Bid, the City shall have the right to correct such error and to compute the total amount bid by said bidder on the basis of the corrected figure or figures.

When an item price is required to be set forth in the Bid, and the total for the item set forth separately does not agree with a figure which is derived by multiplying the item price times the City's estimate of the quantity of work to be performed for said item, the item price shall prevail over the sum set forth as the total for the item unless, in the sole discretion of the City, such a procedure would be inconsistent with the policy of the bidding procedure. The total paid for each such item of work shall be based upon the item price and not the total price. Should the Bid contain only a total price for the item and the item price is omitted, the City shall determine the item price by dividing the total price for the item by City's estimate of the estimated quantities of work to be performed as items of work.

If the Bid contains neither the item price nor the total price for the item, then it shall be deemed incomplete and the Bid shall be disregarded.

SEALED BID

The undersigned represents and warrants that the undersigned has examined the location of the proposed work and is familiar with the local conditions at the place where the work is to be done, and the undersigned has reviewed and understands the plans, specifications and other Contract Documents, and the undersigned is satisfied with all conditions for the performance of the work.

The undersigned has checked carefully all of the above figures and understands that the City of Rocklin will not be responsible for any errors or omissions on the part of the undersigned in making up this Bid.

The Contractor shall initial below that it has received the appropriate addenda and has incorporated the addenda into its Bid.

Addenda Received and Acknowledged

No. 1 _____

No. 2 _____

No. 3 _____

The undersigned Bidder agrees that the information and representations provided herein are made under penalty of perjury.

NOTE: If Bidder is a corporation, the legal name of the corporation shall be set forth below, together with the signatures of authorized officers or agents and the document shall bear the corporate seal; if Bidder is a partnership, the true name of the firm shall be set forth below together with the signature of the partner or partners authorized to sign contracts on behalf of the partnership; and if Bidder is an individual, his/her signature shall be placed below.

SIGNATURE IS ON SEPARATE PAGE TO PERMIT BLIND SELECTION/RANKING OF BIDDERS, IF APPLICABLE

SEALED BID

NAME OF BIDDER:

_____

Affix Corporate Seal Here

BY: _____
Signature

_____
Type/Print Name

_____
Title

DATE: _____

Valid Contractor's License No. (if applicable): _____

Expiration date: _____

ATTACHMENT A

SUBCONTRACTOR LISTING FORM

LIST OF SUBCONTRACTORS FOR _____
(BIDDER)

PROJECT: _____

Pursuant to the provisions of Sections 4100 to 4114 inclusive, of the California Public Contract Code, and as set forth in Instructions to Bidders, and the General Conditions, the above named Contractor hereby designates below the names, contractor license numbers (if applicable), and locations of the place of business of each Subcontractor. Please check one of the boxes and sign below:

____ We are not using any Subcontractors.

____ All of our Subcontractors are performing at least 1/2 of 1% of the Work listed below, including for additive Alternates, if any.

WORK TO BE PERFORMED	NAME & BUSINESS ADDRESS OF SUBCONTRACTOR	LICENSE NUMBER	DIR #

_____
Signed

Bidders shall provide the registration numbers for all listed Subcontractors within 24 hours of bid opening and registration numbers of all Subcontractors who are not required to be listed not later than 24 hours before they are to start work on the Project.

ATTACHMENT B

NONCOLLUSION AFFIDAVIT

STATE OF CALIFORNIA
COUNTY OF _____

_____, being first duly sworn, deposes and says that he or she is _____ [Title] of _____, the party making the foregoing Bid, that the Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the Bid is genuine and not collusive or sham; that Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham Bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid or to refrain from bidding; that Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the price Bid of Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the price Bid, or of that of any other Bidder. All statements contained in the Bid are true. Bidder has not, directly or indirectly, submitted its price Bid or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham Bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

Signed: _____

Title: _____

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.

Subscribed and sworn to before me this

_____ day of _____, 20 __,
by_____
proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(seal)

_____
S*ignature*

ATTACHMENT C

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT OR SUSPENSION

Bidder hereby certifies, to the best of its knowledge and belief, except as expressly disclosed on this Certificate, that:

The Bidder and/or any of its Principals:

1. Are not presently debarred, suspended, proposed for debarment or suspension, or declared ineligible for award of the contract by any Federal, State, or local agency.

2. Have not, within a three-year period preceding this Bid, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property.

3. Are not presently indicted for, or otherwise criminally or civilly charged by a government entity with, commission of any of the offenses enumerated in Item 2. above.

4. The Bidder has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, State, or local agency.

"Principals," for the purposes of this certification, means: officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

Bidder shall provide immediate written notice to the City if, at any time prior to contract award, Bidder learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

This Certification is a material representation of fact upon which reliance will be placed when making the award, if and when made. If it is later determined that Bidder knowingly rendered an erroneous certification, in addition to other remedies available to the City, the City may terminate the Contract resulting from this solicitation for default.

BIDDER:_____ Date_____

BY:_____
Signature

_____
Type/Print Name

_____
Title

ATTACHMENT C

EXCEPTIONS TO CERTIFICATION

If Bidder has any exceptions to the Certification set forth above, state the exception and an explanation of the circumstances:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

BIDDER:_____ Date_____

BY:_____
Signature

_____
Type/Print Name

_____
Title

ATTACHMENT D

RESOLUTION OF DISPUTES REGARDING THE BIDDING PROCESS

The lack of a prompt procedure to resolve disputes regarding the bidding process would impair the City's ability to carry out its purpose of constructing this project in a timely manner. Therefore, to the maximum extent authorized by law and notwithstanding any other procedures specified in documents referenced herein, all disputes and/or protests regarding the bidding process shall be subject to the following procedure. In submitting a Bid to the City for this project, the Bidder agrees to comply with and to be bound by this procedure.

1. If the Bidder believes that any provision in the solicitation for Bids is vague, ambiguous, conflicting or contrary to law, then the Bidder shall promptly bring its concern to the City by written notice specifying the provision(s) in question and the factual and legal bases for concern. Failure of the Bidder to raise any concern relating to a solicitation requirement within at least two (2) working days prior to the Bid due date will be deemed a waiver of the Bidder's right to protest based on alleged vague, ambiguous, conflicting or unlawful requirements in the solicitation.

2. Within five (5) calendar days after the opening of Bids, Bidder shall provide a written notice to the City of any and all mistakes regarding the Bid for which a Bidder requests relief. The City shall not consider any requests for relief due to mistake if notice is not received within the time requirements of Public Contract Code section 5100, *et seq.*, Relief of Bidders.

3. No later than five (5) calendar days after Bids are opened, the Bidder must submit in writing to the City an explanation of all legal and factual grounds for any protest. These requirements are to be strictly construed. Untimely protests and/or grounds not set forth in the protest will not be considered. Failure to timely protest or otherwise comply with the protest requirements will constitute a waiver of the right to challenge and forever bar the Bidder from challenging, whether before the City or any administrative or judicial tribunal, any particular Bid(s), the bidding process, or the Contract award on any ground not set forth in the protest. Upon receipt of a protest, the City will provide a copy to any Bidder whose Bid is challenged in the protest.

4. If a timely written protest is provided to the City at least two (2) business days before any City Council meeting at which the award of the Contract will be considered, then the City shall make reasonable efforts to provide the protesting Bidder with a written response to the protest prior to the City Council meeting. A copy of any City response will be provided to any other Bidder responding to the protest.

5. Notice of the date and time of the City Council meeting at which the award of the Contract for the Project shall be considered will be posted on the City's website.

6. Any Bidder complying with the above procedure may bring an action within sixty (60) days from the action of the City Council, in accordance with Sections 860 and 863 of the California Code of Civil Procedure, to determine the validity of the City Council's action on the award of the contract. The City shall be a defendant and shall be served with the summons and complaint in the action in the manner provided by law for the service of a summons in a civil action. In any such action the summons shall be in the form prescribed in Section 861.1 of the California Code of Civil Procedure except that in addition to being directed to "all persons interested in the matter of [specifying

the matter],” it shall also be directed to the City. If the bidder bringing such action fails to complete the publication and such other notice as may be prescribed by the court in accordance with Section 863 of the California Code of Civil Procedure and to file proof thereof in the action within 60 days from the filing of his complaint, the action shall be dismissed on the motion of the City unless good cause for such failure is shown by the bidder.

_____
Contractor

_____
Date

_____
Signature

ATTACHMENT E

AGREEMENT FOR SERVICES BETWEEN THE CITY OF ROCKLIN AND _____

This agreement is entered into between the City of Rocklin, through its Parks and Recreation Department ("City") and _____ ("Contractor") (collectively, the "Parties" and individually a "Party") for the purpose of _____.

Definitions

Section 1. RESPONSIBILITIES OF CONTRACTOR

A. Pursuant to the terms and conditions of this agreement, Contractor shall _____

[Scope of Work shall be included here]

B. Contractor shall assign and utilize only competent personnel to perform services pursuant to this Agreement. Contractor shall designate a project manager who at all times shall represent the Contractor before the City on all matters relating to this Contract. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Contractor, or is replaced with the written approval of the City, which approval shall not be unreasonably withheld. Contractor shall notify City in writing, of any other changes in Contractor's staff assigned to perform the services required under this Agreement, prior to any such performance. In the event the City desires the removal of any person assigned by Contractor to perform services pursuant to this Agreement, because the City in its sole discretion, determines that such person is not performing in accordance with the standards required herein, Contractor shall remove such person immediately upon receiving notice from the City of the desire for the removal of such person.

C. Contractor agrees and represents that it is qualified to properly provide the services set forth herein in a manner consistent with the generally accepted standards of Contractor's profession. Contractor is duly licensed, qualified and experienced to perform the services set forth in this Agreement. Contractor represents and warrants that it has all licenses, permits, qualifications and approvals of whatsoever nature that are legally required for Contractor to practice its profession or provide any services under this Agreement. Contractor represents and warrants that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits and approvals that are legally required for Contractor to practice its profession or provide such services. If Contractor is an out of state corporation, Contractor further warrants and represents that it possesses a valid certification of qualification to transact business in the State of California issued by the California Secretary of State. Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California. Contractor shall devote such time and effort to the performance of services pursuant to this

Agreement as is necessary for the satisfactory and timely performance of Contractor's obligations under this Agreement.

Section 2. RESPONSIBILITIES OF CITY

Pursuant to the terms and conditions of this agreement, City shall :

A. Compensate Contractor as prescribed in Sections 3 and 4 of this agreement and shall monitor the outcomes achieved by Contractor.
B. *Include other responsibilities of the City*

Section 3. COMPENSATION

A. Contractor shall be paid _____ for the services described in this agreement.

B. In no event shall the maximum amount payable under this agreement exceed $_____.

C. Contractor's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of agreement.

Section 4. BILLING AND PAYMENT

A. Contractor shall submit to Parks and Recreation Department within five days after completion of the services prescribed in Section 1, an itemized statement or invoice of services rendered. City shall make payment within 30 days of receipt of Contractor's correct and approved statement or invoice.

At minimum, all invoices submitted by Contractor shall contain the following information:

i. Job/project name or description;
ii. City's current purchase order and/or work order number (if applicable);
iii. Contractor's invoice number;
iv. Date of invoice issuance;
v. Description of services billed under invoice, including the description of tasks performed and the corresponding rate charged for the completion of that task;
vi. Amount of invoice, itemizing all authorized reimbursable expenses; and
vii. Total billed to date under agreement.

B. Compensation under this agreement shall be reduced by applicable Contractor revenues. The term "applicable Contractor revenues" refers to those receipts or reductions in expenditures or costs which operate to offset or reduce expense or cost items that are allocable to Contractor's compensation under this agreement (such as but not limited to: purchase discounts, rebates or allowances, insurance

refunds and adjustments or overpayment, or other erroneous charges). To the extent that applicable Contractor revenues, accruing or received by Contractor relate to allowable costs, they shall be credited to City either as a reduction, or a cash refund, as appropriate.

C. Should City, or the county, state, or federal government, disallow any amount claimed by or paid by City to Contractor, Contractor shall reimburse City, county, state or federal government, as directed by City or the state or federal government, for such disallowed cost.

D. Contractor shall pay when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of payment upon request. Contractor agrees to indemnify City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Contractor's breach of this section.

Section 5. TERM OF AGREEMENT

A. [The initial term of this agreement shall be for one year [or specify shorter period] beginning [date or "as of the last date it has been signed by both [all] Parties"] and ending [date]. The term of this agreement may be extended by City one [or two][or three][or four] additional one-year term [terms] [[*or*] shall be automatically renewed for one [or two][or three][or four] additional one-year term [terms] at the end of the initial term], under the same terms and conditions [if compensation increases after the first year, insert here, "except as provided in Section 3,"] unless written notice of non-renewal is provided by either Party to the other Party at least 30 days prior to the expiration of the initial term or the then current term. Notwithstanding the foregoing, City shall not be obligated for payments hereunder for any future City fiscal year unless or until the City Council appropriates funds for this agreement in the City's budget for that City fiscal year or fiscal years. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30 of the last City fiscal year for which funds for this agreement were appropriated. For the purposes of this agreement, the City fiscal year commences on July 1 and ends on June 30 of the following year. City shall notify Contractor in writing of such non-appropriation at the earliest possible date."] or ["The base term of this agreement shall be [period], beginning [date] and ending [date], provided that City may exercise one [or two] one-year option[s] to renew after the base term, under the same terms and conditions [describe exceptions] by notifying Contractor of such exercise, in writing, before the end of the term."]

B. Notwithstanding the foregoing, City shall not be obligated for providing its responsibilities hereunder for any future City fiscal year unless or until the City Council appropriates funds for the City's responsibilities in this agreement in the City's budget for that City fiscal year. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30 of the last City fiscal year for which funds for the City's responsibilities in this agreement were appropriated. For the purposes of this agreement, the City fiscal year commences

on July 1 and ends on June 30 of the following year. City shall notify Contractor in writing of such non-appropriation at the earliest possible date.

Section 6. TERMINATION OF AGREEMENT

A. If Contractor materially fails to perform Contractor's responsibilities under this agreement to the satisfaction of City, or if Contractor fails to fulfill in a timely and professional manner Contractor's responsibilities under this agreement, or if Contractor violates any of the terms or provisions of this agreement, then City shall have the right to terminate this agreement for cause effective immediately upon the City giving written notice thereof to Contractor. If termination for cause is given by City to Contractor and it is later determined that Contractor was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this Section.

B. City may terminate this agreement without cause on thirty (30) days written notice to Contractor.

C. City may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.

D. City's right to terminate this agreement may be exercised by the City Manager or their designee.

E. Should this agreement be terminated, Contractor shall promptly provide to City any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Contractor pursuant to this agreement in a format acceptable to City.

F. If this agreement is terminated, Contractor shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES

A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Contractor shall be entitled to no other benefits other than those specified herein. Contractor specifically acknowledges that in entering into and executing this agreement, Contractor relies solely upon the provisions contained in this agreement and no others.

B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments, including retroactive, that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Contractor and

City Manager or the City Manager's designee, provided that the amendment is in substantially the same format as the City's standard format amendment.

C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.

D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

E. Contract Documents. This Agreement and its exhibits shall be known as the "Contract Documents." Terms set forth in any Contract Document shall be deemed to be incorporated in all Contract Documents as if set forth in full therein. In the event of conflict between terms contained in these Contract Documents, the more specific term shall control. If any portion of the Contract Documents shall be in conflict with any other portion, provisions contained in the Contract shall govern over conflicting provisions contained in the exhibits to the Contract. In the event of any conflict between the terms or conditions of this written Agreement and any terms or conditions of any document prepared or provided by Contractor and made a part of this Agreement, including without limitation any document relating to the scope of services or payment therefor, the written terms of this document shall control over those terms or conditions.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER

Inasmuch as this agreement is intended to secure the specialized services of Contractor, Contractor may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of City. The waiver by City of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF CONTRACTOR

A. Contractor shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow City to exercise discretion or control over the professional manner in which Contractor performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Contractor shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of City is to ensure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Contractor shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Contractor were a City employee. City shall not be liable for deductions for any amount for any purpose from Contractor's compensation. Contractor shall not be eligible for coverage under City's workers' compensation insurance plan nor shall Contractor be

eligible for any other City benefit. Contractor must issue W-2 and 941 Forms for income and employment tax purposes, for all of Contractor's assigned personnel under the terms and conditions of this agreement.

[If Contractor is an out-of-state independent contractor, add:]

[B.] [City shall withhold seven percent of all income paid to Contractor under this agreement for payment and reporting to the California Franchise Tax Board because Contractor does not qualify as: (1) a corporation with its principal place of business in California, (2) a partnership with a permanent place of business in California, (3) a corporation qualified to do business in California by the Secretary of State, or (4) an individual with a permanent residence in the State of California.]

Section 10. INDEMNIFICATION

A. To the fullest extent permitted by law, Contractor shall indemnify and hold harmless City, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of the City Attorney and counsel retained by City, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Contractor, or by any of Contractor's subcontractors, any person employed under Contractor, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of City. Contractor shall also, at Contractor's own expense, defend the City, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against City, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this agreement by Contractor, or any of Contractor's subcontractors, any person employed under Contractor, or under any Subcontractor, or in any capacity. Contractor shall also defend and indemnify City for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless City with respect to Contractor's "independent contractor" status that would establish a liability on City for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this agreement.

B. The indemnification provisions are independent of, and shall not in any way be limited by, Contractor's insurance coverage or lack of coverage, or by the insurance requirements of this agreement. City acknowledgement or approval of Contractor's evidence of insurance coverage required by this agreement does not in any way relieve Contractor from its obligations under this Section.

[For any contract where a design professional is being contracted with, add the following paragraph (this is per Civil Code Section 2782.8):]

[C.] For professional services provided under this agreement, Contractor shall indemnify, defend, and hold harmless City, its elected officials, officers, employees, agents, and volunteers from and against any and all claims, demands, actions, losses, liabilities, damage, and costs, including reasonable attorneys' fees, arising out of or resulting from the negligent performance of the professional services provided under this agreement [or contract]. Contractor shall also, at Contractor's own expense, defend the City against any suit or action brought against City founded upon any claim, action or proceeding which is based upon the work or the provision of services undertaken pursuant to this agreement. Furthermore, the duty of Contractor includes the duty of defense, inclusive of that set forth in the California Civil Code Section 2778, and is subject to any limits provided for in Civil Code Section 2782.8. The words "professional services" shall be interpreted as defined in Civil Code section 2782.8, as it may be amended from time to time. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law.]

Section 11. INSURANCE REQUIREMENTS

Without limiting Contractor's duties of defense and indemnification, Contractor and any subcontractor agrees to have and maintain the policies set forth below, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor , its agents, representatives, or employees. All policies, endorsements, certificates, and/or binders shall be subject to approval by the City as to form and content. A lapse in any required insurance coverage during this Agreement shall be a breach of this Agreement.

A. **Minimum Scope and Limit of Insurance**

1. **Commercial General Liability (CGL)**: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability**: Insurance Services Office Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired (Code 8) and non-owned autos (Code 9), with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. **Workers' Compensation** as required by the State of California, with Statutory Limits and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease. If Contractor has no employees, Contractor must

notify City if an employee is hired, verify proof of coverage for any subcontractors, and agrees to hold City harmless and defend City from claims arising from failure to provide workers' compensation benefits. Contractor is aware of the provisions of the Labor Code, including section 3700, which require every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Contractor shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement.

[For agreements with architects, engineers, surveyors, Contractors, counselors, attorneys, accountants, information technology professionals, technical and professional instructors, clinics, clinicians, medical providers, and other "professionals" providing services requiring professional knowledge, add:]

4. **Professional Liability (Errors and Omissions)**: Insurance appropriate and applicable to the Contractor's profession and the services and work being performed, with limits of not less than $2,000,000 per occurrence or claim, $2,000,000 aggregate. Professional liability coverage shall extend for at least five years after completion of the Contractor's services under this Agreement.

[INSERT NEXT CONSECUTIVE PARAGRAPH #] Contractor shall require its subcontractors, if any, to carry and maintain insurance coverage and evidence that equals or exceeds the coverage requirements imposed upon Contractor by this agreement.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

B. **Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status**. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

2. **Primary Coverage**. For any claims related to this Contract, the Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, or volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees

or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. **Umbrella or Excess Policy**. The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this Agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess Policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

4. **Notice of Cancelation**. Each insurance policy required above shall provide that coverage shall not be canceled, except with 30 days' notice to the City, with ten days notice of cancelation due to non-payment. Further, in the event coverage is reduced or canceled, or otherwise materially changed, a notice of said reduction or cancellation or change shall be provided to City within 24 hours.

5. **Waiver of Subrogation**. Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

6. **Self-Insured Retentions**. Self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

7. **Acceptability of Insurers**. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

8. **Claims Made Policies**. If any of the required policies for professional liability insurance provide claims-made coverage:

   a. The Retroactive Date must be shown and must be before the date of the Contract or the beginning of contract work.

   b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

9. **Verification of Coverage**. Contractor shall furnish the City with original Certificate of Insurance including all required amendatory endorsements (or copies of the applicable policy language affecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Further, any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City of Rocklin, its elected officials, officers, employees, agents, or volunteers.

10. **Subcontractors**. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

11. **Special Risks or Circumstances**. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Section 12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE

A. If any claim for damages is filed with Contractor or if any lawsuit is instituted concerning Contractor's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect City, Contractor shall give prompt and timely notice thereof to City. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.

B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Placer County.

Section 13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION

A. Contractor shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.

B. Contractor shall not unlawfully discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.

C. Contractor represents that Contractor is in compliance with and agrees that Contractor shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq*.), the Fair Employment and Housing Act (Government Code sections 12900, *et seq*.), and regulations and guidelines issued pursuant thereto. Furthermore, where applicable, Contractor represents and warrants all websites created for City, or used by Contractor to provide services pursuant to this agreement shall comply with the Americans with Disabilities Act of 1990 and shall specifically conform to the Web Content Accessibility Guidelines found at www.w3.org.7., and comply with section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), Subpart B, 1194.22.

D. In addition to any other provisions of this agreement, Contractor shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Contractor's noncompliance with the provisions of this section.

Section 14. ACCESS TO RECORDS; RECORDS RETENTION

A. City, federal, and state officials shall have access to any books, documents, papers, and records of Contractor that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Contractor or City. Except where longer retention is required by federal or state law, Contractor shall maintain all records for five years after City makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.

B. Contractor shall maintain appropriate records to ensure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Contractor shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to City during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by City, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.

C. Contractor agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or City audit

directly related to the provisions of this agreement. Contractor agrees to repay City the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Contractor agrees that City may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Contractor.

D. During performance of the agreement and for a period of three (3) years after completing all services, Contractor shall maintain all accounting and financial records related to this Agreement, including but not limited to records of Contractor's costs for all services performed under this Agreement and records of Contractor's reimbursable expenses, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the City upon reasonable written notice.

Section 15. LICENSES AND PERMITS

Contractor, and Contractor's officers, employees, and agents performing the work or services required by this agreement, shall possess and maintain, at its sole cost and expense, all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Placer, the City of Rocklin, and all other appropriate governmental agencies, including any certification and credentials required by City. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by City.

Section 16. PERFORMANCE STANDARDS

Contractor shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Contractor's work or services.

Section 17. CONFLICTS OF INTEREST

Contractor and Contractor's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

Section 18. NOTICES

A. Except as provided in Section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to City: [Insert Title] (e.g., City Manager or Department Head's title, not an individual's name);
[Department]
[Mailing Address]
[Telephone and FAX and/or Email]

If to Contractor: [Insert full name of Contractor]
[Contractor's mailing address]
[Telephone and FAX and/or Email]

B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 18.A. and shall be deemed to be effective immediately.

C. Unless otherwise stated in this agreement, any written or oral notices on behalf of the City as provided for in this agreement may be executed and/or exercised by the City Manager or their designee.

Section 19. AGREEMENT PREPARATION

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

Section 20. COMPLIANCE WITH POLITICAL REFORM ACT

Contractor shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the City's Conflict of Interest Code, with regard to any obligation on the part of Contractor to disclose financial interests and to recuse from influencing any City decision which may affect Contractor's financial interests. If required by the City's Conflict of Interest Code, Contractor shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

Section 21. SEVERABILITY

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or City ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

Section 22. CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700 [Labor Code § 1861]

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers'

compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

CONTRACTOR

By: _____
[Name, Title]

Section 23. POWER AND AUTHORITY TO ENTER INTO AGREEMENT

All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which Contractor is obligated, which breach would have a material effect hereon.

Section 24. OWNERSHIP OF WORK

To the extent Contractor's scope of services requires any of the following work or services, all research data, reports, and every other work product of any kind or character arising from or relating to this agreement shall become the property of the City and be delivered to the City upon completion of its authorized use pursuant to this agreement with the exception of informal communications such as emails and staff notes, whether those communications or notes are internal to Contractor's staff or between Contractor and any subContractors. City may use Contractor's such work products for any purpose whatsoever. City acknowledges that its alteration of documents without consent of Contractor, or use of the documents for any purpose unrelated to this agreement's purposes, is at the City's own risk and without liability to Contractor. All works produced under this agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the City without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, Contractor shall retain all of Contractor's rights in Contractor's own proprietary information, including, without limitation, Contractor's methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by Contractor prior to, or acquired by Contractor during the performance of this agreement and Contractor shall not be restricted in any way with respect thereto.

Section 25. USE OF CITY PROPERTY

Contractor shall not use City premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of Contractor's obligations under this agreement.

Section 26. COUNTERPARTS/ELECTRONIC, FACSIMILE, AND PDF SIGNATURES

This agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this agreement. The Parties further agree that the electronic signatures of the Parties included in this agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among Parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the Parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (h) of Section 1633.2 of the Civil Code. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

[If the City has any other agreements currently in place with the Contractor, then add the following section:]

[**Section 27**. **APPLICATION OF OTHER AGREEMENTS**

Contractor and Contractor's officers, agents, employees, and volunteers, and any of Contractor's subcontractors shall comply with all terms and provisions imposed upon any subcontractor of City by the [Insert Name of Agreement] between the City of Rocklin and [Insert Name of contracting party], attached to this agreement as Exhibit ___ and incorporated by this reference.]

SIGNATURE PAGE FOLLOWS

ATTACHMENT E

IN WITNESS WHEREOF, City and Contractor have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that they have the authority to execute this agreement and to bind the Party on whose behalf their execution is made.

CITY OF ROCKLIN

By: _____ Date: _____
Aly Zimmermann, City Manager
City of Rocklin

APPROVED AS TO FORM:
MATTHEW McOMBER
CITY ATTORNEY

By: _____
Matthew McOmber, City Attorney

ATTEST:

By: _____
Avinta Singh, City Clerk

CONTRACTOR

By: _____ Date: _____
Contractor
Tax I.D.#: _____

ATTACHMENT E

SPECIAL PROVISIONS
Janitorial Services for City of Rocklin Park Facilities

1. Business License

    - Contractor and all subcontractors will be required to obtain, at their cost, the appropriate business license.

2. Site Security and Cleanup

    - Contractor is responsible to keep site secured at all times and free from hazards. All equipment, materials, and supplies shall be secured throughout

ATTACHMENT F

Janitorial and Security for City of Rocklin Park Facilities

The City of Rocklin Park Restrooms locations and descriptions are the following:

- Whitney Ranch Community Park, 1801 Whitney Ranch Parkway
  - 6 Single commode restrooms
- Margaret Azevedo Community Park, 1900 Wildcat Blvd.
  - 2 Single commode restrooms
- Kathy Lund Community Park, 6101 West Oaks Blvd.
  - 4 Single commode restrooms
  - Men's Restroom with 2 urinals and 1 stall
  - Women's Restroom with 3 stalls
- Twin Oaks Community Park, 5500 Park Drive
  - Men's restroom with 2 urinals and 2 stalls
  - Women's Restroom with 3 stalls
- Johnson-Springview Community Park, 5480 5th Street
  - 4 Single commode restrooms (near pavilions)
  - 2 Single commode restrooms (major field)
  - 2 Single commode restrooms (softball field)
  - Men's restroom with 1 urinal and 1 stall (minor field)
  - Women's restroom with 2 stalls (minor field)
- Memorial Park, 3970 Rocklin Road
  - 2 Single commode restrooms

Scope of Work
The following work will be performed

- **Daily Restroom Cleaning at Park Restrooms Listed Above**
  - Clean and sanitize toilets, sinks and restrooms floor.
  - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
  - Sweep floors and remove any debris
  - Dust top to bottom/Remove cobwebs
  - Restock all paper products, hand soap and dispensers (material provided by City)
  - Keep pipe chases stocked with toilet paper
  - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
  - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
  - Remove toilet paper/seat covers stuck on ceilings/walls
  - Communicate any repairs/issues, graffiti vandalism to City staff
- **Sunday Trash Removal Services**
  - Trash removal at the five (5) Community Park locations listed above. The removal of trash is specific to the pavilion areas of the locations, with the

exception of Johnson-Springview Community Park which includes the six (6) ballfields.
    - As requested on task order basis
    - Contractor to provide 2 mil, 40-gallon capacity trash liners
- **Monthly Restroom Cleaning at Peter Hill Heritage Park (5251 Front Street) and Sunset Whitney Recreation Area Shop (4201 Midas Avenue) Restrooms**
    - Clean and sanitize toilets, sinks and restrooms floor.
    - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
    - Sweep floors and remove any debris
    - Dust top to bottom/Remove cobwebs
    - Restock all paper products, hand soap and dispensers (material provided by City)
    - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
    - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
    - Remove toilet paper/seat covers stuck on ceilings/walls
    - Communicate any repairs/issues, graffiti vandalism to City staff
- **As Needed Cleaning at Quarry Park Amphitheater (4000 Rocklin Road)**
    - Stage Restrooms
        - Clean and sanitize toilets, sinks and restrooms floor.
        - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
        - Sweep floors and remove any debris
        - Dust top to bottom/Remove cobwebs
        - Restock all paper products, hand soap and dispensers (material provided by City)
        - Keep pipe chases stocked with toilet paper
        - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
        - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
        - Remove toilet paper/seat covers stuck on ceilings/walls
        - Communicate any repairs/issues, graffiti vandalism to City staff
    - Green Room
        - Clean restroom
            - Clean and sanitize toilets, sinks, counters and restroom floor
            - Sweep floors and remove any debris
            - Restock all paper products, hand soap and dispensers (material provided by city)
        - Vacuum floors

        - Wipe down horizontal surfaces (counter tops, tables, etc…)
        - Remove trash, replace liners
- **Daily Security**
    - Unlock (Between 4:00 AM and 7:00 AM) and Lock (between 7:30 PM and 11 PM) the following locations:
        - Restrooms at 5 Community Parks – Whitney Ranch, Margaret Azevedo, Kathy Lund, Twin Oaks, Johnson-Springview
        - Train Station for business access, 3700 Rocklin Road
        - Park access gate at Sunset Whitney Recreation Area, 4201 Midas Avenue
        - Park access gate at Boulder Ridge Park, 3555 Park Drive
        - Main parking lot gate at Margaret Azevedo Community Park
        - Ballfield access road gate at Johnson-Springview Community Park
- **Dog Park Trashing Service (Monday – Saturday)**
    - Remove trash from 8 trash bins to designated area and replace trash liners (trash liners provided by contractor)
    - Blow/clear the concrete walkway/entrance to the dog park
    - Walk through dog park area and check for additional dog feces and remove
    - Check and replenish, as necessary, the dog poop trash bags in the dog poop bag stations (dog poop trash bags provided by the City)

ADDENDUM NO. 1
TO THE PLANS AND SPECIFICATIONS FOR THE
JANITORIAL AND SECURITY SERVICES FOR
CITY OF ROCKLIN PARKS

This addendum covers changes to the Plans and Specifications and shall become part of the contract documents. It is a mandatory requirement of a bidder to sign and include this addendum as part of your bid package.

PRE-BID QUESTIONS AND CLARIFICATIONS

Item #1 – Clarify Pre-bid Meeting Day, Date and Time –

The pre-bid meeting is **Tuesday**, October 14, 2025, 10:00 am, not Wednesday as previously identified in the October 3, 2025 newspaper posting in the Placer Herald.

End of Addendum No. 1

Signature of Bidder: _____

_____ _____

Contractor Date

SUBMIT THIS SHEET AS PART OF YOUR BID PACKAGE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ADDENDUM NO. 2
TO THE PLANS AND SPECIFICATIONS FOR THE
JANITORIAL AND SECURITY SERVICES FOR
CITY OF ROCKLIN PARKS

This addendum covers changes to the Plans and Specifications and shall become part of the contract documents. It is a mandatory requirement of a bidder to sign and include this addendum as part of your bid package.

PRE-BID QUESTIONS AND CLARIFICATIONS

Item #1 – Reminder: Clarifying Pre-bid Meeting Day, Date and Time –

Reminder: The pre-bid meeting is **Tuesday**, October 14, 2025, 10:00 am, not Wednesday as previously identified in the October 3, 2025 newspaper posting in the Placer Herald.

Item #2 – The sealed Bid has been updated –

The Sealed Bid has been updated. Replace the existing Sealed Bid Form with Exhibit A.

End of Addendum No. 2

Signature of Bidder: _____

_____ _____

Contractor Date

SUBMIT THIS SHEET AS PART OF YOUR BID PACKAGE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

CITY OF ROCKLIN
SEALED BID

(MUST BE SIGNED BY BIDDER)

Sealed Bids will be received not later than Time 1:00 p.m. on Tuesday, October 28, 2025 at the office of the City Clerk 3970 Rocklin Road, Rocklin, and opened at 1:00 p.m. or as soon thereafter as business allows.

TO THE HONORABLE CITY COUNCIL:
The undersigned hereby proposes and agrees to furnish any and all required labor, material, equipment transportation, and services for

Janitorial and Security Services for City of Rocklin Park Facilities

in the City of Rocklin, County of Placer, California.

The work is to be done in strict conformity with the Contract Documents, at the following Lump Sum and/or Unit Prices:

		Cost Per Service				
Item No.	Service Description	2026	2027	2028 (Leap Year)	2029	2030
1	**Restroom Cleaning - Sunday - Friday**	313 Days	313 Days	313 Days	313 Days	313 Days
1A	Whitney Ranch Community Park					
1B	Margaret Azevedo Community Park					
1C	Kathy Lund Community Park					
1D	Twin Oaks Community Park					
1E	Johnson Springview Community Park					
1F	Memorial Park					
1	**TOTAL - For each Column Add Items 1A-1F, then multiply by number of service days in year - see line 1 above)**					
2	**Sunday Trash Removal Services**	52 Sundays	52 Sundays	53 Sundays	52 Sundays	52 Sundays
2A	Whitney Ranch Community Park					
2B	Margaret Azevedo Community Park					
2C	Kathy Lund Community Park					
2D	Twin Oaks Community Park					
2E	Johnson Springview Community Park					
2	**TOTAL - For each Column Add Items 2A-2E, then multiply by number of Sundays in year - see line 2 above)**					

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

		Cost Per Service				
Item No.	Service Description	2026	2027	2028 (Leap Year)	2029	2030
3	**Restroom Cleaning - Monthly**					
3A	Heritage Park					
3B	SWRA Shop Restroom					
3	**TOTAL - For each Column Add Items 3A-3B, then multiply by 12 (Number of Months in Year)**					
4	**Restroom Green Room Cleaning - As Needed**					
4A	Stage Restrooms					
4B	Green Room					
4	**TOTAL - For each Column Add Items 4A-4B, then multiply 50 (Estimated Services per year)**					
5	**Restroom Security - Lock & Unlock Park Facilities - Daily**	**365 Days**	**365 Days**	**366 Days**	**365 Days**	**365 Days**
5A	Train Station, 3700 Rocklin Road (Business Access)					
5B	Whitney Ranch Community Park, 1801 Whitney Ranch Parkway (Park Restrooms)					
5C	Margaret Azevedo Community Park, 1900 Wildcat Boulevard (Park Restrooms & Access Gate)					
5D	Kathy Lund Community Park, 6101 West Oaks Boulevard (Park Restrooms)					
5E	Twin Oaks Community Park, 5500 Park Drive (Park Restrooms)					
5F	Johnson Springview Community Park, 5480 5th Street (Park Restrooms)					
5G	Memorial Park, 3970 Rocklin Road (Park Restrooms)					
5H	Boulder Ridge Park, 3555 Park Drive (Park Access Gate)					
5I	Sunset Whitney Recreation Area, 4201 Midas Ave. (Park Access Gate)					
5	**TOTAL - For each Column Add Items 5A-5I, then multiply by number of days in year, line 5 above)**					

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

		Cost Per Service				
Item No.	Service Description	2026	2027	2028	2029	2030
6	Dog Park Trashing Service (Monday - Saturday)					
6A	Johnson-Springview Park					
6	TOTAL - For each Column multiply Item 6A by 313 (Total Days in year less Sundays)					
7	Emergency Service					
7A	Emergency Hourly Rate					
7	TOTAL - For each Column multiply Item 7A by 50 (Estimated Emergency Hours per Year)					

		Cost Per Year				
		2026	2027	2028	2029	2030
Bid Totals	For Each Column Add the totals for Lines 1 - 7					
	Project Bid Total (Add all "Cost Per Year" totals from above row)					

Total Project Bid, Project Bid Total shall be (spell out) _____Dollars.

If awarded the Contract, the undersigned shall execute said Contract and furnish any necessary Performance and Payment Bonds and insurance within ten (10) calendar days after the Notice of Award of said Contract and begin work per the terms of the Contract.

In determining the amount bid by each bidder, the City shall disregard mathematical errors in addition, subtraction, multiplication, and division that appear obvious on the face of the Bid. When such a mathematical error appears on the Bid, the City shall have the right to correct such error and to compute the total amount bid by said bidder on the basis of the corrected figure or figures.

When an item price is required to be set forth in the Bid, and the total for the item set forth separately does not agree with a figure which is derived by multiplying the item price times the City's estimate of the quantity of work to be performed for said item, the item price shall prevail over the sum set forth as the total for the item unless, in the sole discretion of the City, such a procedure would be inconsistent with the policy of the bidding procedure. The total paid for each such item of work shall be based upon the item price and not the total price. Should the Bid contain only a total price for the item and the item price is omitted, the City shall determine the item price by dividing the total price for the item by City's estimate of the estimated quantities of work to be performed as items of work.

If the Bid contains neither the item price nor the total price for the item, then it shall be deemed incomplete and the Bid shall be disregarded.

The undersigned represents and warrants that the undersigned has examined the location of the proposed work and is familiar with the local conditions at the place where the work is to be done, and

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

the undersigned has reviewed and understands the plans, specifications and other Contract Documents, and the undersigned is satisfied with all conditions for the performance of the work.

The undersigned has checked carefully all of the above figures and understands that the City of Rocklin will not be responsible for any errors or omissions on the part of the undersigned in making up this Bid.

The Contractor shall initial below that it has received the appropriate addenda and has incorporated the addenda into its Bid.

Addenda Received and Acknowledged

No. 1 _____

No. 2 _____

No. 3 _____

The undersigned Bidder agrees that the information and representations provided herein are made under penalty of perjury.

NOTE: If Bidder is a corporation, the legal name of the corporation shall be set forth below, together with the signatures of authorized officers or agents and the document shall bear the corporate seal; if Bidder is a partnership, the true name of the firm shall be set forth below together with the signature of the partner or partners authorized to sign contracts on behalf of the partnership; and if Bidder is an individual, his/her signature shall be placed below.

SIGNATURE IS ON SEPARATE PAGE TO PERMIT BLIND SELECTION/RANKING OF BIDDERS, IF APPLICABLE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

NAME OF BIDDER:

_____

Affix Corporate Seal Here

BY: _____
Signature

_____
Type/Print Name

_____
Title

DATE: _____

Valid Contractor's License No. (if applicable): _____

Expiration date: _____

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ADDENDUM NO. 3
TO THE PLANS AND SPECIFICATIONS FOR THE
JANITORIAL AND SECURITY SERVICES FOR
CITY OF ROCKLIN PARKS

This addendum covers changes to the Plans and Specifications and shall become part of the contract documents. It is a mandatory requirement of a bidder to sign and include this addendum as part of your bid package.

PRE-BID QUESTIONS AND CLARIFICATIONS

Item #1 – Pre-Bid Meeting Sign In Sheet –

The pre-bid meeting sign in sheet is attached as Exhibit A

Item #2 – Scope of Work has been updated –

The Scope of Work (Attachment F of the Sample Contract) has been updated. Replace existing Scope of Work in the bid book with Exhibit B.

End of Addendum No. 3

Signature of Bidder: _____

_____ _____

Contractor Date

SUBMIT THIS SHEET AS PART OF YOUR BID PACKAGE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

City of Rocklin
Mandatory Pre-Bid Meeting Sign-In Sheet
October 14, 2025, 10:00 a.m.

Janitorial and Security for City of Rocklin Parks

	NAME	COMPANY	PHONE		E-MAIL ADDRESS
1	John E Bayan	Nobelguard Security Inc	279-600 9335		john@nobelguardsecurity.com
2	SERGIO ALVAREZ	UNIVERSAL BLDG. SERVICES	(916) 638-1078		sergio@ubsco.com
3	Chris Barela	Integrated Facilities Services	(916) 532-8110		Chris@IFServices.com
4	Mike Davis	Four Star Building Maint	9168832351		Mike@4starmaintenance.com
5	Mo Bayan	X Cleaning LLC	2792825200 / 2799770052	info@xcleaningllc.com	info@xcleaningllc.com
6					
7					
8					
9					
10					
11					
12					

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

EXHIBIT B

ATTACHMENT F

Janitorial and Security for City of Rocklin Park Facilities

The City of Rocklin Park Restrooms locations and descriptions are the following:

- Whitney Ranch Community Park, 1801 Whitney Ranch Parkway
  - 6 Single commode restrooms
- Margaret Azevedo Community Park, 1900 Wildcat Blvd.
  - 2 Single commode restrooms
- Kathy Lund Community Park, 6101 West Oaks Blvd.
  - 4 Single commode restrooms
  - Men's Restroom with 2 urinals and 1 stall
  - Women's Restroom with 3 stalls
- Twin Oaks Community Park, 5500 Park Drive
  - Men's restroom with 2 urinals and 2 stalls
  - Women's Restroom with 3 stalls
- Johnson-Springview Community Park, 5480 5th Street
  - 4 Single commode restrooms (near pavilions)
  - 2 Single commode restrooms (major field)
  - 2 Single commode restrooms (softball field)
  - Men's restroom with 1 urinal and 1 stall (minor field)
  - Women's restroom with 2 stalls (minor field)
- Memorial Park, 3970 Rocklin Road
  - 2 Single commode restrooms

Scope of Work
The following work will be performed

- **Sunday - Thursday Restroom Cleaning at Park Restrooms Listed Above**
  - Clean and sanitize toilets, sinks and restrooms floor.
  - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
  - Sweep floors and remove any debris
  - Dust top to bottom/Remove cobwebs
  - Restock all paper products, hand soap and dispensers (material provided by City)
  - Keep pipe chases stocked with toilet paper
  - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
  - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
  - Remove toilet paper/seat covers stuck on ceilings/walls
  - Communicate any repairs/issues, graffiti vandalism to City staff
- **Sunday Trash Removal Services**
  - Trash removal at the five (5) Community Park locations listed above. The removal of trash is specific to the pavilion areas of the locations, with the exception of Johnson-Springview Community Park which includes the six (6) ballfields.
  - As requested on task order basis
  - Contractor to provide 2 mil, 40-gallon capacity trash liners
- **Monthly Restroom Cleaning at Peter Hill Heritage Park (5251 Front Street) and Sunset Whitney Recreation Area Shop (4201 Midas Avenue) Restrooms**
  - Clean and sanitize toilets, sinks and restrooms floor.

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

- Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
- Sweep floors and remove any debris
- Dust top to bottom/Remove cobwebs
- Restock all paper products, hand soap and dispensers (material provided by City)
- Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
- Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
- Remove toilet paper/seat covers stuck on ceilings/walls
- Communicate any repairs/issues, graffiti vandalism to City staff

- **As Needed Cleaning at Quarry Park Amphitheater (4000 Rocklin Road)**
  - Stage Restrooms
    - Clean and sanitize toilets, sinks and restrooms floor.
    - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
    - Sweep floors and remove any debris
    - Dust top to bottom/Remove cobwebs
    - Restock all paper products, hand soap and dispensers (material provided by City)
    - Keep pipe chases stocked with toilet paper
    - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
    - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
    - Remove toilet paper/seat covers stuck on ceilings/walls
    - Communicate any repairs/issues, graffiti vandalism to City staff
  - Green Room
    - Clean restroom
      - Clean and sanitize toilets, sinks, counters and restroom floor
      - Sweep floors and remove any debris
      - Restock all paper products, hand soap and dispensers (material provided by city)
    - Vacuum floors
    - Wipe down horizontal surfaces (counter tops, tables, etc…)
    - Remove trash, replace liners
- **Daily Security**
  - Unlock (Between 4:00 AM and 7:00 AM) and Lock (between 7:30 PM and 11 PM) the following locations:
    - Restrooms at 5 Community Parks – Whitney Ranch, Margaret Azevedo, Kathy Lund, Twin Oaks, Johnson-Springview
    - Restrooms at Memorial Park
    - Train Station for business access, 3700 Rocklin Road
    - Park access gate at Sunset Whitney Recreation Area, 4201 Midas Avenue
    - Park access gate at Boulder Ridge Park, 3555 Park Drive
    - Main parking lot gate at Margaret Azevedo Community Park
    - Ballfield access road gate at Johnson-Springview Community Park
- **Dog Park Trashing Service (Monday – Saturday)**
  - Remove trash from 8 trash bins to designated area and replace trash liners (trash liners provided by contractor)

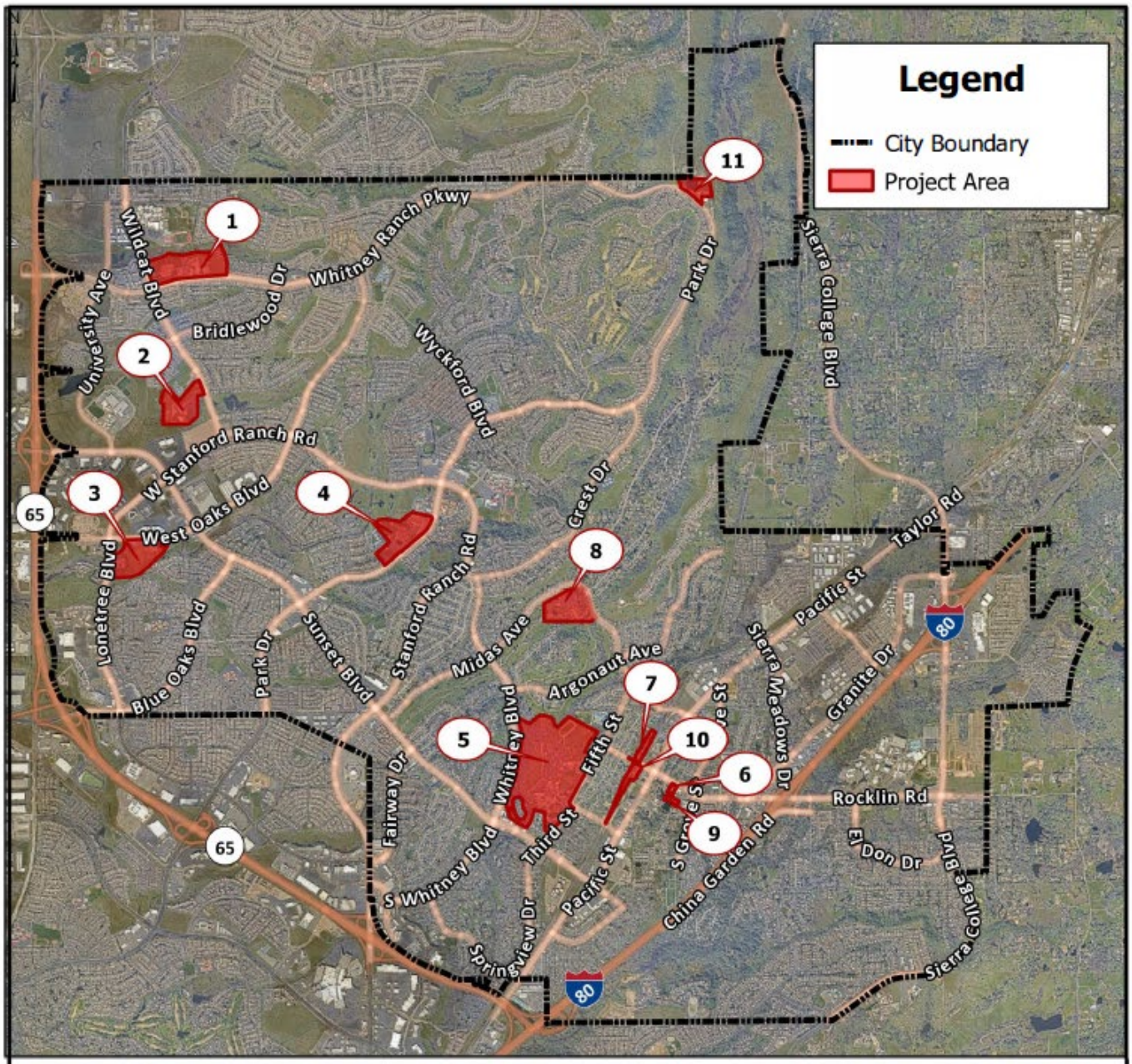
Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

- Blow/clear the concrete walkway/entrance to the dog park
- Walk through dog park area and check for additional dog feces and remove
- Check and replenish, as necessary, the dog poop trash bags in the dog poop bag stations (dog poop trash bags provided by the City)

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ATTCHMENT F

Exhibit A



Project Locations

1.	Whitney Ranch Community Park	1801 Whitney Ranch Pkwy.
2.	Margaret Azvedo Community Park	1900 Wildcat Blvd.
3.	Kathy Lund Community Park	6101 West Oaks Blvd.
4.	Twin Oaks Community Park	5500 Park Dr.
5.	Johnson-Springview Community Park	5480 5th St.
6.	Memorial Park	3970 Rocklin Rd.
7.	Peter Hill Heritage Park	5251 Front St.
8.	Sunset Whitney Recreation Area Shop	4201 Midas Ave.
9.	Quarry Park Amphitheater	4000 Rocklin Rd.
10.	Train Station	3700 Rocklin Rd.
11.	Boulder Ridge Park	3555 Park Dr.

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ADDENDUM NO. 4
TO THE PLANS AND SPECIFICATIONS FOR THE
JANITORIAL AND SECURITY SERVICES FOR
CITY OF ROCKLIN PARKS

This addendum covers changes to the Plans and Specifications and shall become part of the contract documents. It is a mandatory requirement of a bidder to sign and include this addendum as part of your bid package.

PRE-BID QUESTIONS AND CLARIFICATIONS

Item #1 – Scope of Work has been updated –

The Scope of Work (Attachment F of the Sample Contract) has been updated. The scope of work for Restroom Cleaning showed "Sunday – Thursday", while the Bid Detail showed "Sunday – Friday." The Bid Detail "Sunday – Friday" is correct, the scope of work has been updated to match. Replace existing Scope of Work in the bid book with Exhibit A.

Item #2 – Will Sunday trash removal at the community park Pavilion areas include the adjacent Baseball field trash cans?

Yes, we would like trash removal at all of the baseball backstop/snack bar areas at all of the community parks on Sundays when the Pavilion Areas are serviced.

Item #3 – Trash at the Park is only done on Sunday (1x per week), correct?

Correct, trash service is performed once weekly on Sunday mornings.

Item #4 – How many garbage cans are there at each park?

Johnson-Springview:	***Kathy Lund:***	***Whitney Ranch:***
Pavilion (12)	Pavilions (12)	Pavilion (15)
Baseball fields (20)	Softball (27)	Baseball (20)
Twin Oaks:	***Margaret Azevedo:***	
Baseball (12)	Pavilion/Play structure (7)	
	Baseball (4)	

Item #5 – What is meant by "Pavilion Area"?

A "pavilion area" is defined as multiple picnic tables located under a shade structure and the adjoining area (Play structure/Water toy and the connecting sidewalks)

Item #6 – Does each park have one (Pavilion Area)?

All community parks have Pavilions, with the exception of Twin Oaks Community Park. At Johnson-Springview and Whitney Ranch community parks the "Pavilion areas" refer to the main pavilions located adjacent to the water play features. At Lund Community Park, the

term encompasses the four shade structures surrounding the water play area, and the trash cans utilized by pavilion users.

Item #7 – What is the total garbage cans that we are responsible for?

There are 129 pavilion area/baseball field trash cans in total.

Item #8 – Can you please confirm whether bid security (or bid bond) is mandatory for this solicitation, and if so, specify the required amount or percentage of the total bid value?

No bid security (bid bond) is required

End of Addendum No. 4

Signature of Bidder: _____

_____ _____

Contractor Date

SUBMIT THIS SHEET AS PART OF YOUR BID PACKAGE

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

EXHIBIT A

ATTACHMENT F

Janitorial and Security for City of Rocklin Park Facilities

The City of Rocklin Park Restrooms locations and descriptions are the following:

- Whitney Ranch Community Park, 1801 Whitney Ranch Parkway
  - 6 Single commode restrooms
- Margaret Azevedo Community Park, 1900 Wildcat Blvd.
  - 2 Single commode restrooms
- Kathy Lund Community Park, 6101 West Oaks Blvd.
  - 4 Single commode restrooms
  - Men's Restroom with 2 urinals and 1 stall
  - Women's Restroom with 3 stalls
- Twin Oaks Community Park, 5500 Park Drive
  - Men's restroom with 2 urinals and 2 stalls
  - Women's Restroom with 3 stalls
- Johnson-Springview Community Park, 5480 5th Street
  - 4 Single commode restrooms (near pavilions)
  - 2 Single commode restrooms (major field)
  - 2 Single commode restrooms (softball field)
  - Men's restroom with 1 urinal and 1 stall (minor field)
  - Women's restroom with 2 stalls (minor field)
- Memorial Park, 3970 Rocklin Road
  - 2 Single commode restrooms

Scope of Work
The following work will be performed

- **Sunday - Friday Restroom Cleaning at Park Restrooms Listed Above**
  - Clean and sanitize toilets, sinks and restrooms floor.
  - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
  - Sweep floors and remove any debris
  - Dust top to bottom/Remove cobwebs
  - Restock all paper products, hand soap and dispensers (material provided by City)
  - Keep pipe chases stocked with toilet paper
  - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
  - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
  - Remove toilet paper/seat covers stuck on ceilings/walls
  - Communicate any repairs/issues, graffiti vandalism to City staff
- **Sunday Trash Removal Services**
  - Trash removal at the five (5) Community Park locations listed above. The removal of trash is specific to the pavilion areas and ball fields of the locations, with the exception of Johnson-Springview Community Park which includes the six (6) ballfields.
  - As requested on task order basis
  - Contractor to provide 2 mil, 40-gallon capacity trash liners
- **Monthly Restroom Cleaning at Peter Hill Heritage Park (5251 Front Street) and Sunset Whitney Recreation Area Shop (4201 Midas Avenue) Restrooms**

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

- Clean and sanitize toilets, sinks and restrooms floor.
- Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
- Sweep floors and remove any debris
- Dust top to bottom/Remove cobwebs
- Restock all paper products, hand soap and dispensers (material provided by City)
- Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
- Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
- Remove toilet paper/seat covers stuck on ceilings/walls
- Communicate any repairs/issues, graffiti vandalism to City staff

- **As Needed Cleaning at Quarry Park Amphitheater (4000 Rocklin Road)**
  - Stage Restrooms
    - Clean and sanitize toilets, sinks and restrooms floor.
    - Clean and sanitize stall partitions and walls surrounding the toilets and stainless-steel dispenser/fixtures
    - Sweep floors and remove any debris
    - Dust top to bottom/Remove cobwebs
    - Restock all paper products, hand soap and dispensers (material provided by City)
    - Keep pipe chases stocked with toilet paper
    - Spray disinfecting chemical and hose down with water to clean/disinfect the restroom according to the standard restroom cleaning procedures (Once a month as determined by City)
    - Removal of small graffiti from walls only if found (2'x2' area only, larger areas will be handled by City)
    - Remove toilet paper/seat covers stuck on ceilings/walls
    - Communicate any repairs/issues, graffiti vandalism to City staff
  - Green Room
    - Clean restroom
      - Clean and sanitize toilets, sinks, counters and restroom floor
      - Sweep floors and remove any debris
      - Restock all paper products, hand soap and dispensers (material provided by city)
    - Vacuum floors
    - Wipe down horizontal surfaces (counter tops, tables, etc…)
    - Remove trash, replace liners
- **Daily Security**
  - Unlock (Between 4:00 AM and 7:00 AM) and Lock (between 7:30 PM and 11 PM) the following locations:
    - Restrooms at 5 Community Parks – Whitney Ranch, Margaret Azevedo, Kathy Lund, Twin Oaks, Johnson-Springview
    - Restrooms at Memorial Park
    - Train Station for business access, 3700 Rocklin Road
    - Park access gate at Sunset Whitney Recreation Area, 4201 Midas Avenue
    - Park access gate at Boulder Ridge Park, 3555 Park Drive
    - Main parking lot gate at Margaret Azevedo Community Park
    - Ballfield access road gate at Johnson-Springview Community Park
- **Dog Park Trashing Service (Monday – Saturday)**

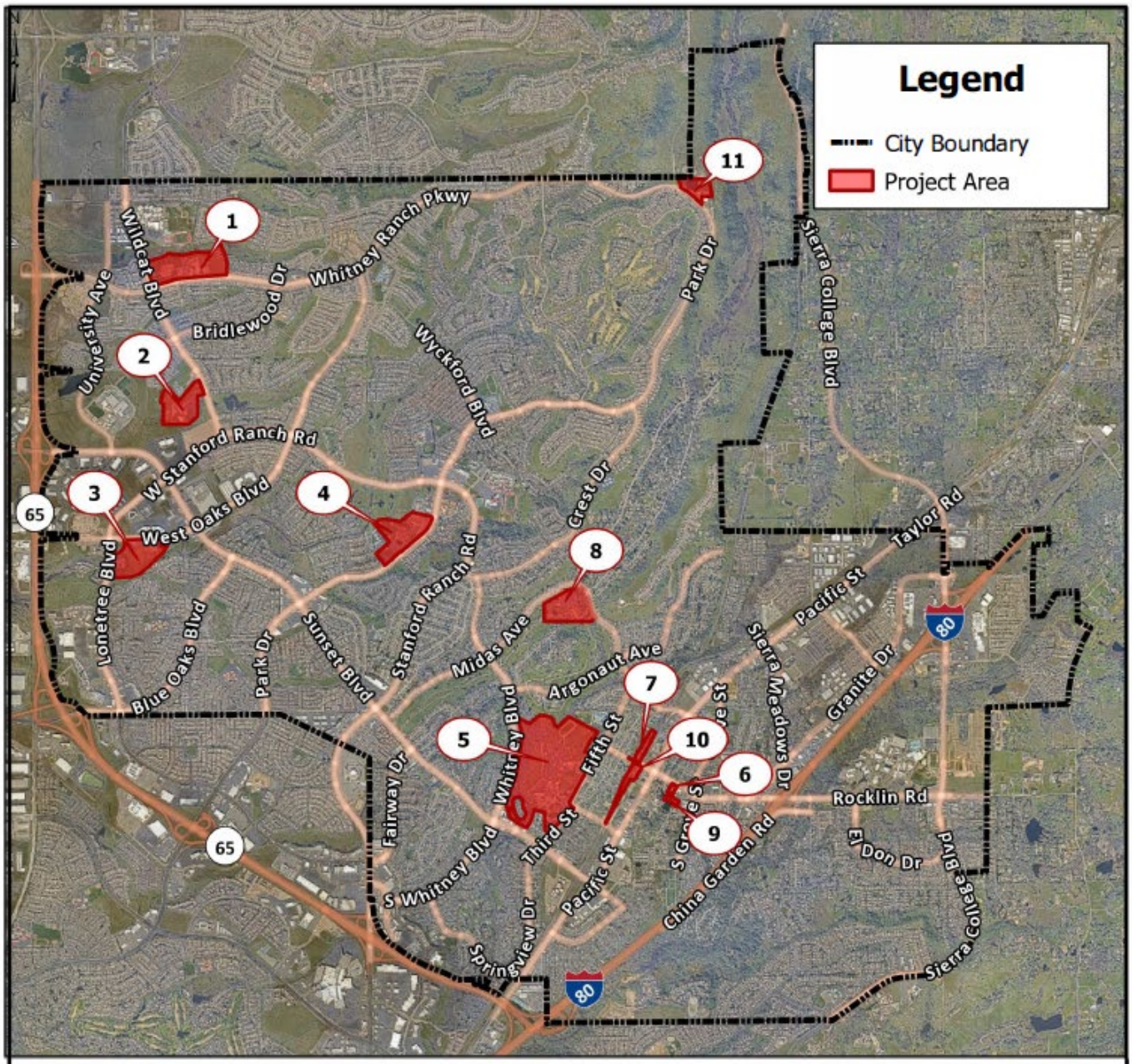
Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

- Remove trash from 8 trash bins to designated area and replace trash liners (trash liners provided by contractor)
- Blow/clear the concrete walkway/entrance to the dog park
- Walk through dog park area and check for additional dog feces and remove
- Check and replenish, as necessary, the dog poop trash bags in the dog poop bag stations (dog poop trash bags provided by the City)

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

ATTCHMENT F

Exhibit A



Project Locations

1.	Whitney Ranch Community Park	1801 Whitney Ranch Pkwy.
2.	Margaret Azvedo Community Park	1900 Wildcat Blvd.
3.	Kathy Lund Community Park	6101 West Oaks Blvd.
4.	Twin Oaks Community Park	5500 Park Dr.
5.	Johnson-Springview Community Park	5480 5th St.
6.	Memorial Park	3970 Rocklin Rd.
7.	Peter Hill Heritage Park	5251 Front St.
8.	Sunset Whitney Recreation Area Shop	4201 Midas Ave.
9.	Quarry Park Amphitheater	4000 Rocklin Rd.
10.	Train Station	3700 Rocklin Rd.
11.	Boulder Ridge Park	3555 Park Dr.

Warning: If an addendum or addenda have been issued by the City and not noted as being received by the bidder, this proposal may be rejected.

City Council Special Staff Report

Subject: Temporary Construction Easement with Pacific Gas & Electric

Date: November 18, 2025

Submitted By: Laurie York, Administrative Analyst
Veronica Tracy, Parks and Recreation Director

Department: Parks and Recreation

Recommendation:
Adopt a Resolution of the City Council of the City of Rocklin Approving and Authorizing the City Manager to Execute a Temporary Construction Easement Agreement at 4201 Midas Ave with Pacific Gas & Electric Company.

Background:
Pacific Gas & Electric Company (PG&E) will be working in the Clover Valley and Rawhide areas of Rocklin over the next year, replacing gas distribution lines. To facilitate efficient and safe construction operations, PG&E requested to rent and utilize a portion of the parking lot at 4201 Midas Avenue (Sunset Whitney Recreation Area).

The proposed temporary construction easement (TCE) area will be used for the staging and storage of equipment and materials, as well as parking for project vehicles throughout the duration of construction. The easement area comprises approximately 0.2 acres of the total 3-acre parking lot and will be clearly delineated and secured to ensure public safety and minimize disruption. This parking lot currently experiences minimal usage, and the area PG&E is requesting will leave adequate space for anticipated uses.

The TCE is anticipated to be in effect for approximately nine (9) months, beginning December 15, 2025 and concluding around September 15, 2026, or as otherwise extended by mutual agreement. In consideration for the use of the property, PG&E will compensate the City at a rate of Three Thousand Dollars ($3,000) per month, resulting in a total anticipated payment of approximately $27,000 for the duration of the TCE.

Staff has reviewed the proposed terms and finds them reasonable, and recommends approval.

Fiscal Impact:
The City will receive $3,000 per month in rental revenue for the use of the parking lot. Funds will be deposited into the General Fund (100). There are no anticipated costs to the City.

ATTACHMENTS:
1. Resolution
2. Resolution - Exhibit A Agreement

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A TEMPORARY CONSTRUCTION EASEMENT AGREEMENT AT 4201 MIDAS AVE WITH PACIFIC GAS & ELECTRIC COMPANY

WHEREAS, the City of Rocklin ("City") owns real property located at 4201 Midas Ave (APN 030-140-009-000), which is occasionally used for public parking and other City purposes; and

WHEREAS, Pacific Gas and Electric is undertaking a construction project involving the retrofit of their utility infrastructure in the vicinity of said property; and

WHEREAS, in order to efficiently complete its project, Pacific Gas & Electric has requested a temporary construction easement and permission to utilize a portion of the City-owned parking lot as a laydown yard for storage of equipment, materials, and vehicles; and

WHEREAS, City staff has reviewed the request and determined that the proposed temporary use will not unreasonably interfere with public access or City operations, and that such use can be accommodated for a limited duration under reasonable terms and conditions; and

WHEREAS, the Temporary Construction Easement Agreement provides for a monthly fee of Three Thousand Dollars ($3,000) for the use of the easement, along with other standard insurance, indemnification, and restoration provisions to protect the City's interests.

Now, therefore, be it resolved by the City Council of the City of Rocklin as follows:

Section 1. The City Council hereby approves and authorizes the City Manager to execute a Temporary Construction Easement Agreement between the City of Rocklin and Pacific Gas & Electric Company for temporary use of City-owned property located at 4201 Midas Ave, APN 030-140-009-000, in the form attached hereto as Exhibit A.

Section 2. The City Clerk is authorized and directed to record the Temporary Construction Easement in the Office of the Placer County Recorder when fully executed and notarized.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Mayor, Jill Gayaldo

ATTEST:

_____
Avinta Singh, City Clerk

Recording Requested by
and Return to:

No Fee Per Gov't Code § 27383

City Clerk
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

TEMPORARY CONSTRUCTION EASEMENT

CITY OF ROCKLIN, a California municipal corporation

("**Property Owner**"), hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**PG&E**"), a temporary construction easement ("**TCE**") for good and valuable consideration, the receipt is hereby acknowledged, to be used in connection with PG&E's gas distribution line replacement project ("**PG&E's Project**"), within Property Owner's lands which are situated in the city of Rocklin, County of Placer, State of California, identified as 4201 Midas Ave, County Assessor's Parcel Number 030-140-009-000 (the "**Property**").

The activities allowed under this TCE are described as follows:

(a) To use for laydown and staging purposes, including the right to park vehicles, and store materials and equipment.

The activities described above shall be within the area(s) delineated on the map attached and collectively referred to as ("**Temporary Easement Area")**.

1. **Term.** The term of this TCE shall be for a period of NINE (9) months commencing on DECEMBER 15, 2025 and shall terminate on SEPTEMBER 15, 2026 (the "**Term**"). PG&E shall have the right, subject to the terms herein, to extend the Term on a month-to-month basis for up to THREE (3) month(s) by giving the Property Owner written notice of its intention prior to the expiration of the Term. This TCE shall be irrevocable during the Term, except in the case of material breach of the terms and conditions of this TCE.

2. **Compensation.** PG&E shall pay Property Owner for a total amount of TWENTY SEVEN THOUSAND DOLLARS ($27,000) as compensation for this TCE and shall deliver the total payment after receiving a completed IRS W-9 Form and an executed copy of this TCE. If PG&E extends the Term of this TCE, PG&E shall pay Property Owner THREE THOUSAND DOLLARS ($3,000) per month for the duration of the extended Term.

3. **Use; Access; Fencing.** During the Term of this TCE, PG&E shall have the exclusive right to use the Temporary Easement Area and the non-exclusive right of ingress to and egress from the Temporary Easement Area PG&E shall have the further right to erect and maintain temporary fencing and gates with a locking device to enclose the Temporary Easement Area if needed, and shall remove such fencing and gates at the end of the Term, if installed.

4. **Indemnification.** PG&E agrees to indemnify Property Owner against any loss and damage which shall be caused by any wrongful or negligent act or omission of PG&E or of its agents or employees in the course of their employment, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Property Owner's comparative negligence or willful misconduct.

5. **Compliance with Laws.** Interpretation and enforcement of this TCE shall be governed by the laws of the State of California. In exercising the rights granted under this TCE, PG&E shall comply with all laws, ordinances, and regulations pertaining to its use. PG&E is required under State and local law to re-stabilize any disturbed project location within the Temporary Easement Area to control soil erosion and sediment runoff, in accordance with applicable project permits. PG&E shall have the right to access the Temporary Easement Area as reasonably necessary to allow it to meet any applicable project permit obligations after the Term without additional fees or permission.

6. **Restoration.** Upon completion of PG&E's Project, PG&E shall repair any damage and restore the Temporary Easement Area to as near as practicable to the condition that existed prior to PG&E use under this TCE. PG&E shall remove all personal property.

7. **Insurance.** PG&E certifies it is insured under a major risk management program with large self-insured retentions, with the minimum amount of $1,000,000 covering PG&E use of the Temporary Easement Area under this TCE.

8. **Representation.** Property Owner represents and warrants the Temporary Easement Area is vacant and free from any encumbrances that would interfere with PG&E's full enjoyment of this TCE.

9. **Entire Agreement.** This TCE supersedes all previous oral and written agreements between and representation by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This TCE may not be amended except by a written agreement.

10. **Notices.** Any notices or communications hereunder shall be in writing and shall be personally delivered, or by email transmission, or sent by first class mail, certified or registered, postage prepaid, or by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at the address or addresses listed below, or to such other address or addresses as such party may from time to time designate in writing. Notices shall be deemed received upon actual receipt or refusal of the notice by the party being sent the notice.

    If to Property Owner: *Jeramy Gillen, City of Rocklin, Parks and Recreation Manager, 5460 5th St, Rocklin, CA 95677*

    If to PG&E: *Eeden Lee, Right of Way Agent, 850 Stillwater Rd Suite 200, West Sacramento, CA 95605*

11. **Authority of Signatory.** Each party to this TCE warrants to the other that it has the right and authority to enter into and consummate this TCE and all related documents.

12. **Successors, Heirs, and Assigns.** This provisions of this TCE shall inure to the benefit of and bind the successors and assigns of the respective parties. Property Owner shall be responsible for disclosing this TCE to any prospective buyers or new owner(s) of the Property and agrees to provide PG&E with written notice of any sale or transfer of the Property during the Term or any amendment to the Term of this TCE.

13. **Electronic Signatures**. This TCE may be executed by electronic signature(s) and transmitted either by facsimile or in a portable document format ("pdf") version by email and such electronic signature(s) shall be deemed as original for purposes of this TCE and shall have the same force and effect as a manually executed original.

PROPERTY OWNER:

By: _____

Name: _____

Its: _____

Date: _____

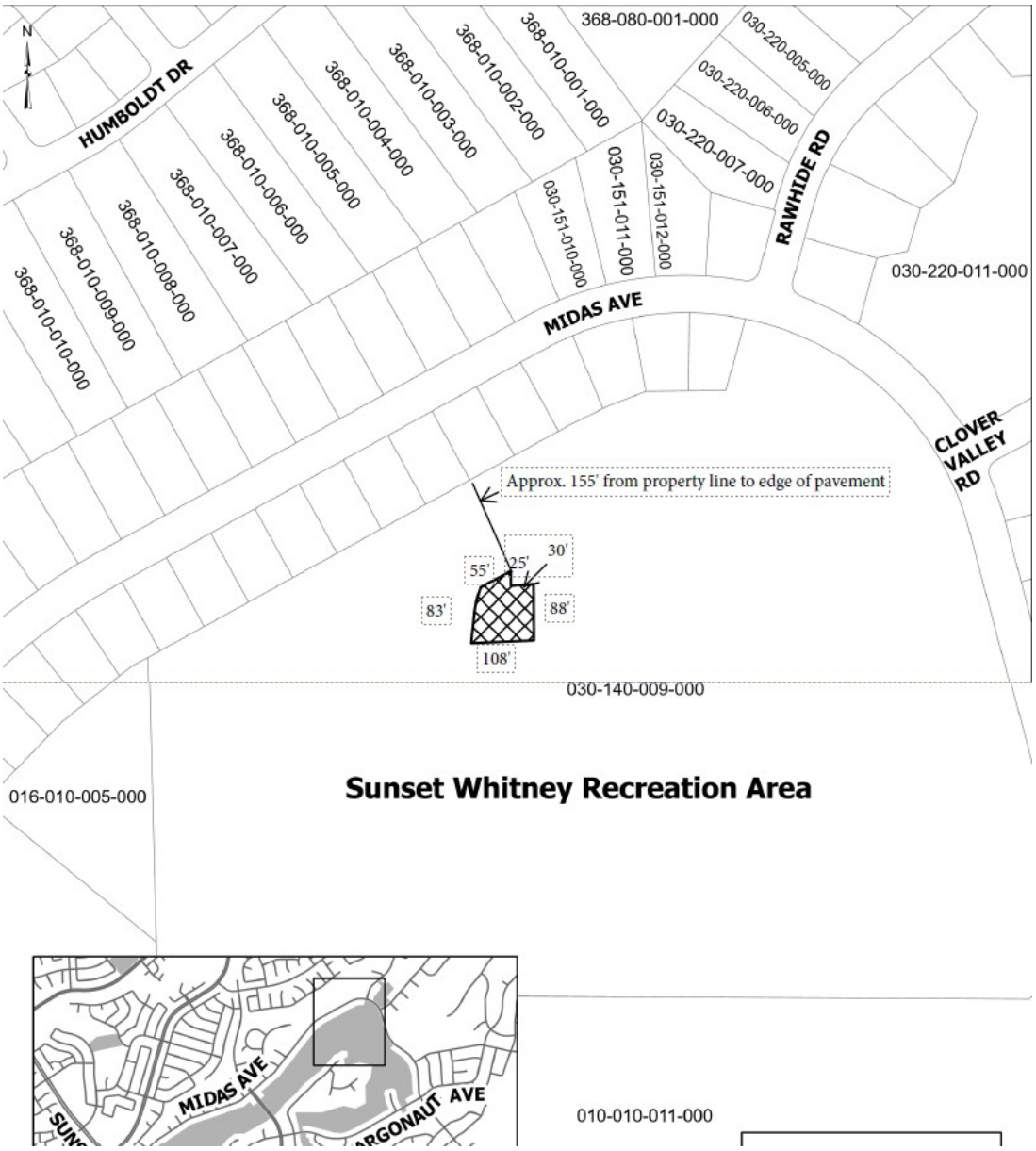
Approved as to form:
MATTHEW McOMBER
City Attorney

By:

_____
Crystal Hodgson, Assistant City Attorney

Temporary Easement Area

APN: 030-140-009-000 (Placer County)



ROCKLIN
CALIFORNIA

City Council Special Staff Report

Subject: Call Processing Equipment Maintenance Agreement with AT&T

Date: November 18, 2025

Submitted By: Myra Salazar, Communications Manager
Chad Morris, Captain
Rustin Banks, Police Chief

Department: Police

Recommendation:
Adopt a Resolution of the City Council of the City of Rocklin Ratifying a Multi-Service Agreement with AT&T, Inc. and Authorizing the City Manager to Sign the Agreement and Subsequent Amendments.

Background:
The City through its Police Department Communications Center is required to maintain a Public Safety Answering Point (PSAP), a 9-1-1 call center for emergency services. The Communications Center infrastructure and operation is funded mainly through surcharges collected by telecommunication providers from its customers and paid to the state.

On October 31, 2024 the Police Department was notified it met the qualifications to receive a fixed allotment of $369,000 to be used to purchase an on premise solution for Call Processing Equipment (CPE) to replace the legacy 9-1-1 system at the PSAP. The existing legacy 9-1-1 system is out of warranty and the selected replacement system is not currently available for installation from the vendor. The present CPE used at all Placer County PSAPs was built as a collaborative system, which requires all PSAPs to maintain their system or upgrade simultaneously. The future CPE will be designed and built to operate independently of the other PSAPs.

In the interim and as of May 1, 2025, staff requested and began receiving support services from AT&T, a contracted vendor with the state, to maintain the existing CPE emergency system utilizing funding from the state of California on a reimbursement basis. The retroactive service agreement is valid from May 1, 2025 through April 30, 2026.

On August 25, 2025 the Police Department received an updated notification that the allotment was increased to receive a fixed allotment of $530,000 to be used to purchase an on premise solution for CPE. There is no current date for implementation of the upgraded CPE from the vendor.

The full cost of the support service agreement is reimbursable from the state of California; however, a budget amendment will be required to increase revenues and expenses.

This contract requires ratification by the City Council because the service agreement was effective May 1, 2025.

Fiscal Impact:
There is no General Fund fiscal impact from this recommendation, as the costs will be reimbursed by the state. However, a budget amendment is necessary to increase the appropriations by $62,300 in both revenues and expenditures.

ATTACHMENTS:
1. Resolution
2. Resolution Exhibit A - AT&T Service Agreement

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN
RATIFYING A MULTI-SERVCE AGREEMENT WITH AT&T, INC.
AND AUTHORIZING THE CITY MANAGER TO SIGN THE AGREEMENT
AND SUBSEQUENT AMENDMENTS

WHEREAS, the City through its Communications Center of the Police Department maintains a 911 call center for emergency services, known as a Public Safety Answering Point (PSAP); and

WHEREAS, the Rocklin Police Department (RPD) PSAP Call Processing Equipment (CPE) is near its end-of-life; and

WHEREAS, the RPD received a funding notification from the state of California to replace its legacy on premise CPE in October 31, 2024; however, the desired replacement equipment is not available for installation. In order to prevent a lapse in service support for the City's 911 emergency communication system, staff requested AT&T provide the necessary support which began as of May 1, 2025 through April 30, 2026, when staff expects to be able to contract with a permanent vendor for service; and

WHEREAS, AT&T's service fees for the service term from May 1, 2025 through April 30, 2026 is $62,238.95, which fees are reimbursable from the state of California; and

WHEREAS, the City Council wishes to delegate to the City Manager authority to sign this agreement and subsequent amendments up to 10% of the total agreement award.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. Each Recital is true and correct and is hereby incorporated by reference.

Section 2. The City Council ratifies the agreement with AT&T, Inc., attached and incorporated hereto as Exhibit A.

Section 3. The City Council authorizes the City Manager to sign the existing agreement and subsequent amendments up to 10% annually of the total contract award consistent with the contract's subject matter and scope of work and subject to approval as to form by the City Attorney.

Section 4. The City Manager is hereby authorized to take all necessary budgetary and accounting actions to implement and administer the grant funds, in an amount up to the funds allotted for, and as necessary to carry out, the Support Services Agreement with AT&T, attached hereto and incorporated herein by reference as Exhibit A.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

Exhibit A
Support Services Agreement

Support Agreement Quote

AT&T

DATE **7/29/2025**

Rocklin PD

Support Agreement

AT&T Contact **Jeff Reeve**
Phone (714) 227-1268
Email ju7072@att.com
Address 1452 Edinger Ave.
Tustin, CA 92780

4 Position VIPER

9-1-1 CPE BASIC TURN-KEY STAND-ALONE SYSTEM

Turn-key System

	12 Months Maintenance	$ 40,516.54

Support Agreement Term: 5/1/25 to 04/30/2026

Backroom UPS Replacement Quantity	2	$ 14,274.00
Position UPS Replacement Quantity	4	$ 5,980.00

AT&T will continue to provide Service under the Support Plan for as long as parts are available on a commercially reasonable basis.

In the event repair parts are not readily available:

AT&T will advise customer and customer will have the option to replace the Equipment with a similar product.

In the event the customer declines to authorize such replacement, AT&T will cease providing Service for such Equipment.

UPS	**$ 20,254.00**
Tax 2.75%	**$ 1,468.42**
SYSTEM SUPPORT PLAN TOTAL	**$ 40,516.54**

This Quote Valid until 10/8/2025

TOTAL	**$ 62,238.95**

AT&T MA Reference No.

AT&T MULTI-SERVICE AGREEMENT

Customer	AT&T
Customer Legal Name: City of Rocklin Street Address: 3970 Rocklin Road City: Rocklin State/Province: CA Zip Code: 95677 Country: USA	AT&T Enterprises, LLC.
Customer Contact (for notices)	**AT&T Contact (for notices)**
Name: Myra Salazar Title: Manager Street Address: 4080 Rocklin Road City: Rocklin State/Province: CA Zip Code: 95677 Country: USA	Name: Jeff Reeve Street Address: 1452 Edinger City: Tustin State/Province: CA Zip Code: 92780 Country: USA Email: ju7072@att.com
This Multi-Service Agreement between the customer named above ("Customer") and AT&T Enterprises. ("AT&T") (each a "Party") is effective when signed by both Parties ("Effective Date").	

This AT&T Multi-Service Agreement consists of the attached provisions, and the AT&T Business Services Agreement, including definitions, located at http://www.business.att.com/agreement ("BSA") (collectively the attached provisions and BSA constitute the "MSA"). In order for Customer to purchase AT&T Services, the Parties must execute an applicable pricing schedule, referencing this MSA, reflecting the Services, the pricing and the pricing schedule term ("Pricing Schedule"). Collectively the MSA, Pricing Schedule and applicable Service Publications constitute the "Agreement" for those Services. A "Service Publication" includes Tariffs, Guidebooks, and Service Guides located at http://serviceguidenew.att.com, which reflect the product descriptions, rates, terms and conditions applicable to a particular Service. Services are further subject to the AT&T Acceptable Use Policy located at www.att.com/aup ("AUP"). Service Publications and the AUP may be amended by AT&T from time to time without notice to Customer. The order of priority of the documents that form the Agreement is: the applicable Pricing Schedule or order; the MSA; the AUP; and then Service Publications; provided, however, if applicable laws or regulations of a jurisdiction prohibits contractual modification of Tariff terms, the Tariff will prevail. In the event of a conflict within the MSA between the attached provisions and the BSA, the attached provisions take precedence. For purposes of this MSA the arbitration provisions of the BSA are replaced entirely with and superseded by the following:

ARBITRATION: ALL CLAIMS AND DISPUTES ARISING FROM THIS AGREEMENT SHALL BE SETTLED BY BINDING ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION UNDER ITS COMMERCIAL ARBITRATION RULES (SUBJECT TO THE REQUIREMENTS OF THE FEDERAL ARBITRATION ACT). ANY JUDGMENT ON ANY AWARD RENDERED MAY BE ENTERED AND ENFORCED IN A COURT HAVING JURISDICTION. THE ARBITRATOR SHALL NOT HAVE THE AUTHORITY TO AWARD ANY DAMAGES DISCLAIMED BY THIS AGREEMENT OR IN EXCESS OF THE LIABILITY LIMITATIONS IN THIS AGREEMENT, SHALL NOT HAVE THE AUTHORITY TO ORDER PRE-HEARING DEPOSITIONS OR DOCUMENT DISCOVERY, BUT MAY COMPEL ATTENDANCE OF WITNESSES AND PRODUCTION OF DOCUMENTS AT THE HEARING. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY AND WAIVE ANY RIGHT TO PARTICIPATE IN OR INITIATE CLASS ACTIONS; IF THE PARTIES CANNOT WAIVE THESE RIGHTS, THIS ENTIRE PARAGRAPH IS VOID.

AGREED: Customer	**AGREED: AT&T**
By: _____	By: _____
(by its authorized representative)	(by its authorized representative)
_____	_____
(Typed or Printed Name)	(Typed or Printed Name)
_____	_____
(Title)	(Title)
_____	_____
(Date)	(Date)

Services: "Service" or "Services" means all products and services (including wireless, if applicable) AT&T provides Customer pursuant to this Agreement.

Execution by Affiliates: An AT&T Affiliate or Customer Affiliate may sign a Pricing Schedule in its own name. Such Affiliate contract will be a separate but associated contract incorporating the terms of this Agreement. Customer and AT&T will cause their respective Affiliates to comply with such separate, associated contract(s). An "Affiliate" of a party is any entity that controls, is controlled by or is under common control with such party.

License and Other Terms: Software, Purchased Equipment and Third-Party Services (a service provided directly to Customer by a third party under a separate agreement between Customer and the third party) may be provided subject to the terms of a separate license or other agreement between Customer and either the licensor, the third-party service provider or the manufacturer. Customer's execution of the Pricing Schedule or placement of an Order for Software, Purchased Equipment or Third-Party Services is Customer's agreement to comply with such separate agreement. Unless a Service Publication specifies otherwise, AT&T's sole responsibility with respect to Third-Party Services is to place Customer's orders for Third-Party Services, except that AT&T may invoice and collect payment from Customer for the Third-Party Services.

Pricing and Pricing Schedule Term; Terms Applicable After End of Pricing Schedule Term: Prices listed in a Pricing Schedule are stabilized until the end of the Pricing Schedule term, including applicable extensions, ("Pricing Schedule Term") and apply in lieu of corresponding prices in the applicable Service Publication. No promotions, credits, discounts or waivers set forth in a Service Publication apply. At the end of the Pricing Schedule Term, Customer may continue Service (subject to any applicable notice or other requirements in a Service Publication for Customer to terminate a Service Component) on a month-to-month basis at the prices, terms and conditions in effect on the last day of the Pricing Schedule Term. AT&T may change such prices, terms or conditions on 30 days' prior notice to Customer.

MARC: Minimum Annual Revenue Commitment ("MARC") is an annual revenue commitment set forth in a Pricing Schedule that Customer agrees to satisfy during each 12-month period of the Pricing Schedule Term. If Customer fails to satisfy the MARC for any such period, Customer agrees to pay a shortfall charge equal to the difference between the MARC and the total of the applicable MARC-Eligible Charges, as defined in the applicable Pricing Schedule, incurred during such period, and AT&T may withhold contractual credits until Customer pays the shortfall charge.

Termination and Termination Charges: Either party may terminate for material breach upon thirty (30) days' prior written notice to the other party. If a Service or Service Component is terminated by Customer for convenience or by AT&T for cause prior to Cutover, Customer (i) agrees to pay any pre-Cutover termination or cancellation charges set out in a Pricing Schedule or Service Publication, or (ii) in the absence of such specified charges, agrees to reimburse AT&T for time and materials incurred prior to the effective date of termination, plus any third-party charges resulting from the termination. If a Service or Service Component is terminated by Customer for convenience or by AT&T for cause after Cutover, Customer agrees to pay applicable termination charges as follows: (i) 50% of any unpaid recurring charges for the terminated Service or Service Component attributable to the unexpired portion of an applicable Minimum Payment Period (as defined in applicable Pricing Schedule); (ii) if termination occurs before the end of an applicable Minimum Retention Period (as defined in applicable Pricing Schedule), any associated credits or waived or unpaid non-recurring charges; and (iii) any charges incurred by AT&T from a third-party (*i.e.,* not an AT&T Affiliate) due to the termination. The charges set forth in (i) and (ii) do not apply if a terminated Service Component is replaced with an upgraded Service Component at the same Site, but only if the Minimum Payment Period or Minimum Retention Period, as applicable, (the "Minimum Period") and associated charge for the replacement Service Component are equal to or greater than the corresponding Minimum Period and associated charge for the terminated Service Component, respectively, and if the upgrade is not restricted in the applicable Service Publication. In addition, if Customer terminates a Pricing Schedule that has a MARC, Customer agrees to pay an amount equal to 50% of the unsatisfied MARC for the balance of the Pricing Schedule Term.

Billing and Disputes: If Customer does not dispute a charge in writing within 6 months after the invoice date, Customer waives the right to dispute. AT&T must issue a bill within six (6) months after charges are incurred (other than for automated or live operated assisted calls) or it waives the charges.

At Customer's request, but subject to AT&T's consent (which may not be unreasonably withheld or withdrawn), Customer's Affiliates may be invoiced separately, and AT&T will accept payment from such Affiliates. Customer will be responsible for payment if Customer's Affiliates do not pay charges in accordance with this Agreement.

Purchased Equipment: Except as specified in a Service Publication or Pricing Schedule, title to and risk of loss of equipment AT&T sells Customer ("Purchased Equipment") pass to Customer on delivery to the transport carrier for shipment to Customer's designated location. AT&T retains a purchase money security interest in all Purchased Equipment until Customer pays for it in full; Customer appoints AT&T as Customer's agent to sign and file a financing statement to perfect AT&T's security interest. All Purchased Equipment is provided on an "AS IS" basis, except that AT&T passes through to Customer any warranties available from its suppliers, to the extent that AT&T is permitted to do so under its contracts with those suppliers.

Privacy: Each party is responsible for complying with the privacy laws applicable to its business. AT&T shall require its personnel, agents and contractors around the world who process Customer personal data to protect such information in accordance with the data protection laws and regulations applicable to AT&T's business. If Customer does not want AT&T to comprehend Customer data to which it may have access in performing Services, Customer must encrypt such data to be unintelligible. Customer is responsible for obtaining consent from and giving notice to its users, employees and agents regarding Customer's and AT&T's collection and use of the User, employee or agent information in connection with a Service. Customer agrees to make accessible or provide Customer personal data to AT&T only if it has legal authority to do so.

Trademarks and Publicity: Neither party will display or use the other party's trade names, logos, trademarks, service marks or other indicia of origin, or issue public statements about this agreement or the Services, without the other party's prior written consent.

Governing Law: Unless a regulatory agency with jurisdiction over the applicable Service applies a different law, this Agreement is governed by the law of the State of California without regard to its conflict of law principles. The United Nations Convention on Contracts for International Sale of Goods will not apply.

PLEASE READ THIS IMPORTANT MESSAGE

AT&T BUSINESS SERVICES AGREEMENT

This AT&T Business Services Agreement (Agreement) applies to the AT&T Services to which You subscribe, except for Services provided under (a) a Tariff; or (b) another agreement between You and AT&T (unless that other agreement references this Agreement). The Effective Date of this Agreement for any individual Service is the later of: (a) the date on which the withdrawal of a Tariff governing the Service becomes effective; or (b) the date on which You subscribe to or use the Service. When You apply for, subscribe to, or use the Service after the Effective Date, You are accepting the terms of this Agreement. If You do not agree with the terms of this Agreement, You must notify AT&T prior to the Effective Date to disconnect the Service. To disconnect the Service, You must contact AT&T by calling the number on Your billing statement or by using any other method designated by AT&T. You will be responsible for all applicable charges incurred prior to termination. AT&T TARIFFS, GUIDEBOOKS and SERVICE GUIDES, (COLLECTIVELY, THE SERVICE PUBLICATIONS) AS MODIFIED FROM TIME-TO-TIME, ARE INCORPORATED BY REFERENCE HEREIN TO THE EXTENT EACH IS APPLICABLE TO THE SERVICE(S) PROVIDED UNDER THIS AGREEMENT, AS IF THOSE DOCUMENTS ARE SET FORTH ORIGINALLY HERE. You agree that it is impractical for AT&T to provide here all of the terms and conditions, including rates and charges, that are set forth under those documents and that AT&T has acted reasonably in providing access to the Tariffs, Guidebooks and Service Guides as described in Section 1. **This Agreement contains a binding arbitration provision that requires AT&T and You to resolve ANY disputes individually in binding arbitration or small claims court, without jury trials or class actions.**

1. DEFINITIONS

Terms not otherwise defined in this Agreement have the following meanings:

a. "Agreement" means the terms and conditions set forth herein and in all incorporated documents.

b. "API" means an Application Program Interface used to make a resources request from a remote implementer program. An API may include coding, specifications for routines, data structures, object classes, and protocols used to communicate between programs.

c. "AT&T," "the Company," "we," "our" and "us" means the affiliates and subsidiaries of AT&T Inc. that provide or may provide Services to You under this Agreement. In the Tariffs, Guidebooks and Service Guides, AT&T may be referred to as "the Telephone Company," or "the Company."

d. "Acceptable Use Policy" or "AUP" means AT&T's policy that applies in accordance with its terms to any Service or Service capability within its scope, as may be modified by AT&T from time-to-time, including, by way of example only, Services provided over or accessing the Internet or certain wireless data networks. The AUP is provided at att.com/aup and is incorporated by reference here as if originally set forth here.

e. "Guidebooks" are those documents that contain the standard descriptions, pricing, and other terms and conditions for Services that were, but no longer are, filed with regulatory commissions. You can find AT&T's Guidebooks at www.att.com/servicepublications. (In some jurisdictions, the Guidebooks may be called Catalogs or Service Descriptions, Price Lists or Terms of Service.) If You do not have access to the Internet, You may call an AT&T representative at the number that appears on Your billing statement for a copy of the Guidebook(s) that apply to Your Service(s). AT&T reserves the right to modify the Guidebooks from time-to-time by the methods described elsewhere in this Agreement; You should regularly review the Guidebooks for Your Service(s) to ensure You are familiar with the current controlling terms and conditions.

f. "Service" or "Services" means the retail business services offered by AT&T pursuant to this Agreement. Commercial Mobile Radio Services (such as cellular or other wireless services) are not retail business services under this Agreement. A "Service Component" means an individual component of a Service.

g. "Service Guides" are documents that contain the standard description, prices, and other terms and conditions for Services that are not contained in a Guidebook or a Tariff. You can find AT&T's Service Guides at www.att.com/servicepublications. If You do not have access to the Internet, You may call an AT&T representative at the number that appears on Your billing statement for a copy of the Service Guide(s) that apply to Your Service(s). AT&T reserves the right to modify the Service Guides from time-to-time by the methods described elsewhere in this Agreement; You should regularly review the Service Guides for Your Service(s) to ensure You are familiar with the current controlling terms and conditions.

h. "Software" means software, including APIs, and all associated written and electronic documentation and data licensed by AT&T or a Third party to Customer. Software does not include software that is not furnished to You.

i. "Tariffs" are documents that contain the standard descriptions, pricing, and other terms and conditions for Services for which a regulatory commission requires AT&T to file a Tariff. You will find AT&T's Tariffs at www.att.com/servicepublications.

j. "You" or "Your" means the person or entity subscribing to the Service(s) provided under this Agreement, and its employees, directors, agents and representatives.

2. USE OF THE SERVICES

AT&T will provide Services to You, subject to availability and operational limitations of systems, facilities and equipment. You may not resell the Services to third parties without AT&T's written consent. You shall cause Users (anyone who uses or accesses any Service provided to You) to comply with this Agreement, and You are responsible for their use of any Services. You and all Users shall comply with all applicable state and federal laws and regulations. You are responsible for ensuring that all of the equipment You and Your Users use with a Service is compatible with the
Services. You and any Users must comply with the AUP. If You desire to secure Your transmissions in connection with any of the Services, You must procure, at Your own cost, encryption software or other transmission protection.

3. ACCESS TO PREMISES; HAZARDS

a. Access. On occasion, AT&T may need access to Your premises and/or other premises that are not under AT&T's control ("non-AT&T locations") to provide the Services. You agree to allow (or obtain permission for) AT&T to access all non-AT&T locations (other than public property) and equipment reasonably required to provide the Services. Access includes the ability to review information and the right to construct, install, repair, maintain, replace and remove access lines and network facilities, and to use ancillary equipment space within any building, necessary for Your connection to AT&T's network. You will furnish any conduit, holes, wire ways, wiring, plans, equipment, space, power/utilities, and other items required to perform installation of the Services, and obtain any necessary licenses, permits and consents (including easements and rights-of-way).

b. Hazards. You shall ensure that all non-AT&T locations at which AT&T installs, maintains or provides the Services is a suitable and safe working environment, free of any substance or material that poses an unreasonable risk to health, safety or property or whose use, transport, storage, handling, disposal, or release is regulated by any law related to pollution, protection of air, water, or soil, or health and safety. If AT&T encounters any such hazardous materials at a location, AT&T may terminate the affected Service or any affected Service Component, or suspend performance until You remove the hazardous materials.

4. EQUIPMENT & SOFTWARE

a. The Services may include use of certain equipment owned, leased or controlled by AT&T that is located at non-AT&T locations ("AT&T Equipment"). Title to the AT&T Equipment will not pass to You. You must provide electric power for the AT&T Equipment and keep the AT&T Equipment physically secure and free from liens and encumbrances. You will bear the risk of loss or damage (other than ordinary wear and tear) to the AT&T Equipment.

b. Software License. Software may be provided subject to the terms of a separate license between You and the licensor or the manufacturer. Your placement of an order for Software is Your agreement to comply with such separate agreement. All Software is provided "AS IS" without warranty of any kind.

5. PRICES; CHARGES; BILLING; PAYMENT AND CREDITS; CHANGES TO AGREEMENT

a. Prices and Surcharges. You agree to pay AT&T for the Services at the prices and charges provided in the applicable Guidebook or Service Guide or Tariff, without deduction, setoff or delay for any reason. The prices do not include, and You agree to pay, all applicable taxes, regulatory and other surcharges, recovery fees, shipping charges, and other similar charges specified or allowed by any governmental entity relating to the sale, use or provision of the Services. Taxes and government surcharges will be in the amounts that federal, state, and local authorities require or permit AT&T to bill You. Unless a Service Publication specifies a different date, Your obligation to pay for a Service begins upon availability of the Service to You (Cutover).

b. Price Changes. AT&T reserves the right to, from time-to-time, change the price for a Service upon the following Notice: (i) the price of a Service may be decreased without further notice to You; (ii) AT&T will provide Notice to You of a Service price increase at least 30 days prior to the effective date of the price increase. If You do not disconnect the affected Service by the effective date of the price increase, You will be liable for the increased price. The methods of Notice are described in Section 5.d. below, and AT&T will select the method of Notice at its discretion or as required by law or regulation. AT&T may, as required or as it feels necessary, provide Notice of a change in a tax or surcharge that will affect Your account.

c. Changes Other Than Price. AT&T reserves the right to, from time-to-time, change the terms and conditions of this Agreement other than a change in price (including changes to documents incorporated by reference) upon at least 30 days' prior Notice of such a change.

d. Notice. When Notice by AT&T is required, AT&T will provide Notice by one of the following methods, and AT&T shall solely determine at the time of the Notice which of the methods described here is appropriate: (i) posting the Notice on the AT&T website at or near the posting location of the relevant Tariff, Guidebook or Service Guide; or, (ii) by bill insert or bill page message; or, (iii) by letter or postcard via U.S. Postal Service to Your billing address; or, (iv) via a call to Your billed telephone number; or, (v) via an email to the email address You have provided. AT&T may determine that it is appropriate under certain circumstances to provide Notice of a particular change via more than one of these methods, however, such multiple Notice is not required at any time. Your continued subscription to, usage of, or payment for the Service after the effective date of any change for which You have received Notice will be deemed Your acceptance of the change(s). You must contact AT&T at the number shown on Your monthly billing statement prior to the effective date of the modification to discontinue the affected Service if You do not agree with the changes described in the Notice.

YOU AGREE THAT NOTICE BY AT&T BY ANY OF THE ABOVE METHODS IS SUFFICIENT.

e. Billing. AT&T will determine the billing period and may change it from time-to-time and without Notice to You. CHARGES BEGIN TO ACCRUE AT THE START OF EACH BILLING PERIOD AND CONTINUE THROUGH THE FULL BILLING PERIOD. Monthly recurring charges will be billed in advance, and You will be billed pro-rata if the Service is installed or changed during the billing period. Usage based charges, such as those billed for calls, will be billed as used. For purposes of billing, calls will be rounded up to the next full minute for any fraction of minutes. FOR MONTHLY RECURRING CHARGES, YOUR FIRST BILL WILL INCLUDE

CHARGES FOR THE PARTIAL MONTH IN WHICH CUTOVER OCCURRED AND ALL INSTALLATION CHARGES. Any mathematical error made by AT&T or any of its representatives does not constitute an offer and thus may be corrected or modified by AT&T.

f. Payment and Disputes. Payment is due on the date specified on Your bill, or, as specified in the Tariff, Guidebook or Service Guide, whichever is later, or, if no date is specified, 30 days after the bill date. If You do not dispute a charge in writing within 6 months after the invoice date, You waive the right to dispute. You will not be required to pay for charges for Services initially invoiced more than 6 months after the close of the billing period in which the charges were incurred (other than for automated or live operated assisted calls). Restrictive endorsements or other statements on checks are void. AT&T may charge a late payment fee for overdue payments in an amount specified in the applicable Tariff, Guidebook or Service Guide, or, if no such rate is specified, at the lower of 1.5% per month (18% per annum) or the maximum rate allowed by law. AT&T has the right to also recover all costs (including attorneys' fees) for collecting delinquent or dishonored payments.

g. Deposits, Credit Checks and Credit Limits. AT&T may require You to pay a deposit as a condition of providing Service. AT&T has the right to apply the deposit against any past due amounts at any time. You authorize AT&T to investigate Your credit and share information about You with credit reporting agencies. Based on Your credit worthiness as AT&T determines it, AT&T may set a credit limit on Your account at any time. If You exceed Your credit limit, AT&T may restrict Your access to a Service(s).

h. Service Credits. If there is an interruption or failure of a Service caused solely by AT&T and not by You or a third party or for force majeure reasons described under Section 11.g., You may be entitled to a credit or credits as specified in the applicable Tariff, Guidebook or Service Guide.

6. TERMINATION AND SUSPENSION

a. Insolvency; Material Breach. AT&T may discontinue providing You the Service(s) immediately upon notice to You if You become insolvent, cease operations, are the subject of a bankruptcy petition, or You have made an assignment for the benefit of creditors. You may terminate an affected Service for material breach by AT&T, and AT&T may terminate or suspend (and later terminate) an affected Service for material breach by You, if such breach is not cured within 30 days of notice.

b. By You. You may terminate this Agreement by disconnecting all the Service(s) provided under this Agreement. To disconnect the Services You must contact AT&T at the number provided on Your bill and take all reasonable steps required by AT&T to disconnect the Service(s). If You subscribe to multiple Services that are provided under this Agreement, if You disconnect some but not all of the Services, this Agreement remains in effect for those Services that are not disconnected. You are liable for all charges related to a Service until the Service is disconnected by You according to AT&T's standard practices. You may incur early termination charges pursuant to such provisions in the applicable Tariff, Guidebook or Service Guide. You may terminate an affected Service Component without incurring termination charges if (a) AT&T revises a Service Publication and the revision has a materially adverse impact upon You; (b) You gives 30 days' notice of termination to AT&T within 90 days of the date of the revision; and (c) AT&T does not remedy the materially adverse impact prior to the effective date of termination. "Materially adverse impacts" do not include changes to non-stabilized pricing, changes required by governmental authority or assessment of, or assessment of or changes to additional charges such as surcharges or taxes.

c. By AT&T. AT&T may terminate or suspend a Service if You: (i) fail to pay any charges when due; (ii) commit a fraud upon AT&T; (iii) utilize the Services to commit a fraud upon another party; (iv) unlawfully use the Services; (v) abuse or misuse AT&T's network or Services; or, (vi) interfere with another customer's use of AT&T's network or services. If You fail to rectify a violation of the AUP within 5 days after receiving notice from AT&T, then AT&T may suspend or terminate the affected Service.

d. Withdrawal of Service. AT&T reserves the right to withdraw a Service upon reasonable Notice.

e. Network Changes. AT&T reserves the right to temporarily suspend or interrupt Services at any time to make necessary changes in how we provide Services over our network and facilities to Your premises. We

will provide advance notice of these network changes to the extent required by this Agreement, applicable law and regulation. In some cases, such changes in how we provide Services may require a technician to be dispatched to Your premises to install new network equipment and transfer Your service to the new network equipment in order to ensure You continue to receive such Services. The network equipment we install at Your premises may require the use of Your electrical power for the operation of our facilities. Where a technician visit is required, **if You do not allow AT&T to install the new network equipment at Your premises, Your Service may be disconnected.**

f. Liable for Payment. If any Service is terminated or disconnected for any reason, You are responsible for all charges and fees through the date of disconnect. If any Service is disconnected prior to the rendering by AT&T of a billing statement, You may be liable for reimbursement to AT&T for time and materials, and any third-party charges that were incurred by AT&T prior to the effective date of disconnect.

g. Reinstatement. If You ask AT&T to reinstate a Service following a disconnection, cancellation or termination, AT&T may, in its sole discretion, require You to pay a deposit or other applicable charges, including installation charges in addition to all outstanding charges for the Service.

7. DISCLAIMERS OF WARRANTIES AND LIABILITY

a. Disclaimer of Warranties. AT&T MAKES NO EXPRESS OR IMPLIED WARRANTY AND DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT OR THOSE ARISING FROM USAGE OF TRADE OR COURSE OF DEALING. FURTHER, AT&T MAKES NO WARRANTY THAT TELEPHONE CALLS OR OTHER TRANSMISSIONS WILL BE CORRECTLY ROUTED OR COMPLETED WITHOUT ERROR OR INTERRUPTION (INCLUDING CALLS TO 911). FURTHERMORE, AT&T MAKES NO WARRANTY REGARDING: (i) NETWORK SECURITY; (ii) THE ENCRYPTION EMPLOYED BY ANY SERVICE; (iii) THE INTEGRITY OF ANY DATA THAT IS SENT, BACKED UP, STORED OR LOAD BALANCED; (iv) THAT AT&T'S SECURITY PROCEDURES WILL PREVENT THE LOSS OR ALTERATION OF OR IMPROPER ACCESS TO YOUR DATA; OR; (v) THAT SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE. AT&T IS NOT LIABLE FOR ANY DAMAGES RELATING TO: (i) INTEROPERABILITY; (ii) ACCESS TO OR INTERCONNECTION OF THE SERVICES WITH APPLICATIONS, EQUIPMENT, SERVICES, CONTENT OR NETWORKS PROVIDED BY YOU OR OTHERS; (iii) SERVICE DEFECTS; (iv) SERVICE LEVELS, DELAYS OR INTERRUPTIONS UNLESS SPECIFICALLY PROVIDED OTHERWISE IN THIS AGREEMENT; (v) ANY INTERRUPTION OR ERROR IN ROUTING OR COMPLETING CALLS OR OTHER TRANSMISSIONS (INCLUDING 911 CALLS); (vi) LOST OR ALTERED TRANSMISSIONS; (vii) UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS, OR DESTRUCTION OF YOUR OR OTHERS' APPLICATIONS, CONTENT, DATA, NETWORK OR SYSTEMS.

b. Limitation of Liability:

AT&T'S ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY FOR DAMAGES ARISING OUT OF THIS AGREEMENT AND NOT DISCLAIMED UNDER THIS AGREEMENT SHALL NOT EXCEED THE APPLICABLE CREDITS SPECIFIED IN THE SERVICE PUBLICATION OR, IF NO CREDITS ARE SPECIFIED, AN AMOUNT EQUAL TO THE TOTAL NET CHARGES TO YOU FOR SERVICE TO WHICH THE CLAIMED DAMAGES RELATE DURING THE PERIOD IN WHICH SUCH CLAIMED DAMAGES OCCUR AND CONTINUE. IN NO EVENT SHALL ANY OTHER LIABILITY ATTACH TO AT&T. THIS LIMITATION WILL NOT APPLY TO BODILY INJURY, DEATH OR DAMAGE TO REAL OR TANGIBLE PROPERTY DIRECTLY CAUSED BY AT&T'S GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT.

c. Consequential Damages. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CIRCUMSTANCE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES.

d. Survival and Applicability. These disclaimers and limitations of liability will apply regardless of the form of action, whether in contract, tort, strict liability or otherwise and whether damages were foreseeable. These disclaimers and limitations of liability will survive failure of any exclusive remedies provided in this Agreement.

8. DISPUTE RESOLUTION; ARBITRATION; FORUM SELECTION

READ THIS PROVISION CAREFULLY. It requires AT&T and You to resolve ANY disputes individually in binding arbitration or small claims court, without jury trials or class actions.

a. Disputes to be Arbitrated. All disputes and claims arising out of or relating to this Agreement or any aspect of the relationship between You and AT&T (Disputes) will be arbitrated by one neutral arbitrator under the Commercial Arbitration Rules of the American Arbitration Association (AAA), as modified by this Section. This agreement is to be broadly interpreted and includes claims that Customer or any users or beneficiaries of Your AT&T service may have against AT&T's past, present, and future parents, subsidiaries, affiliates, employees, agents, or assigns. AAA's Optional Appellate Rules apply if a party is awarded $1,000,000 or more. AT&T and You will protect the confidentiality of the existence, content, record, and result of any negotiation, mediation, or arbitration, except to the limited extent necessary to enforce a settlement or judgment on an arbitration award.

b. Informal Resolution Period. Before commencing arbitration, the claimant must provide written notice to the other party of the dispute stating the claimant's contact information and account number, factual and legal basis of the claims, the relief sought, and the basis for any alleged damages. The parties must try in good faith to resolve the Dispute for 60 days before commencing arbitration. If You cannot pay Your share of the AAA fees, AT&T will consider a request to pay them for You.

c. Class Actions and Jury Trials Not Permitted. Claims may be brought only in Your or AT&T's individual capacity, and not as a plaintiff or class member in any purported class, representative, public injunction, or private attorney general proceeding. If any of these prohibitions is unenforceable as to a particular claim or request for relief, then that claim or request for relief shall be severed and decided by a court after all other claims are arbitrated.

d. Exceptions; Forum Selection. Notwithstanding Section 8.a above, either You or AT&T can bring a claim in a small claims court instead of arbitration. The following issues will not be arbitrated and must be resolved by the federal or state courts in Dallas, Texas: (i) arbitrability, the scope or enforceability of the arbitration agreement, non-compliance with notice or individualized-proceeding requirements; and (ii) claims arising from intellectual property rights, disclosure of confidential information, or personal injury or death. You and AT&T waive all rights to seek transfer to a different forum, including based on jurisdictional defects, improper venue, or inconvenient forum.

9. THIRD PARTY CLAIMS

a. By AT&T. AT&T agrees at its expense to defend or settle any claim against You and to pay all compensatory damages finally awarded against You where the claim alleges that a Service infringes any patent, trademark, copyright, or trade secret, except where the claim arises out of: (i) Your or a User's content; (ii) modifications to the Service by You or third parties, or combinations of the Service with any services or products not provided by AT&T; (iii) AT&T's adherence to Your written requirements; or (iv) use of the Service in violation of this Agreement. AT&T may at its option either procure the right for You to continue using, or may replace or modify, the alleged infringing Service so that the Service becomes non-infringing, or failing that, to terminate the Service without further liability to You.

b. By You. You agree at Your expense to defend or settle any claim against AT&T, its affiliates, and its and their employees, directors, subcontractors, and suppliers, and to pay all compensatory damages finally awarded against such parties where: (i) the claim alleges that a Service infringes any patent, trademark, copyright or trade secret, and falls within the exceptions under Section 9.a (i) - (iv) above; or (ii) the claim alleges a breach by You or any User of a Software license agreement.

c. AT&T's obligations under Section 9.a. shall not extend to actual or alleged infringement or misappropriation of intellectual property based in whole or in part on Software.

10. IMPORT/EXPORT CONTROL

You, not AT&T, are responsible for complying with import and export control laws, conventions and regulations for all equipment, software, or technical information You move or transmit between countries using the Services.

11. GENERAL PROVISIONS

a. Confidentiality and Privacy. Each party is responsible for complying with the privacy laws to which it is subject and will not disclose any confidential information pertaining to the other unless required to do so under applicable law or regulation. Until directed otherwise by You in writing, if AT&T designates a dedicated account representative as Your primary contact with AT&T, You authorize that representative to discuss and disclose Your customer proprietary network information to any employee or agent of Yours without a need for further authentication or authorization.

b. Independent Contractor Relationship. Each party is an independent contractor. Neither party controls the other, and neither party nor its Affiliates, employees, agents or contractors are Affiliates, employees, agents or contractors of the other party.

c. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed. AT&T may (i) assign in whole or relevant part its rights and obligations under this Agreement to an affiliate, or (ii) subcontract work to be performed under this Agreement, but AT&T will in each such case remain financially responsible for the performance of such obligations.

d. Limitations. Any claim or dispute arising out of this Agreement must be filed within 2 years after the cause of action arises and the parties waive any statute of limitations to the contrary.

e. Third Party Rights. This Agreement does not provide any third party (including Users) any remedy, claim, liability, cause of action or other right or privilege.

f. Governing Law. The law of the State of the billing address of Your Service shall govern this Agreement except to the extent that such law is preempted by or inconsistent with applicable Federal Law. This Agreement is limited to Services provided in the United States.

g. Force Majeure. The Company shall not be liable for any loss or damage, delay, or failure in performance of any of the services or facilities furnished by the Company from causes beyond the Company's control, such as fire; flood; lightning; earthquakes; power failures or blackouts; severe weather; explosions; wars or armed conflicts; national, state or local emergencies; civil disobedience; shortage of labor or materials; labor disputes, strikes, or other concerted acts of workers (whether of the Company or others); embargoes; acts of God; acts of terrorism, or acts of vandalism or acts otherwise known as "Force Majeure."

h. Entire Agreement. This Agreement (which may include any other signed (including e-signed) agreement with AT&T that incorporates this Agreement by reference) constitutes the entire agreement between AT&T and You concerning the Services and supersedes all other written or oral agreements. This Agreement may only be modified as set forth above, and in no case can be modified or supplemented by any other written or oral statements, proposals, service descriptions or purchase order forms.

i. Severability. Subject to Section 8.c. above, if any part of this Agreement is found to be invalid or unenforceable, the rest of the Agreement remains enforceable.

j. Priority of Terms of Signed Agreements. If You have another signed (including e-signed) agreement with AT&T that incorporates this Agreement by reference, the terms of that signed agreement shall have

priority over the terms in this document, without regard to the fact that this document has been incorporated into an attachment to that agreement.

k. Priority of This Agreement and Incorporated Documents. Subject to Section 11.j. above, in the event of a conflict between the terms and conditions of this Agreement, the terms and conditions of a Guidebook, the terms and conditions of an applicable Service Guide or the terms and conditions of a Tariff, the following order of priority (descending) will be applied to determine which terms and conditions control: Tariff; Guidebook; Service Guide; and then this Agreement.

BSA SK 09.09.2024

City Council Special Staff Report

Subject: Notice of Completion - Bluffs Subdivision Road Reconstruction Phase 1 Project

Date: November 18, 2025

Submitted By: Rick Lawrence, Public Works Manager
Justin Nartker, Public Works Director

Department: Public Works

Recommendation:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving Change Order No. 1 to the Bluffs Subdivision Road Reconstruction Phase 1 Project and Authorizing the City Manager to Execute Change Order No. 1 with All Phase Construction, Inc.
B. Adopt a Resolution of the City Council of the City of Rocklin Accepting the Public Work Known as the Bluffs Subdivision Road Reconstruction Phase 1 Project Approving the Notice of Completion Thereof, and Authorizing and Directing the Execution and Recordation of Said Notice on Behalf of the City (All Phase Construction, Inc.).

Background:

On May 27, 2025, the City Council awarded the Bluffs Subdivision Road Reconstruction Phase 1 Project (No. 74200) to All Phase Construction, Inc. in the amount of $1,391,363.48 with a 15% contingency ($208,704.52), for a total not-to-exceed amount of $1,600,068 (Resolution No. 2025-103). This project consists of the removal and replacement of aged and failing asphalt in the Bluffs Subdivision area (see Attachment 3 for a project location map).

Balancing Change Order No. 1

During construction, staff identified unsuitable base conditions that necessitated additional asphalt work, the uncovering of an additional manhole, and extra striping. These unforeseen conditions and the increased scope of work required adjustments to the original contract. Change Order No. 1 is being issued to account for the following additional work and associated costs:

- An additional 1 Lump Sum (LS) Fabric for Cracks was added to the project at $825 per LS for a total additional amount of $825.
- An additional Storm Drain (Manhole) was added to the project at $2,200.
- 5 additional Survey Spikes were added to the project at $1,175 per spike for a total additional amount of $5,875.
- 224 additional linear feet (LF) of Detail 22 Thermo-plastic Crosswalk were added to the project at $4 per LF for a total additional amount of $896.

- 172 additional linear feet (LF) of Thermo-plastic Yellow Crosswalk were added to the project at $8 per LF for a total additional amount of $1,376.
- An additional 822.58 tons of Hot Mix Asphalt Overlay were added to the project at $132.50 per ton for a total additional amount of $108,991.85.

Staff recommends that the City Council approve Change Order No. 1 for a total change order amount of $120,163.85. This brings the total project cost to $1,511,527.33.

Notice of Completion

This project was completed on October 15, 2025. One (1) change order was issued for a total change order amount of $120,163.85, increasing the project cost to $1,511,527.33.

Staff recommends the City Council accept the public work known as the Bluffs Subdivision Road Reconstruction Phase 1 Project, accept the Notice of Completion, and authorize and direct the execution and recordation of the Notice of Completion on behalf of the City.

Fiscal Impact:

There is no direct fiscal impact associated with approving the Notice of Completion. Project costs were funded through appropriations under Project No. 74200 in the Road Maintenance and Rehabilitation Allocation Fund (Fund 205).

ATTACHMENTS:

1. Resolution A - Change Order
2. Resolution B - Notice of Completion
3. Project Location Map

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN APPROVING CHANGE ORDER NO. 1 TO THE BLUFFS SUBDIVISION ROAD RECONSTRUCTION PHASE 1 PROJECT AND AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER NO. 1 WITH ALL PHASE CONSTRUCTION, INC.

WHEREAS, the Bluffs Subdivision Road Reconstruction Phase 1 Project consisted of the removal and replacement of aged and failing asphalt in the Bluffs Subdivision area; and

WHEREAS, on May 27, 2025, the City Council of the City of Rocklin adopted Resolution No. 2025-103, awarding the Construction Agreement to All Phase Construction, Inc., in the amount of $1,391,363.48 plus a 15% contingency of $208,704.52, resulting in a total construction not-to-exceed amount of $1,600,068.00; and

WHEREAS, Change Order No. 1 addresses the unforeseen conditions and additional work requirements resulting in a change order of $120,163.85, bringing the final project cost to $1,511,527.33; and

WHEREAS, the budgets authorized for the Bluffs Subdivision Road Reconstruction Phase 1 Project (74200) have sufficient funds to cover the total construction cost.

NOW, THEREFORE, the City Council of the City of Rocklin does resolve as follows:

Section 1. The City Council hereby approves and authorizes the City Manager to execute Change Order No. 1 to the Bluffs Subdivision Road Reconstruction Phase 1 Project attached hereto as Exhibit A.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo Mayor

ATTEST:

_____
Avinta Singh, City Clerk

CHANGE ORDER

CHANGE ORDER NO.: 1	**PROJECT NAME: Bluffs Subdivision Road Reconstruction Phase 1 Project**
DATE OF ISSUANCE: 11/18/2025	**CONTRACTOR: All Phase Construction, Inc.**

You are directed to make the following changes to the plans and specifications or do the following work not included in the plans and specifications on this contract.

JUSTIFICATION:

During construction, staff identified unsuitable base conditions that necessitated additional asphalt work, the uncovering of an additional manhole, and extra striping. Change Order No. 1 is being issued to account for the following additional work and associated costs:

- An additional 1 Lump Sum (LS) Fabric for - $825.00.
- An additional Storm Drain (Manhole) - $2,200.
- 5 additional Survey Spikes @ $1,175 per spike - $5,875.00.
- 224 additional linear feet (LF) of Detail 22 Thermo-plastic Crosswalk at $4 per LF - $896.00.
- 172 additional linear feet (LF) of Thermo-plastic Yellow Crosswalk at $8 per - $1,376.00.
- 822.58 tons of Hot Mix Asphalt Overlay at $132.50 per ton -$108,991.85.

removal and replacement of Asphalt Concrete, Curb and Gutter, and Concrete Sidewalk **CHANGE TO CONTRACT PRICE**	**CHANGE TO CONTRACT TIME**
Original Contract Price: $1,391,363.48	Original Contract Time: 30 working days
Current Contract price, as adjusted by previous change orders: $1,391,363.48	Current contract time, as adjusted by previous change orders: 0 working days
The Contract Price due to this Change Order will be increased by $120,163.85	The Contract Time due to this Change Order will be increased/decreased by 0 working days.
The new Contract Price due to this Change Order will be: $1,511,527.33	The new Contract Time due to this Change Order will be 30 working days

NOTE: TO BE EFFECTIVE, THIS ORDER MUST BE APPROVED BY THE CITY MANAGER OR HIS/HER DESIGNEE

Requested by:_____ Justin Nartker, Public Works Director	Approved by: _____ Aly Zimmermann, City Manager
Date:	Date:

We, the undersigned contractor, have given careful consideration to the change proposed, and agree, if the proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified and will accept as full payment therefore the prices shown above.

Accepted by: _____ Gary Easley, President	Date:_____

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN ACCEPTING THE PUBLIC WORK KNOWN AS THE BLUFFS SUBDIVISION ROAD RECONSTRUCTION PHASE 1 PROJECT APPROVING THE NOTICE OF COMPLETION THEREOF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND RECORDATION OF SAID NOTICE ON BEHALF OF THE CITY (ALL PHASE CONSTRUCTION, INC.)

WHEREAS, on May 27, 2025, the City Council of the City of Rocklin adopted Resolution No. 2025-103, awarding the contract for the Bluffs Subdivision Road Reconstruction Phase 1 project to All Phase Construction, Inc., in the amount of $1,391,363.48; and

WHEREAS, this project consisted of the removal and replacement of aged and failing asphalt in the Bluffs Subdivision area; and

WHEREAS, a contingency amount of fifteen (15) percent of the contract (208,704.52), which was approved by the City Council of the City of Rocklin, resulted in a total authorized project cost of $1,600,068.00; and

WHEREAS, one change order was issued, increasing the cost by $120,163.85, bringing the total project cost to $1,511,527.33; and

WHEREAS, the project was completed on October 15, 2025 and funded using the Road Maintenance and Rehabilitation Allocation Fund (Fund 205).

NOW, THEREFORE, the City Council of the City of Rocklin does resolve as follows:

Section 1. The attached Notice of Completion related to the public work known as the Bluffs Subdivision Road Reconstruction Phase 1 Project (All Phase Construction, Inc.), is hereby approved, and the public work accepted.

Section 2. The Public Works Director is authorized and directed to execute said Notice on behalf of the City of Rocklin.

Section 3. The City Clerk is authorized and directed to record said Notice in the Office of the Placer County Recorder when fully executed and notarized, and within ten (10) days of Council approval.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

Recording Requested by and Return to:

No Fee Per Gov't Code §27383

City Clerk
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the public work known as the Bluffs Subdivision Road Reconstruction Phase 1 Project is complete. The location of said project is in the Bluffs Subdivision area, Rocklin, CA. The owner of said project is the City of Rocklin. The date of completion was October 15, 2025. The contractor on the project was All Phase Construction, Inc., and the surety on said project was The Ohio Casualty Insurance Company.

I, Justin Nartker, being first duly sworn, depose and say: I am the Public Works Director of the City of Rocklin, a general law city 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 Rocklin. I have read the Notice of Completion, and know its contents and the facts stated therein are true.

City of Rocklin

ATTEST:

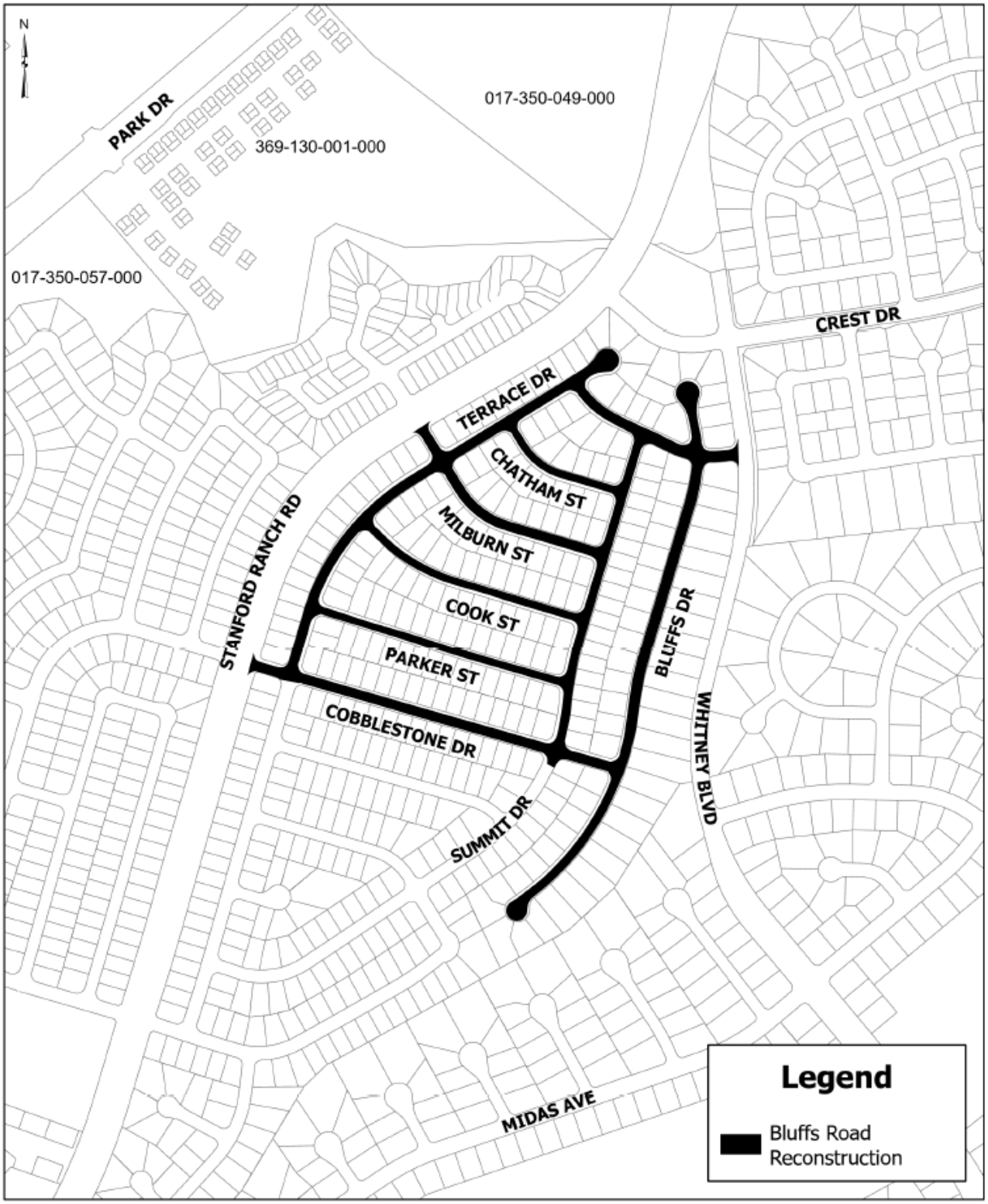
_____
Justin Nartker, Public Works Director - City of Rocklin – 3970 Rocklin Road- Owner of the Public Work Improvement

_____
Avinta Singh, City Clerk

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

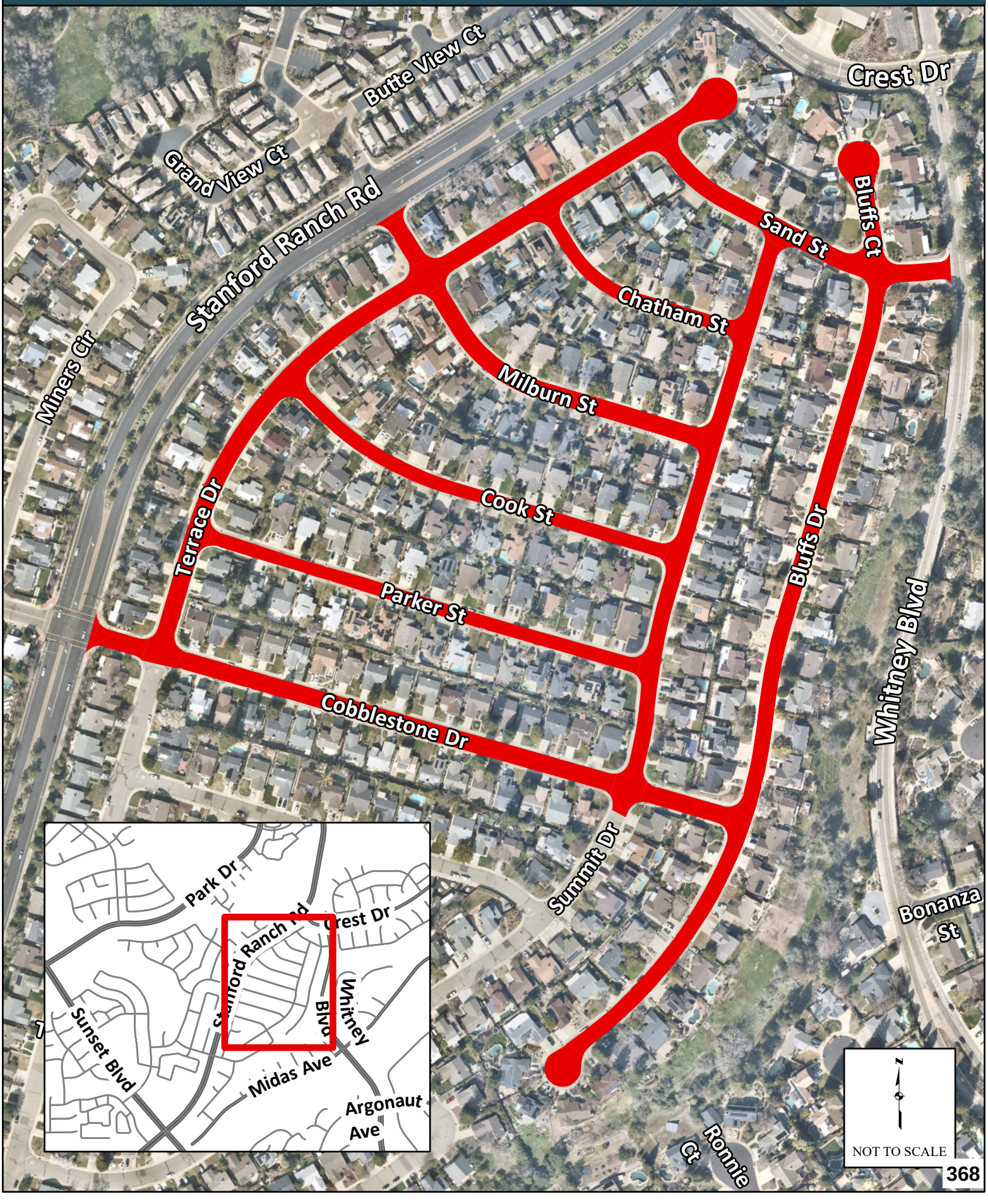
Date:_____ Signature:_____
Justin Nartker, Public Works Director
Rocklin, California

Exhibit A


N
PARK DR
017-350-049-000
369-130-001-000
017-350-057-000
CREST DR
TERRACE DR
CHATHAM ST
MILBURN ST
COOK ST
PARKER ST
COBBLESTONE DR
SUMMIT DR
STANFORD RANCH RD
BLUFFS DR
WHITNEY BLVD
MIDAS AVE
Legend
Bluffs Road Reconstruction

Location Map

ROCKLIN
CALIFORNIA



City Council Special Staff Report

Subject: Notice of Completion - Remediation of 5255 Pacific Street (Big Gun Site)

Date: November 18, 2025

Submitted By: Justin Nartker, Public Works Director

Department: Public Works

Recommendation:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving Change Order No. 1 For the Remediation of 5255 Pacific Street (Big Gun Site) Project and Authorizing the City Manager to Execute Change Order No. 1 with American Integrated Services, Inc.

B. Adopt a Resolution of the City Council of the City of Rocklin Accepting the Public Work Known as the Remediation of 5255 Pacific Street (Big Gun Site) Project, Approving the Notice of Completion Thereof, and Authorizing and Directing the Execution and Recordation of Said Notice on Behalf of the City (American Integrated Services, Inc.).

Background:

On April 8, 2025, the City Council awarded the Remediation of 5255 Pacific Street (Big Gun Site) Project, (No. 10711) to American Integrated Services, Inc., in the amount of $587,915.00 with a 20% contingency ($117,583.00), for a total not-to-exceed amount of $705,498 (Resolution No. 2025-065). This project consists of the remedial excavation of the northeast portion of the site (see Attachment 3 for a project location map).

Balancing Change Order No. 1

During the remediation process, it was determined that the removal and disposal of a concrete foundation was necessary, resulting in an additional cost of $5,500. Simultaneously, testing results indicated that several line items originally planned for the project were unnecessary, leading to a reduction of $191,089.40 from the original contract. The total deductive change order amount is $185,589.40.

Staff recommends that the City Council approve Change Order No. 1, which reflects a net decrease of $185,589.40, bringing the revised total contract amount to $402,325.60.

Notice of Completion

This project was successfully completed on September 9, 2025. As part of the finalization one (1) balancing change order is being issued for a total net reduction of $185,589.40, which brings the total project cost $402,325.60.

Staff recommends the City Council accept the public work known as the 5255 Pacific Street (Big Gun Site) Remediation Project, accept the Notice of Completion, and authorize and direct the execution and recordation of the Notice of Completion on behalf of the City.

Fiscal Impact:
Funds appropriated under Project No. 10711 in the General Fund (100) were used to support the project.

ATTACHMENTS:
1. Resolution A - Change Order
2. Resolution B - Notice of Completion
3. Project Location Map

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN APPROVING CHANGE ORDER NO. 1 FOR THE REMEDIATION OF 5255 PACIFIC STREET (BIG GUN SITE) PROJECT AND AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER NO. 1 WITH AMERICAN INTEGRATED SERVICES, INC.

WHEREAS, the Remediation of 5255 Pacific Street (Big Gun Site) Project consisted of the remedial excavation of the northeast portion of the site; and

WHEREAS, on April 8, 2025, the City Council of the City of Rocklin adopted Resolution No. 2025-065, awarding the Construction Agreement to American Integrated Services, Inc., in the amount of $587,915, with a 20% contingency of $117,583, resulting in a total project not-to-exceed amount of $705,498; and

WHEREAS, balancing Change Order No. 1 addresses the additional concrete foundation removal and disposal, as well as the differences between the original material quantities and the actual quantities used, resulting in a deductive change order of $185,589.40, bringing the final project cost to $402,325.60; and

WHEREAS, the budget authorized for the Remediation of 5255 Pacific Street (Big Gun Site) Project (10711) has sufficient funds to cover the total construction cost.

NOW, THEREFORE, the City Council of the City of Rocklin does resolve as follows:

Section 1. The City Council hereby approves and authorizes the City Manager to execute Change Order No. 1 to the Remediation of 5255 Pacific Street (Big Gun Site) Project, providing a credit for materials that were not used attached hereto as Exhibit A.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo Mayor

ATTEST:

_____
Avinta Singh, City Clerk

EXHIBIT A

CHANGE ORDER

CHANGE ORDER NO.: 1	**PROJECT NAME: Remediation of 5255 Pacific Street (Big Gun Site) Project**
DATE OF ISSUANCE: 11/18/2025	**CONTRACTOR: American Integrated Services, Inc.**

You are directed to make the following changes to the plans and specifications or do the following work not included in the plans and specifications on this contract.

JUSTIFICATION:

Balancing Change order for:

- Remove and dispose of a concrete foundation for an additional $5,500.
- Due to testing results several items were not necessary amounting to a total deductive amount of $191,089.40.

Total contract cost reduction is $185,589.40

removal and replacement of Asphalt Concrete, Curb and Gutter, and Concrete Sidewalk **CHANGE TO CONTRACT PRICE**	**CHANGE TO CONTRACT TIME**
Original Contract Price: $587,915.00	Original Contract Time: 30 working days
Current Contract price, as adjusted by previous change orders: $587,915.00	Current contract time, as adjusted by previous change orders: 0 working days
The Contract Price due to this Change Order will be decreased by $185,589.40	The Contract Time due to this Change Order will be increased/decreased by 0 working days.
The new Contract Price due to this Change Order will be: $402,325.60	The new Contract Time due to this Change Order will be 30 working days

NOTE: TO BE EFFECTIVE, THIS ORDER MUST BE APPROVED BY THE CITY MANAGER OR HIS/HER DESIGNEE

Requested by:_____ Justin Nartker, Public Works Director	Approved by: _____ Aly Zimmermann, City Manager
Date:	Date:

We, the undersigned contractor, have given careful consideration to the change proposed, and agree, if the proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified and will accept as full payment therefore the prices shown above.

Accepted by: _____ John Georgagi, Vice President	Date:_____

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN ACCEPTING THE PUBLIC WORK KNOWN AS THE REMEDIATION OF 5255 PACIFIC STREET (BIG GUN SITE) PROJECT, APPROVING THE NOTICE OF COMPLETION THEREOF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND RECORDATION OF SAID NOTICE ON BEHALF OF THE CITY
(AMERICAN INTEGRATED SERVICES, INC.)

WHEREAS, on April 8, 2025, the City Council of the City of Rocklin adopted Resolution No. 2025-065 awarding the contract for the Remediation of 5255 Pacific Street (Big Gun Site) Project to American Integrated Services, Inc. in the amount of $587,915.00; and

WHEREAS, this project consisted of the remedial excavation of the northeast portion of the site; and

WHEREAS, a contingency amount of twenty (20) percent of the contract ($117,583.00), which was approved by the City Council of the City of Rocklin, resulted in a total authorized project cost of $705,498.00; and

WHEREAS, one (1) change order was issued, decreasing the cost by $185,589.40, bringing the project amount to $402,325.60; and

WHEREAS, the project was completed on September 9, 2025, and funded using the General Fund (Fund 100).

NOW, THEREFORE, the City Council of the City of Rocklin does resolve as follows:

Section 1. The attached Notice of Completion, Exhibit A, relative to the public work known as the Remediation of 5255 Pacific Street (Big Gun Site) Project, is hereby approved and the public work accepted.

Section 2. The Public Works Director is authorized and directed to execute said Notice on behalf of the City of Rocklin.

Section 3. The City Clerk is authorized and directed to record said Notice in the Office of the Placer County Recorder when fully executed and notarized and within ten (10) days of Council approval.

Section 4. The City Manager is hereby authorized to make any necessary financial, budgetary, and accounting transactions in connection with the Remediation of 5255 Pacific Street (Big Gun Site) and to undertake all actions necessary to close out the project.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

Recording Requested by and Return to:

No Fee Per Gov't Code §27383

City Clerk
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the public work known as the Remediation of 5255 Pacific Street (Big Gun Site) Project is complete. The location of said project is 5255 Pacific Street, Rocklin, CA. The owner of said project is the City of Rocklin. The date of completion was September 9, 2025. The contractor on the project was American Integrated Services, Inc., and the surety on said project was U.S. Specialty Insurance Company.

I, Justin Nartker, being first duly sworn, depose and say: I am the Public Works Director of the City of Rocklin, a general law city 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 Rocklin. I have read the Notice of Completion, and know its contents and the facts stated therein are true.

City of Rocklin

ATTEST:

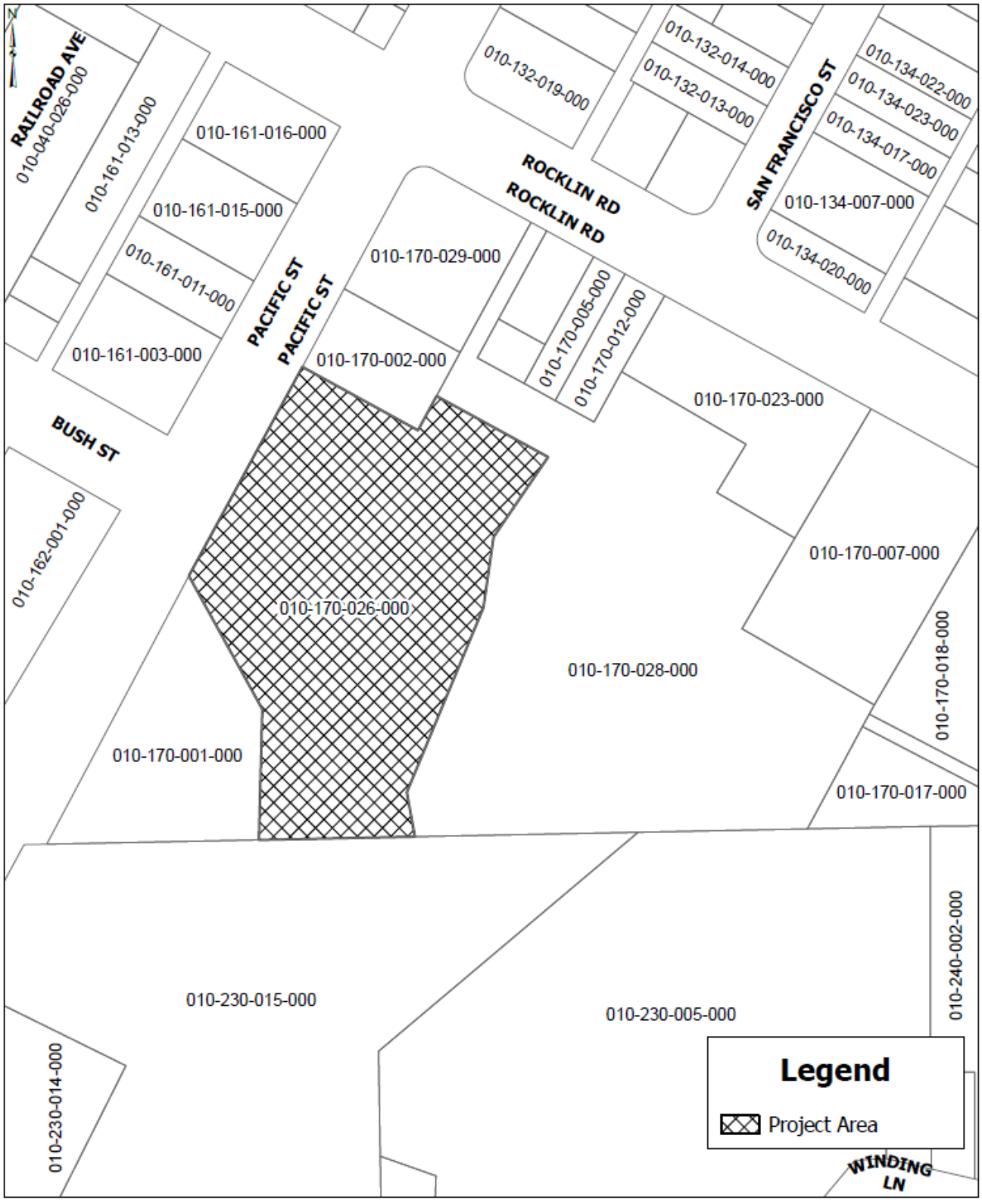
_____
Justin Nartker, Public Works Director - City of Rocklin – 3970 Rocklin Road- Owner of the Public Work Improvement

_____
Avinta Singh, City Clerk

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

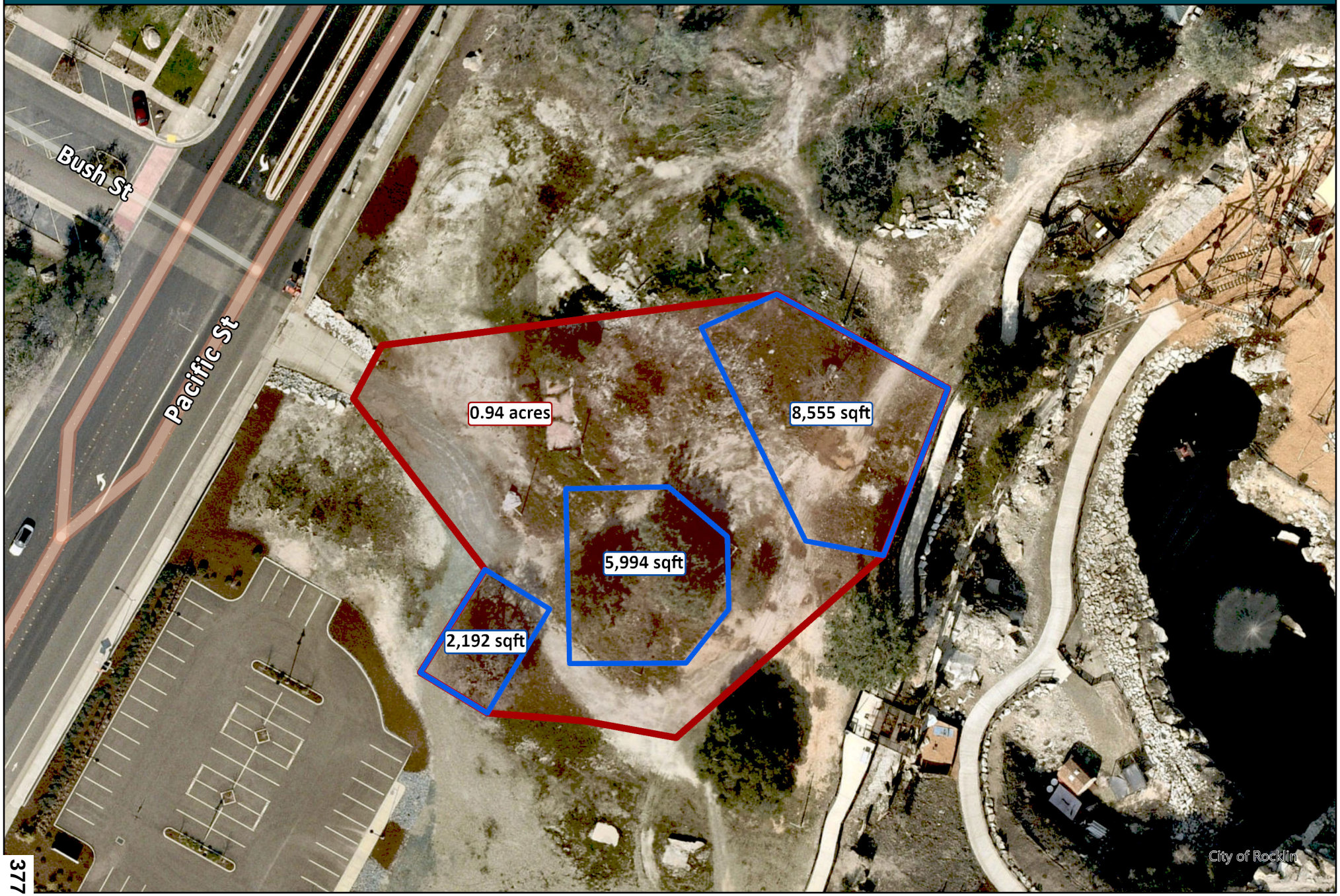
Date:_____ Signature:_____
Justin Nartker, Public Works Director
Rocklin, California

Exhibit A


RAILROAD AVE
010-040-026-000
010-161-013-000
010-161-016-000
010-161-015-000
010-161-011-000
010-161-003-000
PACIFIC ST
PACIFIC ST
BUSH ST
010-162-001-000
010-132-019-000
010-132-014-000
010-132-013-000
ROCKLIN RD
ROCKLIN RD
SAN FRANCISCO ST
010-134-022-000
010-134-023-000
010-134-017-000
010-134-007-000
010-134-020-000
010-170-029-000
010-170-005-000
010-170-012-000
010-170-002-000
010-170-023-000
010-170-007-000
010-170-026-000
010-170-028-000
010-170-018-000
010-170-001-000
010-170-017-000
010-230-015-000
010-230-005-000
010-240-002-000
010-230-014-000
WINDING LN
Legend
Project Area

Big Gun Remediation Site Map

ROCKLIN
CALIFORNIA



City Council Special Staff Report

Subject: Pacific Street at Midas Avenue Signal Pole Replacement

Date: November 18, 2025

Submitted By: Rick Lawrence, Public Works Manager
Justin Nartker, Public Works Director

Department: Public Works

Recommendation:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving a Notice of Exemption (Pacific Street at Midas Avenue Signal Pole Replacement).
B. Adopt a Resolution of the City Council of the City of Rocklin Awarding the Contract for the Pacific Street at Midas Avenue Signal Pole Replacement to Bear Electrical Solutions, LLC. and Authorizing the City Manager to Execute an Agreement.

Background:

On August 18, 2025, staff was notified that there was a vehicle accident with the signal pole on Pacific Street at Midas Avenue. Staff responded to the scene and determined that the signal pole had sustained significant damage. In its condition, the pole was hazardous and unstable, creating a major public safety risk.

To ensure the intersection is both safe and functional, staff removed the mast arm and implemented a traffic control plan designed to meet federal and state standards. This plan included the closure of the southbound #1 lane on Pacific Street and the installation of a temporary pedestrian pole/button to maintain crosswalk functionality and adhere to traffic control requirements. Staff continues to monitor the temporary traffic setup to ensure its ongoing safety and effectiveness.

There is a six- to nine-month lead time for the delivery of the permanent pole and related materials; therefore, a temporary traffic system will be put in place. This system will involve the installation of temporary signal lights, which will facilitate the reopening of all traffic lanes and movements.

The permanent intersection repairs project consists of furnishing and installing a custom signal pole, mast arm, and associated equipment to replace the damaged signal pole. Staff conducted an informal bid request, in accordance with Rocklin Municipal Code Section 3.04.120 and the Uniform Public Construction Cost Accounting Act (UPCCAA) for Public Projects of $220,000 or less. Only one (1) bid was received, from Bear Electrical Solutions, LLC, a California limited liability company in the amount of $191,647.50 (see Attachment 4 for

the bid documents).

Staff reviewed the bid for completeness and responsiveness and determined that Bear Electrical Solutions, LLC, submitted the lowest responsible bid. Staff recommends that the City Council award the contract to Bear Electrical Solutions, LLC.

In addition, staff recommends that the City Council approve a contingency amount of ten percent (10%) or $19,164.75, to be authorized for use by the City Manager as long as adequate appropriations are available. This brings the total authorized project amount to $210,812.25.

Environmental Analysis:
The City of Rocklin's Environmental Coordinator has reviewed the Pacific Street at Midas Avenue Signal Pole Replacement project and determined that it is exempt from review under the California Environmental Quality Act (CEQA), pursuant to California Code of Regulations Sections 15301 – Existing Facilities. Class 1 exemptions consist of the operation of existing public or private structures, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. A Resolution approving a Notice of Exemption for the Project is attached hereto.

Fiscal Impact:
The traffic pole was covered under the City's risk pool, and the costs are reimbursable by the risk pool. Therefore, there is no direct fiscal impact to the staff recommendation.

ATTACHMENTS:
1. Resolution A - Notice of Exemption
2. Resolution B
3. Resolution B Exhibit A - Construction Agreement
4. Bid Documents

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN
APPROVING A NOTICE OF EXEMPTION
(PACIFIC STREET AT MIDAS AVENUE SIGNAL POLE REPLACEMENT)

WHEREAS, the City of Rocklin's Environmental Coordinator has reviewed the Pacific Street at Midas Avenue Signal Pole Replacement ("Project") and determined that it is exempt from review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15301 – Existing Facilities:and

WHEREAS, a Notice of Exemption has been prepared for the Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. Based on the review and determination of the Environmental Coordinator, the City Council of the City of Rocklin finds that the Project is exempt from review under the California Environmental Quality Act.

Section 2. A Notice of Exemption is approved for the Project.

Section 3. Upon approval of the Project by the City Council, the Environmental Coordinator may file the Notice of Exemption with the County Clerk of Placer County and, if the Project requires a discretionary approval from any state agency, with the State Office of Planning and Research, pursuant to the provisions of Section 21152(b) of the Public Resources Code and the State EIR Guidelines adopted pursuant thereto.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

NOTICE OF EXEMPTION

TO: ☐ County Clerk
County of Placer
2954 Richardson Blvd.
Auburn, CA 95604-5228

☐ Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3004

FROM: City of Rocklin
Public Works Department
4081 Alvis Court
Rocklin, CA 95677

Project Title: Pacific Street at Midas Avenue Traffic Signal Pole Replacement
Project Location - Specific: Intersection of Pacific Street at Midas Avenue

Project Location - City: Rocklin, CA **Project Location - County:** Placer

Description of Nature, Purpose, and Beneficiaries of Project: The project includes the repair and replacement of an existing signalized intersection that was damaged from a vehicle accident. The purpose of the project is to return complete signalized operation to the intersection for the safe and ordely movement of vehicles and pesedtrians.

Repair of the damaged signalized intersection may include above- and below-ground infrastructure, including but not limited to poles and mast arms, signal heads, lights, cameras, detectors, sensors, intelligent traffic systems, wireless and wired communications, controller cabinets, electrical equipment, signage, and striping. Other related components may be replaced if new equipment is necessary to meet current design or safety standards, or have reached their end of useful life and are due for replacement.

Ground disturbance may occur during repair of foundations, trenching, and paving associated with the curb, gutter, sidewalk, curb ramp, or roadway, but will occur in areas that were previously disturbed during construction of the existing intersection.

Name of Public Agency Approving Project: City of Rocklin

Name of Person or Agency Carrying Out Project: City of Rocklin

Exempt Status (Check one)

☒ Categorical Exemption (California Code of Regulations, Title 14, Division 6, Chapter 3, California Environmental Quality Act [CEQA] Guidelines, Section 15301, Class 1 – Existing Facilities)

Reasons why the project is exempt: Activities under this scope of work include the operation, repair, maintenance, or minor alteration of existing public structures or facilities involving negligible or no expansion of use, and the restoration or rehabilitation of deteriorated or damaged structures and facilities to meet current standards of public health and safety are categorically exempt under CEQA Guidelines, Section 15301 (Class 1 – Existing Facilities). There are no unusual circumstances that would result in a reasonable possibility of a significant effect on the environment and no further environmental review is required.

Contact Person: Justin Nartker, Public Works Director, City of Rocklin, Public Works Department, 4081 Alvis Court, Rocklin, CA, 95677, (916) 625-5500

Signature: _____ **Date:** _____

Justin Nartker, Public Works Director

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN AWARDING THE CONTRACT FOR THE PACIFIC STREET AT MIDAS AVENUE SIGNAL POLE REPLACEMENT TO BEAR ELECTRICAL SOLUTIONS, LLC, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT

WHEREAS, on August 18, 2025, staff received notification from the Rocklin Police Department regarding a vehicle accident involving the signal pole on Pacific Street at Midas Avenue; and

WHEREAS, staff responded to the scene to establish a temporary traffic control plan and remove the mast arm from the damaged signal pole in order to mitigate the public safety risk until a permanent repair could be made; and

WHEREAS, the Pacific Street at Midas Avenue Signal Pole Replacement Project (the "Project") consists of furnishing and installing a custom signal pole, mast arm, and associated equipment to replace the signal pole damaged in the by the vehicle accident; and

WHEREAS, staff conducted an informal bid request, in accordance with Rocklin Municipal Code Section 3.04.120 and the Uniform Public Construction Cost Accounting Act (UPCCAA) for Public Contracts of $220,000 or less. Only one (1) bid was received, which was examined and found to be in compliance with all applicable specifications; and

WHEREAS, the lowest responsible bid was determined to be $191,647.50, which was submitted by Bear Electrical Solutions, LLC, a California limited liability company, and staff recommends that the contract be awarded to Bear Electrical Solutions, LLC; and

WHEREAS, a contingency amount of ten percent (10%), or $19,164.75, is approved by the City Council, and the City Manager is authorized to utilize these funds as long as adequate appropriations are available, bringing the total authorized project amount to $210,812.25; and

WHEREAS, the City of Rocklin's Environmental Coordinator has reviewed the Project and determined that it is exempt from review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15301 – Existing Facilities. Class 1 exemptions consist of the operation of existing public or private structures, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

WHEREAS, since the traffic pole was covered by the City's risk pool, the cost of the Project will be reimbursed to the City through the risk pool.

NOW, THEREFORE, the City Council of the City of Rocklin does resolve as follows:

Section 1. The contract for the Pacific Street at Midas Avenue Signal Pole Replacement project is hereby awarded to Bear Electrical Solutions, LLC. The City Manager is authorized to execute the Agreement with Bear Electrical Solutions, LLC, in substantially the form attached hereto as Exhibit "A."

Section 2. The City Manager is hereby authorized to execute any and all budgetary and accounting actions necessary to record reimbursements and corresponding expenditure appropriations, including interfund or intrafund transfers, as may be required to support the project and ensure compliance with applicable City policies and procedures.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

CONSTRUCTION AGREEMENT

THIS AGREEMENT, dated for identification as of November 18, 2025, is between the **CITY OF ROCKLIN**, a municipal corporation, (hereinafter called "City"), and **BEAR ELECTRICAL SOLUTIONS, LLC,** a California limited liability company (hereinafter called "Contractor").

The parties hereto mutually agree to the terms and condition set forth herein.

I. CONTRACT DOCUMENTS

A. The Contract Documents referred to herein are incorporated herein by reference as if set forth in full in this Agreement.

B. Work called for in any one Contract Document and not mentioned in another is to be performed and executed as if mentioned in all Contract Documents. The table of contents, titles and headings contained herein and in said documents are solely to facilitate reference to various provisions of the Contract Documents and in no way affect or limit the interpretations of the provisions to which they refer.

C. The Contract Documents shall include the Agreement, Attachment A (Scope of Work), Attachment B (Performance Bond), Attachment C (Payment Bond), Attachment D (Worker's Compensation Insurance Certification), Attachment E (Guarantee Form), Attachment F (Certification Regarding Debarment, Suspension, Proposed Debarment or Suspension), Attachment G (Labor and Prevailing Wage Compliance), Attachment H (General Provisions), Technical Specifications, Standard Plans and Specifications, Standard Forms, all required bonds, Exhibits, Contract Schedule, and any and all supplemental agreements amending or extending the Work contemplated and which may be required to complete the Work in an acceptable manner. Supplemental agreements are written agreements covering alterations, amendments or extensions to the Contract Documents and include Change Orders, Construction Change Directives, Field Directives, Field Orders and Supplemental Drawings.

D. If applicable to this Agreement's Scope of Work, the General Provisions shall mean and refer to the current General Provisions of the City of Rocklin, which are incorporated herein by this reference as if set forth herein.

II. DEFINITIONS

Unless otherwise specifically provided herein, all works and phrases defined in the General Provisions shall have the same meaning and intent in this Agreement.

III. AGREEMENT CONTROLS

In the event of a conflict between the terms and conditions as set forth in this Agreement and the terms and conditions set forth in other Contract Documents, the terms and conditions set forth in this Agreement shall prevail.

IV. SCOPE OF CONTRACT

Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor and material and transportation necessary to perform and complete in a good and workman like manner to the satisfaction of City, all the work required for the Contract for the Project entitled: **PACIFIC STREET AT MIDAS AVENUE SIGNAL POLE REPLACEMENT** (See Attachment A for the

Scope of Work).

V. CONTRACT AMOUNT AND PAYMENTS

City agrees to pay and Contractor agrees to accept, in full payment for the above work, **One Hundred Ninety-One Thousand Six Hundred Forty-Seven Dollars and Fifty Cents ($191,647.50)** as the stipulated sum price which Contractor bid, subject to additions and deductions by Change Order(s) as provided in the General Conditions.

VI. PROGRESS AND FINAL PAYMENTS

Progress and final payments shall be in accordance with the General Provisions.

VII. RETENTION OF SUMS CHARGED AGAINST CONTRACTOR

When, under the provisions of this contract, City shall charge any sum of money against Contractor, City shall deduct and retain the amount of such charge from the amount of the next succeeding progress estimate, or from any other moneys due or that may become due to the Contractor from City. If, on completion or termination of the Contract, sums due contractor are insufficient to pay City's charges against him, City shall have the right to recover the balance from Contractor or his sureties.

VIII. TIME OF COMPLETION

A. Due to the extended lead time on materials, the temporary traffic system and foundation work shall be completed within Thirty (30) Working Days. Upon delivery of the materials, the permanent solution shall be completed in the manner and within Thirty (30) Working Days, excluding project delays due to weather, or other unforeseen circumstances as determined by the project manager, commencing on the date of issuance of the Notice to Proceed.
B. Failure to complete the Work by the completion date and in the manner provided for by the Contract Documents shall subject Contractor to liquidated damages as hereinafter provided in this Agreement. Time is of the essence in these Contract Documents.

IX. INSURANCE

Contractor shall maintain in full force and effect at all times during the term of the Agreement, at its sole expense, policies of insurance in accordance with the General Provisions.

X. NO WAIVER OF REMEDIES

A. Neither the inspection by City or its agents, nor any order or certificate for the payment of money, nor any payment for, nor acceptance of the whole or any part of the Work by City, nor any extensions of time, nor any position taken by City or its agents shall operate as a waiver of any provision of this Agreement or of any power herein reserved to City or any right to damages herein provided, nor shall any waiver of any breach of the Agreement be held to be a waiver of any other or subsequent breach.
B. All remedies provided in this Agreement shall be taken and construed as cumulative; that is, in addition to each and every other remedy herein provided, and City shall have any and all equitable and legal remedies which it would in any case have.

XI. DETERMINATION OF DAMAGES

A. The actual fact of the occurrences of damages and the actual amount of the damages

which City would suffer if the Work were not completed within the specified times set forth are dependent upon many circumstances and conditions which could prevail in various combinations, and, from the nature of the case, it is impracticable and extremely difficult to fix the actual damages.

B. Damages which City would suffer in the event of delay include loss of the use of the Project, and, in addition, expenses of prolonged employment of an architectural and engineering staff; costs of administration, inspection, and supervision; and the loss suffered by the public within the City of Rocklin by reasons of the delay in the completion of the Project to serve the public at the earliest possible time.

C. Accordingly, the parties hereto agree, and by execution of this Agreement, Contractor acknowledges that it understands, has ascertained and agrees, that the amounts set forth herein as liquidated damages shall be presumed to be that amount of damages sustained by the failure of Contractor to complete the entire work within the times specified.

XII. LIQUIDATED DAMAGES

A. The amount of the liquidated damages to be paid by Contractor to City for failure to complete the entire work in the specified number of Working or Calendar Days (as extended, if applicable) will be **Five Hundred Dollars ($500.00)** for each **Calendar day**, continuing to the time at which the Work is completed.

B. Such amount is the actual cash value agreed upon as the loss to City resulting from Contractor's delay.

XIII. TERMINATION AFTER ALLOTTED WORKING OR CALENDAR DAYS

A. In addition to any rights it may have, City may terminate this Contract or the Contractor's right to proceed at any time after the allotted number of Working or Calendar Days as adjusted by any extensions of time for excusable delays that may have been granted.

B. Upon such termination Contractor any compensation shall be in accordance with Section 5.23 of the General Provisions, and it shall be liable to City for liquidated damages for all periods of time beyond such termination date until the Work is completed.

XIV. CONTRACTOR BANKRUPT

A. If Contractor should commence any proceeding under the Bankruptcy Act, or if contractor be adjudged a bankrupt, or if Contractor should make any assignment for the benefit of creditors, or if a receiver should be appointed on account of Contractor's insolvency, then the City Council may, without prejudice to any other right or remedy, terminate the Contract and complete the work by giving notice to Contractor and his surety according to the provisions of Article 5 of the General Provisions.

B. City shall have the right to complete, or cause completion of the work, all as specified in the General Provisions of the General Provisions.

XV. PERFORMANCE AND PAYMENT BONDS

A. The Contractor shall, before beginning said work, file two bonds with the City, each made payable to the City. These bonds shall be issued by a Surety Company authorized to do business in the State of California, and shall be maintained during the entire life of the Contract at the expense of the Contractor.

1. One bond shall be in the amount of one hundred percent (100%) of the Contract and shall guarantee the Faithful Performance of the Contract.
2. The second bond shall be the Payment Bond required by Part 4, Title 15, Chapter 7, Division Three of the Civil Code of the State of California and shall be in the amount of one hundred percent (100%) of the Contract.

B. Any alteration or alterations made in any provision of this Contract shall not operate to release any surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of the Civil Code.

C. Bonds shall only be accepted from an *"Admitted surety insurer"*, which means an insurer to which the Insurance Commissioner has issued a certificate of authority to transact surety insurance in this state. ***Contractor must submit all of the following with the bonds***:

- The original, or a certified copy, of the unrevoked appointment, power of attorney, bylaws or other instrument entitling or authorizing the person who executed the bond to do so.

XVI. SUBSTITUTION OF SECURITIES OF MONEY WITHHELD

A. At any time prior to final payment, Contractor may request substitution of securities for any money withheld by the City to ensure performance of the Contract.

B. At the expense of the Contractor, securities equivalent to the money withheld may be deposited with the City or with an approved financial institution as escrow agent according to a separate Security Agreement.

C. Securities eligible for substitution shall include those listed in Section 16430 of the Government Code or bank or savings and loan certificates of deposit. A fee set by the City Council shall be charged for such substitution.

XVII. LABOR CODE COMPLIANCE

A. City affirmatively identifies this project as a "public work" as that term is defined by Labor Code section 1720, and the project is, therefore, subject to prevailing wages under Labor Code section 1771.

B. Contractor and its subcontractors shall fully comply with all the provisions of the California Labor Code governing the performance of public works contracts including, but not limited to, payment of prevailing wages, limitations on time worked, compliance with apprentice requirements, maintenance of payroll records, posting of wages at job site and prohibitions against discrimination.

XVIII. UNFAIR COMPETITION

A. The following provision is included in this agreement pursuant to California Public Contract Code §7103.5.

> "In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assigning to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment

shall be made and become effective at the time the awarding body tenders final payment to the contractor, without further acknowledgment by the parties."

XIX. ASSIGNMENT

Neither this Agreement nor any rights herein of Contractor shall be assigned without the written consent of City first obtained.

XX. NO THIRD-PARTY BENEFICIARIES

This Agreement is entered into solely between the City and Contractor. There are no third-party beneficiaries, intended, unintended, or otherwise to this Agreement.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have signed the Agreement on the date set forth opposite their names.

CONTRACTOR:	**(California Corporations: must be signed by company's CEO, President, or Vice President *as well as* the Secretary or CFO.)**
Date	Tax I.D. Number
Signature	Signature
Print Name	Print Name
Title	Title

CITY OF ROCKLIN, A Municipal Corporation:

Aly Zimmermann, City Manager

APPROVED AS TO FORM:

Matthew McOmber, City Attorney

ATTEST:

Avinta Singh, City Clerk

CERTIFICATE OF ACKNOWLEDGMENT pursuant to Civil Code, Section 1189, must be provided for Contractor's signature.

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.

NOTARY TO ATTACH CURRENT ACKNOWLEDGMENT

ATTACHMENT A

SCOPE OF WORK

Project Location:
Southwest corner pole at the intersection of Pacific Street and Midas Avenue (see attached PDF for details on Pole G). The existing double mast arm and signal equipment have been removed; the signal pole remains.

Work Description:
The Contractor shall provide all labor, materials, equipment, and incidentals necessary to replace the traffic signal pole, mast arm, and all associated, including signal heads, pedestrian push buttons (PPB's), signs, internally illuminated street name signs (IISNS), and emergency vehicle preemption.

Temporary Traffic Signal System

1. Develop and implement a traffic control plan, which must be approved prior to commencing work. The City permits night work to minimize traffic impacts.
2. Furnish and install a temporary traffic signal system. Acceptable options include:
    a. Temporary mobile signal unit(s),
    b. Temporary pole and mast arm with signal heads (compatible with the existing bolt circle – note foundation bolts are buried under concrete in the raised median), or
    c. Temporary wood pole, span wire, and signal heads.
3. Remove the existing signal pole and luminaire.

Signal Foundation Work (CalTrans Standard Plan ES-7F)

1. Saw-Cut and remove the existing signal pole foundation in its entirety, including all anchor bolts and associated concrete.
2. Properly dispose of all demolition materials off-site in accordance with local and state environmental regulations.
3. Excavate and install a new signal pole foundation per **Caltrans Standard Plan ES-7F** for type "F" foundations, or otherwise shown in the project plans.
4. Provide and install all required reinforcement steel, anchor bolts, conduits, and grounding per Caltrans Standard Specifications.
5. Coordinate with the City's inspector for foundation inspection prior to concrete placement.
6. Place and finish concrete to grade, matching the existing stamped colored concrete. Use an integral gray-colored concrete mix, ensuring proper alignment, depth, and conduit positioning to accommodate the new traffic signal pole and electrical systems.
7. Allow adequate curing time before proceeding with pole and mast arm installation.

Permanent Traffic Signal System

1. Furnish and install a new traffic signal pole, mast arm, and equipment to match the design and specifications of the northeast corner pole (see attached PDF for Pole C).
2. Pull and splice new conductor wire for all affected equipment.
3. Restore all disturbed areas, including the stamped concrete and raised median, to its original condition.
4. Removal of the Temporary Traffic Signal System.

PROJECT LOCATION

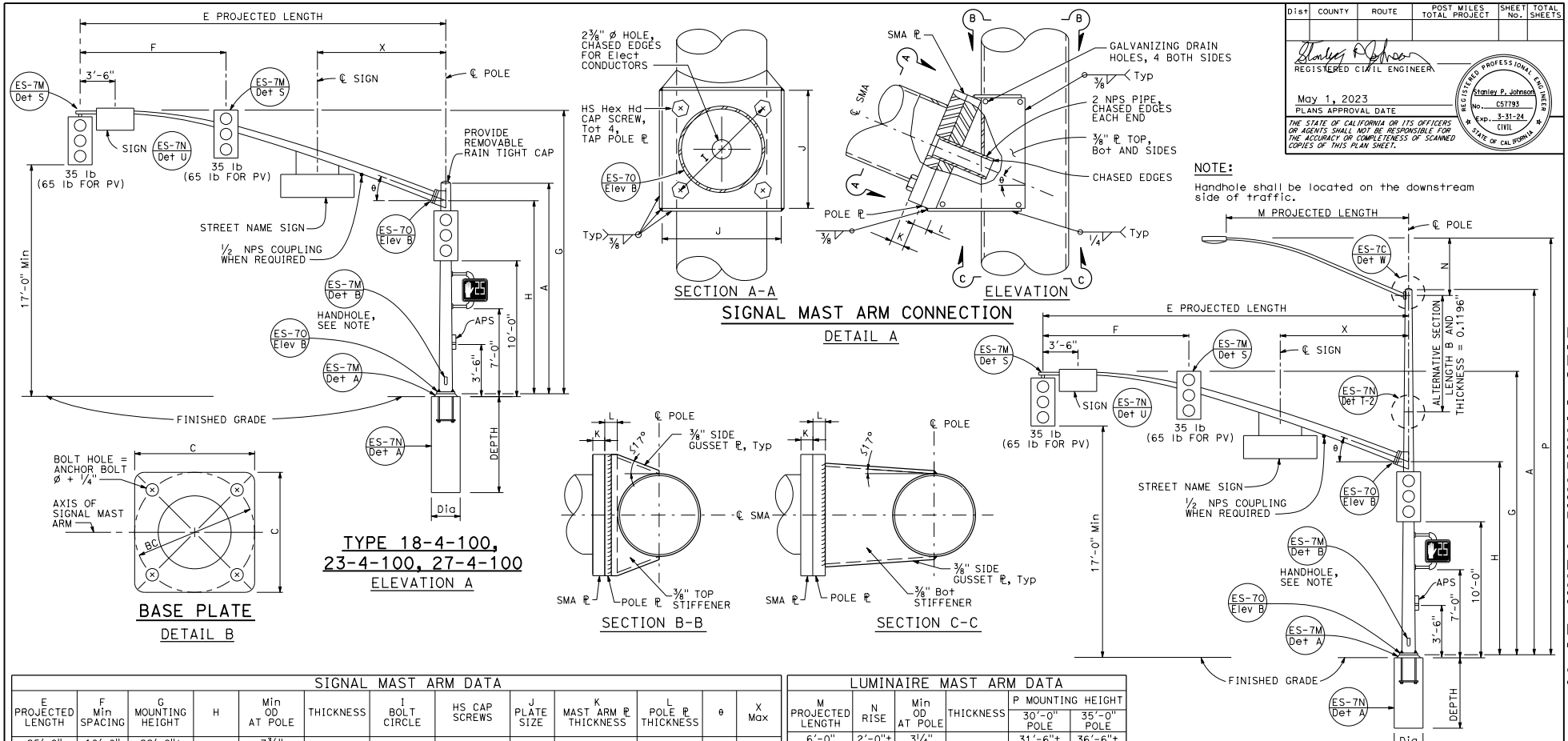
Intersection of Pacific Street at Midas Avenue

Signal Pole with Mast attached



Signal Pole with the Mast Arm removed.





TYPE 18-4-100, 23-4-100, 27-4-100
ELEVATION A

BASE PLATE
DETAIL B

SECTION A-A

ELEVATION

SIGNAL MAST ARM CONNECTION
DETAIL A

SECTION B-B

SECTION C-C

NOTE:
Handhole shall be located on the downstream side of traffic.

TYPE 19-4-100, 19A-4-100, 24-4-100, 24A-4-100, 26-4-100, 26A-4-100
ELEVATION B

SIGNAL MAST ARM DATA												
E PROJECTED LENGTH	F Min SPACING	G MOUNTING HEIGHT	H	Min OD AT POLE	THICKNESS	I BOLT CIRCLE	HS CAP SCREWS	J PLATE SIZE	K MAST ARM ℄ THICKNESS	L POLE ℄ THICKNESS	θ	X Max
25'-0"	10'-0"	22'-8"±	16'-0"	7⅜"	0.2391"	12"	1¼"-7NC-3"	1'-3"	1¼"	1½"	23°	10'-6"
30'-0"	12'-0"	23'-0"±		8"		13½"			1½"	1¾"	21°	
35'-0"	14'-0"			8⅝"							15°	13'-0"
40'-0"	15'-0"			9⅜"				1'-5"				
45'-0"		23'-8"±		10¼"								

LUMINAIRE MAST ARM DATA						
M PROJECTED LENGTH	N RISE	Min OD AT POLE	THICKNESS	P MOUNTING HEIGHT		
				30'-0" POLE	35'-0" POLE	
6'-0"	2'-0"±	3¼"	0.1196"	31'-6"±	36'-6"±	
8'-0"	2'-6"±	3½"		32'-0"±	37'-0"±	
10'-0"	3'-3"±	3⅞"		32'-9"±	37'-9"±	
12'-0"	4'-3"±			33'-9"±	38'-9"±	
15'-0"	4'-9"±	4¼"		34'-3"±	39'-3"±	

POLE TYPE	LOAD CASE	WIND VELOCITY (mph)	POLE DATA							BASE PLATE DATA				LUMINAIRE MAST ARM	SIGNAL MAST ARM	CIDH PILE FOUNDATION	
			A HEIGHT	Min OD		THICKNESS	ALTERNATIVE SECTION			C	BC = BOLT CIRCLE	THICKNESS	ANCHOR BOLT SIZE			Dia	DEPTH
				BASE	TOP		B LENGTH	BOTTOM	TOP								
18-4-100	4	100	17'-0"	16"	13⅝"	0.2391" OR 0.25"				1'-11"	1'-9"	3"	2¼"ø x 42"	NONE	25'-0", 30'-0"	3'-6"	12'-0"
19-4-100			30'-0"		11¾"		10'-0"	13⅛"	11¾"					6'-15' 12'-0"			
19A-4-100			35'-0"		11"		15'-0'	13⅛"	11"					6'-15' 15'-0"			
23-4-100			17'-0"		13⅝"	0.3125"								NONE	35'-0"		
24-4-100			30'-0"		11¾"		10'-0"	15⅛"	13¾"					6'-15' 12'-0"			
24A-4-100			35'-0"		11"		15'-0"	13⅛"	11"					6'-15' 15'-0"			
26-4-100			30'-0"	18"	13¾"		10'-0"	15⅛"	13¾"	2'-1"	1'-11"			6'-15' 12'-0"	40'-0", 45'-0"		13'-0"
26A-4-100			35'-0"		13"		15'-0"	15⅛"	13"					6'-15' 15'-0"			
27-4-100			17'-0"		15⅝"									NONE			

INDICATES MAST ARM LENGTH TO BE USED UNLESS OTHERWISE NOTED ON PLANS.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

ELECTRICAL SYSTEMS (SIGNAL AND LIGHTING STANDARD, CASE 4 SIGNAL MAST ARM LOADING, WIND VELOCITY = 100 MPH AND SIGNAL MAST ARM LENGTHS 25' TO 45')

NO SCALE

Dist	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET No.	TOTAL SHEETS

REGISTERED CIVIL ENGINEER

May 1, 2023
PLANS APPROVAL DATE

Stanley P. Johnson No. C57793 Exp. 3-31-24 CIVIL

REGISTERED PROFESSIONAL ENGINEER STATE OF CALIFORNIA

THE STATE OF CALIFORNIA OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

ES-7F

2-6-23

Return to Table of Contents

ATTACHMENT B

PERFORMANCE BOND
(To be Submitted with Construction Agreement)

BOND NO.:_____

PREMIUM:_____

City of Rocklin

KNOW ALL PERSONS BY THESE PRESENTS:
THAT WHEREAS, the CITY OF ROCKLIN (hereinafter referred to as "CITY") has awarded to _____, hereinafter designated as the "Principal" a contract for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by Principal is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, the undersigned Principal and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the CITY in the sum of _____ DOLLARS, ($_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if said Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee, or longer guarantee if required in the Contract Documents, of all materials and workmanship; and shall indemnify and save harmless the CITY, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorneys' fees, incurred by CITY in enforcing such obligation.

The obligations of Surety hereunder shall continue so long as any obligation of Principal remains. Nothing herein shall limit the CITY's rights or Principal's or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Principal shall be, and is declared by the CITY to be, in default under the Contract Documents, Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at Surety's option:

(1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or

(2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, Surety and the CITY, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Principal by the CITY under the Contract and any modification thereto, less any amount previously paid by the CITY to Principal and any other set offs pursuant to the Contract Documents.

(3) Permit the CITY to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Principal by the CITY under the Contract and any modification thereto, less any amount previously paid by the CITY to Principal and any other set offs pursuant to the Contract Documents.

If Surety does not proceed as provided in Paragraphs 1-3 with reasonable promptness, Surety shall be deemed to be in default on this Bond seven (7) days after receipt of additional written notice from the CITY to Surety demanding that the Surety perform its obligations under this Bond, and the CITY shall be entitled to enforce any remedy available to it.

Surety expressly agrees that the CITY may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by Principal. Surety shall not utilize Principal in completing the Project nor shall Surety accept a bid from Principal for completion of the Project if the CITY, when declaring Principal in default, notifies Surety of the CITY's objection to Principal's further participation in the completion of the Project.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed there under shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20___, then names and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

Principal:_____

By:_____

Surety: _____

Address: _____

Telephone: _____

Attorney in Fact: _____

(Attach Attorney-In-Fact Certificate, Corporate Seal and Surety Seal. This bond must be accompanied by a current Power of Attorney Appointing the Attorney-in-Fact)

NOTICE:

A CERTIFICATE OF ACKNOWLEDGMENT IN ACCORDANCE WITH THE PROVISIONS OF CIVIL CODE SECTION 1189 MUST BE ATTACHED FOR EACH PERSON EXECUTING THIS AGREEMENT ON BEHALF OF PRINCIPAL AND SURETY.

ATTACHMENT C

PAYMENT BOND
(To be Submitted with Construction Agreement)

BOND NO.:_____

PREMIUM:_____

City of Rocklin

KNOW ALL PERSONS BY THESE PRESENTS:
THAT WHEREAS, the CITY OF ROCKLIN (hereinafter referred to as "CITY") has awarded to _____, (hereinafter designated as "Principal") an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by Principal is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as the "Contract"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said Contract providing that if Principal or any of its subcontractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor done thereon of any kind the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, we, the undersigned Principal and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the CITY in the sum of _____ DOLLARS, ($_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal, his or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Work contracted to be done, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of Principal and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein. In case legal action is required to enforce the provisions of this bond, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to court costs, necessary disbursements and other consequential damages. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to make claims under Section 9100 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Contract or to the work to be performed thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20___, then names and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

Principal:_____

By:_____

Surety: _____

Address: _____

Telephone: _____

Attorney in Fact: _____

(Attach Attorney-In-Fact Certificate, Corporate Seal and Surety Seal. This bond must be accompanied by a current Power of Attorney Appointing the Attorney-in-Fact)

NOTICE:

A CERTIFICATE OF ACKNOWLEDGMENT IN ACCORDANCE WITH THE PROVISIONS OF CIVIL CODE SECTION 1189 MUST BE ATTACHED FOR EACH PERSON EXECUTING THIS AGREEMENT ON BEHALF OF PRINCIPAL AND SURETY.

ATTACHMENT D

WORKERS' COMPENSATION INSURANCE CERTIFICATION
(To be Submitted with Construction Agreement)

TO THE CITY OF ROCKLIN:

The undersigned does hereby certify that he is aware of the provisions of Section 3700 et seq. of the Labor Code which require every employer to be insured against liability for Workmen's compensation or to undertake self-insurance in accordance with the provisions of said Code, and that he will comply with such provisions before commencing the performance of work on this Contract.

Name of Contractor

By:_____

Title:_____

Address:_____

Date:_____

PLEASE READ CAREFULLY BEFORE SIGNING

To be signed by authorized corporate officer or partner or individual. If the Contractor is: (example)

1. An individual using a firm name, sign "John Doe, an individual doing business as "Blank Company."
2. An individual doing business under his own name, sign: your name only.
3. A co-partnership, sign" "John Doe, and Richard Doe, co-partners doing business as Blank Company, by John Doe, Co-Partner."
4. A corporation or limited liability company, sign: "Blank Company, by John Doe, Secretary." (or other title)
5. A joint venture, sign: "Blank Joint Venture, by John Doe, Managing Principal."

ATTACHMENT E

GUARANTEE FORM

**{Print on Contractor/Subcontractor Letterhead
And Submit at Close-Out}**

_____ {Contractor's Name} hereby unconditionally guarantees that the Work performed at _____ [insert Project] has been done in accordance with the requirements of the Contract therefor and further guarantees the Work of the Contract to be and remain free of defects in workmanship and materials for a period of one (1) year from and after City acceptance of the Work, in accordance with the General Provisions, unless a longer guarantee period is called for by the Contract Documents, in which case the terms of the longer guarantee shall govern. The Contractor hereby agrees to repair or replace any and all Work, together with any adjacent Work which may have been damaged or displaced in so doing, that may prove to be not in accordance with the requirements of the Contract or that may be defective in its workmanship or materials within the guarantee period specified, without any expense whatsoever to the City, ordinary wear and tear and unusual abuse and neglect only excepted. The Contractor has provided contract bonds, which will remain in full force and effect during the guarantee period.

The Contractor further agrees that within ten (10) calendar days after being notified in writing by the City of any Work not in accordance with the requirements of the contract or any defects in the Work, it will commence and prosecute with due diligence all Work necessary to fulfill the terms of this guarantee, and to complete the Work within a period of time stipulated in writing. In the event it fails to so comply, Contractor does hereby authorize the City to proceed to have such Work done at the Contractor's expense and it will pay the cost thereof upon demand. The City shall be entitled to all costs, including reasonable attorneys' fees, necessarily incurred upon the Contractor's refusal to pay the above costs.

The guarantee period for corrected defective work shall continue for a duration equivalent to the original guarantee period.

Notwithstanding the foregoing paragraph, in the event of an emergency constituting an immediate hazard to the health or safety of the employees of the City, or its property or licensees, the City may undertake at the Contractor's expense without prior notice, all Work necessary to correct such hazardous condition when it was caused by the Work of the Contractor not being in accordance with the requirements of this contract, or being defective, and to charge the same to the Contractor as specified in the preceding paragraph.

The guarantee set forth herein is not intended by the parties, nor shall it be construed, as in any way limiting or reducing the City's rights to enforce all terms of the Contract referenced hereinabove or the time for enforcement thereof. This guarantee is provided in addition to, and not in lieu of, the City's rights on such contract.

CONTRACTOR'S SIGNATURE_____

PRINT NAME_____

ATTACHMENT F

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT OR SUSPENSION

Bidder hereby certifies, to the best of its knowledge and belief, except as expressly disclosed on this Certificate, that:

The Bidder and/or any of its Principals:

1. Are not presently debarred, suspended, proposed for debarment or suspension, or declared ineligible for award of the contract by any Federal, State, or local agency.

2. Have not, within a three-year period preceding this Bid, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property.

3. Are not presently indicted for, or otherwise criminally or civilly charged by a government entity with, commission of any of the offenses enumerated in Item 2. above.

4. The Bidder has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, State, or local agency.

"Principals," for the purposes of this certification, means: officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

Bidder shall provide immediate written notice to the City if, at any time prior to contract award, Bidder learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

This Certification is a material representation of fact upon which reliance will be placed when making the award, if and when made. If it is later determined that Bidder knowingly rendered an erroneous certification, in addition to other remedies available to the City, the City may terminate the Contract resulting from this solicitation for default.

BIDDER:_____ Date_____

BY:_____
Signature

_____
Type/Print Name

_____
Title

EXCEPTIONS TO CERTIFICATION

If Bidder has any exceptions to the Certification set forth above, state the exception and an explanation of the circumstances:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

BIDDER:_____ Date_____

BY:_____
Signature

_____
Type/Print Name

_____
Title

ATTACHMENT G

LABOR AND PREVAILING WAGE COMPLIANCE

1. PREVAILING WAGE

A. The Work contemplated herein constitutes a public work within the meaning of Labor Code sections 1720 and 1771. It shall be mandatory upon the Contractor and upon any Subcontractor, to pay not less than the said specified prevailing rates of wages to all workers employed by them under the Contract in accordance with Labor Code section 1774. The Director of the Department of Industrial Relations ("DIR") of the State of California has determined the general prevailing rate of wages of per diem wages in the locality in which the work is to be performed for each craft or type of worker needed to execute the Contract. The Contractor acknowledges that it has examined the prevailing rate of per diem wages as established by the DIR. Copies of the current schedules for prevailing wages are on file at City Hall, and the contents of those schedules are incorporated herein as if set forth in full. The Contractor shall post a copy of the applicable prevailing wage determinations at each job site, along with any other work place posters required by law.

B. The City will not recognize any claims for additional compensation because of the payment of prevailing wages. The possibility of wage increases is one of the elements to be considered by the Contractor in determining its proposal, and will not under any circumstances be considered as the basis of a claim against the City.

C. By executing this Contract Contractor warrants that it has registered with the Department of Industrial Relations in accordance with Labor Code section 1725.5.

2. PREVAILING WAGE RECORDS

A. The Contractor and each subcontractor shall keep an accurate payroll record which shows the name, address, social security number, correct work classification (in accordance with the wage decision), both straight and overtime worked each day and week, and hourly rate of pay, gross wages earned, deductions made and net wages paid to each journeyman, apprentice, worker or other employee paid by the Contractor /subcontractor in connection with the Work. These payroll records shall be certified and shall be made available at Contractor's principal office. These records shall be maintained during the course of the Work. The Contractor and all subcontractors shall make the certified payroll records available for inspection by City representatives upon request and shall permit such representatives to interview employees during the work hours on the job site.

B. The City shall notify the Contractor in writing of any discrepancies or violations that are discovered during such inspections. Written notification pursuant to this Section shall include the actions that will be necessary to resolve the discrepancies and/or violations. The Contractor shall be held entirely responsible for the prompt resolution of all non-compliances with the prevailing wage laws, including those pertaining to all subcontractors and any lower-tier subcontractors. The Contractor shall forfeit as penalty to the City the amount specified by law for each calendar day or portion thereof for each worker (whether employed by the Contractor or any subcontractor) paid less than the stipulated prevailing rates for any work done under the Contract in violation of the provisions of the Labor Code and in particular, Section 1775.

C. To the extent applicable, Contractor and subcontractors shall maintain and furnish to the Department of Industrial Relations ("DIR"), a certified copy of each weekly payroll (but no less often than monthly), with a statement of compliance signed under penalty of perjury. Such certified payroll reports shall be transmitted electronically to the DIR.

D. The City will not recognize any claims for additional compensation because of the payment of the prevailing wages. The possibility of wage increases is one of the elements to be considered by the Contractor in entering into the Contract, and will not under any circumstances, other than delays caused by the City, or the City's agents, be considered as the basis of a claim against the City.

3. Labor Discrimination

Attention is directed to Section 1735 of the Labor Code, which reads as follows:

> "No discrimination shall be made in the employment of persons upon public works because of their race, color, national origin or ancestry, physical handicap, mental condition, marital status, or sex of such person, except as provided in Section 12940 of the Government Code, and every General Contractor for public works violating this section is subject to all the penalties imposed for a violation of this chapter."

4 Eight-Hour Day Limitation

(a) In accordance with the provisions of the Labor Code, and in particular, Sections 1810 to 1815 thereof, inclusive, incorporated herein by reference, eight hours labor shall constitute a day's work, and no worker in the employ of Contractor, or any Subcontractor, doing or contracting to do any part of the work contemplated by the Contract, shall be required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of those provisions; provided that subject to Labor Code Section 1815, a worker may perform work in excess of either eight (8) hours per day or forty (40) hours during any one week upon compensation for all hours worked in excess of eight (8) hours per day or forty (40) hours during any one week at not less than one and one-half times the basic rate of pay.

(b) The Contractor and each Subcontractor shall also keep an accurate record showing the names and actual hours worked of all workers employed by them in connection with the Contract. This record shall be open at all reasonable hours to the inspection of the City. It is hereby further agreed that, except as provided in (a) above, the Contractor shall forfeit as a penalty to the City the sum of twenty-five dollars ($25) for each worker employed in the performance of the Contract by the Contractor or by any of its Subcontractors for each calendar day during which such worker is required or permitted to labor more than eight (8) hours in and one calendar day and forty (40) hours in any one calendar week in violation of Sections 1810 through 1815.

5. Compliance with State Requirements for Employment of Apprentices

(a) The Contractor's attention is directed to Section 1777.5 of the Labor Code. Provisions of said Section pertaining to employment of registered apprentices are hereby incorporated by reference into this Contract. As applicable, the Contractor or any Subcontractor

employed by the Contractor in the performance of this Contract shall take such actions as necessary to comply with the provisions of Section 1777.5.

ATTACHMENT H

CITY OF ROCKLIN
GENERAL PROVISIONS

TABLE OF CONTENTS

CHAPTER	SUBJECT	Page
TABLE OF CONTENTS		1
CHAPTER 1	TERMS AND DEFINITIONS	3
CHAPTER 2	BID REQUIREMENTS AND CONDITIONS	12
CHAPTER 3	AWARD AND EXECUTION OF CONTRACT	21
CHAPTER 4	SCOPE OF WORK	31
CHAPTER 5	CONTROL OF WORK AND MATERIALS	40
CHAPTER 6	LEGAL RELATIONS AND RESPONSIBILITIES	58
CHAPTER 7	PROSECUTION OF THE WORK	85
CHAPTER 8	MEASUREMENT AND PAYMENT	101
CHAPTER 9	CHANGES AND CLAIMS	112
CHAPTER 10	ENVIRONMENTAL CONTROLS AT WORK SITE	130
CHAPTER 11	PRECONSTRUCTION PHOTOGRAPHS AND RECORD DRAWINGS	139

.

CHAPTER 1 – TERMS AND DEFINITIONS

TABLE OF CONTENTS

Section	Page
1-1 GENERAL	3
1-2 ABBREVIATIONS	3
1-3 DEFINITIONS	4

CHAPTER 1 TERMS AND DEFINITIONS

1-1 GENERAL

The Contract Documents are written to the Bidder before award and the Contractor after award. Before award, interpret sentences written in the imperative mode as starting with “The Bidder must” and interpret “you” as “the Bidder” and “your” as “”the Bidder’s.” After award, interpret sentences written in the imperative mode as starting with “The Contractor must” and “you as “the Contractor” and “your” as “the Contractor’s”.

Where a location is not specified with the words “shown,” “specified,” or “described”, interpret:

1. “Shown” as “shown on the plans.”
2. “Specified” as “specified in the Specifications.”
3. “Described” as “described in the Contract Documents.” “Described” means “shown, specified or both.”

Whenever the following terms, titles, or abbreviations are used in the Contract Documents, the intent and meaning shall be as herein defined. Working titles having a masculine gender, such as "workman" and "journeyman" and the pronoun "he”, are utilized in the Contract Documents for the sake of brevity, and are intended to refer to persons of either gender.

1-2 ABBREVIATIONS

AASHTO	American Association of State Highway and Transportation Officials
AC	Asphalt Concrete
ACI	American Concrete Institute
ADA	Americans with Disabilities Act
AISC	American Institute of Steel Construction
AISI	American Iron and Steel Institute
APA	American Plywood Association
ARB	California Air Resources Board
ASA	American Standards Association
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
AT&T	American Telephone and Telegraph
AWG	American Wire Gage
AWS	American Welding Society
AWWA	American Water Works Association
BMP	Best Management Practice
California-MUTCD	California Manual of Uniform Traffic Control Devices
Cal-OSHA	California Occupational Safety and Health Administration
Caltrans	California Department of Transportation
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act of 1970
CL	Centerline
CPM	Critical Path Method
CSI	Construction Specifications Institute

CWA	Clean Water Act
CY	Cubic Yards
DI	Drop Inlet
DIR	California Department of Industrial Relations
DLSE	Division of Labor Standards Enforcement
DWR	Daily Work Report
EA	Each
EP	Edge of Pavement
ESCP	Erosion and Sediment Control Plan
FS	Federal Specifications
LF	Linear Feet
LS	Lump Sum
MSDS	Material Safety Data Sheet
NEC	National Electrical Code
NEMA	National Electrical Manufacturers Association
OSHA	Occupational Safety and Health Act
OPRL	DIR, Director's Office of Policy, Research and Legislation
PCC	Portland Cement Concrete
PG&E	Pacific Gas & Electric
PS	Pump Station
QC	Quality Control
QSD	Qualified SWPPP Developer
QSP	Qualified SWPPP Practitioner
SD	Storm Drain or Storm Drainage
SF	Square Foot/Feet
SS	Sanitary Sewer
STA	Station
SWPPP	Storm Water Pollution Prevention Plan
SWRCB	State Water Resources Control Board
TCP	Traffic Control Plan
Title 8	Title 8 (Construction Safety Orders) of the California Code of Regulations
Title 19	Title 19 (Public Safety) of the California Code of Regulations
Title 24	Title 24 (Building Standards) of the California Code of Regulations
TOC	Top of Curb
Typ. or TYP	Typical
UL	Underwriters' Laboratories, Inc.
UBC	Uniform Building Code (latest edition)
UMC	Uniform Mechanical Code (latest edition)
UPC	Uniform Plumbing Code (latest edition)
USA	Underground Service Alert

1-3 DEFINITIONS

Acceptance, Final Acceptance – Formal action of the City of Rocklin in determining that the Contractor's work has been completed in accordance with the Contract Documents and in notifying the Contractor in writing of the acceptability of the Work**.**

Acts of God – "Acts of God" shall include only the following occurrences or conditions and effects: earthquakes in excess of a magnitude of 3.5 on the Richter Scale, tidal waves, flooding, tornadoes and hurricanes**.**

Addenda – Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the bidding requirements or the proposed Contract Documents**.**

Agreement – The written agreement signed by the City and the Contractor covering the Work and the furnishing of labor, materials, tools, equipment, supplies, transportation, supervision, resources, and everything necessary to complete the Work.

Allowance – An amount of money set aside under the Contract for a special purpose identified in the Contract.

Architect, Consulting Engineer and/or Construction Manager – A person or persons, firm, partnership, joint venture, corporation, or combination thereof or authorized representative thereof, acting in the capacity of consultant to the City. The Architect or Consulting Engineer or Construction Manager shall issue directions to the Contractor only through the City. When the Contract Documents require that approval be obtained from the Architect or Consulting Engineer or Construction Manager, such approval shall be requested from and be given by the City.

As Shown, Etc. – Where "as shown", "as latest indicated", "as detailed", or words of similar import are used, the reference is to the Contract unless specifically stated otherwise. Where "as directed", "as permitted", "approved", or words of similar import are used, they shall mean the written direction, permission, or approval of the City.

Bid – When submitted on the prescribed bid form, properly signed and guaranteed, the Bid constitutes the offer of the Bidder to complete the Work at the price shown on the Bidder's bid form.

Bidder – Any person, persons, firm, partnership, joint venture, corporation, limited liability company or combination thereof, submitting a Bid for the Work, acting directly or through a duly authorized representative.

Bid Documents – The sum of the documents that comprise the Bid by a Bidder to perform the Work.

Bid Form – The approved form, which includes a sum of required documents, upon which the City requires a formal Bid be prepared and submitted for the Work. See **BID FORM.**

Bid Guarantee – The cash, cashier's check, certified check, or Bidder's bond accompanying the Bid submitted by the Bidder as a guaranty that the Bidder will enter into a Contract with the City for the performance of the Work if the Contract is awarded to the Bidder.

Bid Item – Individual line items to be included in the Bid, as set forth on the Bid Form.

Bid Opening – The event conducted by the City during which the sealed Bids submitted by Bidders to perform the Work are opened and publicly read.

Calendar Day – Every day shown on the calendar. When the Contract Time is stated in Calendar Days, every day will be charged toward the Contract Time.

Change Order – A Contract amendment approved by the City that includes, but is not limited to, alterations, deviations, additions to, or deletions from, the Contract which are required for the

proper completion of the Work. A Change Order may or may not include adjustments to the Contract Time and/or to the Total Contract Price.

City – Shall mean the City of Rocklin, acting through its authorized representatives.

City Council – The City Council of the City of Rocklin, a political subdivision of the State of California. Also referred to as "Council".

City of Rocklin Construction Standard Specifications – the City's standard specifications for construction, located on the City's website.

City of Rocklin Improvement Standards– the City's standard requirement for improvement projects, located on the City's website.

Completion – The point in the Project at which the Work is 100% performed.

Construction Change Directive (CCD) – A written order to the Contractor, issued after execution of the Contract, signed by the City or the Owner's Representative directing a change in the Work and stating a proposed basis for adjustment, if any, in the Total Contract Price or Contract Time, or both, and which shall be used in the absence of total agreement with the Contractor on the terms of a Change Order or when time does not permit processing of a Change Order prior to implementation of the change.

Contract – The entire binding agreement and contract between the City and Contractor relating to the Project, including the Agreement, and all documents incorporated into the Agreement by reference, and all Contract Documents.

Contract Documents – The Notice to Contractors, Addenda, Bid Form, Agreement, Plans, General Provisions, Special Provisions, General Requirements (Division 1), Technical Specifications (Divisions 2 through 16), Permits from other agencies as may be required by law, City of Rocklin Construction Specifications, Improvement Standards and Standard Drawings, Caltrans Standard Plans and Specifications as applicable, Standard Forms, Supplemental Drawings, all required bonds, Exhibits, the Contract Schedule, Storm Water Pollution Prevention Plan (whether prepared by the City or the Contractor) and any and all supplemental agreements amending or extending the Work contemplated and which may be required to complete the Work in an acceptable manner. Supplemental agreements are written agreements covering alterations, amendments or extensions to the Contract Documents and include Change Orders, Construction Change Directives, Field Directives, Field Orders and Supplemental Drawings.

Contract Commencement Date – The date established in the Notice to Proceed. If there is no Notice to Proceed, it shall be the date of the executed Agreement for Construction or such other date as may be established therein.

Contract Completion Date – The date by which the Contract requires Completion.

Contract Schedule – The schedule produced by the Contractor in response to the requirements of the Contract Documents.

Contract Time – The time stated in the Contract for completion of the Work. The Contract Time may be a single allotment of time, a group of times specific to portions of the Work, or a combination of the two.

Contractor – The person or persons, firm, partnership, joint venture, corporation, or combination thereof, private or municipal, who (that) has (have) entered into a Contract, as defined in the Contract Documents, with the City.

Day – Any reference to "day" or "days" without expressly stating whether they are "working days" or "calendar days" shall be construed to mean calendar days.

Director – The person appointed by the City Manager for the City of Rocklin for the department through which the Project will be procured.

Drawings – Also referred to as "Plans". The Project Plans, Standard Drawings, drawings, profiles, typical cross sections, general cross sections, Working Drawings and supplemental drawings, plates or reproductions thereof, approved by the City, which show the locations, character, dimensions and details of the Work to be performed. Once approved, all such drawings are incorporated into and become a part of the Contract Documents whether or not reproduced in the Special Provisions.

In the above definition, the following terms are defined as follows:

A. Project Plans: The project plans and specific details and dimensions particular to the Work and as supplemented by the Standard Drawings insofar as the same may apply.

Engineer – The City Engineer of the City of Rocklin for which work will be done under these Contract Documents, acting personally or through agents or assistants duly authorized by the Engineer.

Estimated Quantities – The list of items of Work and the estimated quantities associated with the Work. The Estimated Quantities provide the basis for the Bid.

Field Directive – Written documentation of the actions of the City in directing the Contractor. Also referred to as a "Directive."

General Provisions – Specific clauses that are part of the Contract and are located in Chapters 1-11. They assist in the governing of the Contract and in the contract performance, setting forth conditions and requirements of the Contractor and the City.

General Requirements – The part of the Contract Documents establishing special conditions or requirements particular to the Work and general clauses that establish how the Project is to be administered and supplementary to the General Provisions and Special Provisions.

Hazardous Waste – The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.

Inspector – The person or persons authorized to act as agent(s) for the City in the inspection of the Work.

Invitation for Bids – The written notice whereby interested parties are informed of the date, location, and time of the Bid Opening of a proposed City Project and the terms and conditions of submitting Bids to perform the Work. Also called Notice to Contractors.

Legal Holidays – Legal holidays shall include the following holidays designated by the City: New Year's Day, Martin Luther King Day, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, and Christmas Day.

Notice to Contractors – Same as Invitation for Bids.

Notice To Proceed – The written authorization by the City to the Contractor specifying the date the Work may begin and any conditions regarding the beginning of the Work.

Plans – See "Drawings."

Progress Schedule – A schedule prepared and maintained by the Contractor indicating the current status of the Work and the projected activities, tasks and durations planned to complete the Work in accordance with the Contract Time of Completion dates.

Owner's Representative – The City's designated agent engaged to perform all functions delegated to the Owner's Representative by the Contract Documents. The Owner's Representative may or may not be the Project Manager or a construction manager. The Owner's Representative will be the Contractor's primary contact during construction of the Project.

Project – Shall mean the Work.

Project Manager – The City's employee assigned to oversee the Project on a daily basis.

Proposed Change Order (PCO) – A document issued by the Contractor proposing a change to the Work and stating a proposed basis for adjustment, if any, in the Total Contract Price Contract Time, or both. A PCO shall be used by the Contractor to respond to a Request for Proposal. A PCO is not effective to authorize the proposed change to the Work, to the Total Contract Price or to the Contract Time unless it is accepted in writing by the City.

Record Drawings – Drawings prepared by the Contractor that document changes to, additions to, or deductions from the Plans, and which represent the Work as constructed, including, but not limited to, existing utilities found during construction of the Work.

Reference to Codes – Unless otherwise noted, all references to statutes are to the laws of the State of California and/or of the United States as codified in the various specified codes.

Request for Information (RFI) – A document issued by the Contractor seeking clarification and/or additional information regarding an aspect of the Work. An RFI is not to be used to request materials/equipment substitutions or value engineering/cost reduction incentive proposals. The response to the RFI does not constitute authorization or direction to proceed with any changed or additional work. Changed or additional work must be separately authorized by the City.

Request for Proposal (RFP) – A document issued by the Owner's Representative requesting pricing information and/or a proposed adjustment in Contract Time for a described scope of work. An RFP is not a Change Order, a CCD or a direction to proceed with the scope of work described in the RFP. The Contractor's response to the RFP shall be in the form of a Proposed

Change Order.

Schedule of Submittals – A schedule prepared and maintained by the Contractor of required submittals and the time requirements to support scheduled performance of related construction activities.

Schedule of Values – A statement furnished by the Contractor to the City reflecting the portions of the Total Contract Price allotted for the various parts of the Work for each work activity contained on the Contract Schedule. Unless otherwise indicated in the Specifications, the total of the Schedule of Values shall equal the full cost of the Work, including all labor, material, equipment, overhead, and profit. For lump sum contracts, the Schedule of Values is the basis for reviewing the Contractor's application for progress payments.

Special Provisions – The Special Provisions are specific clauses setting forth conditions or requirements particular to the Work.

Specifications – The directions, provisions, and requirements contained herein. When the term “Specifications" or "these Specifications" is used, it means the provisions as set forth herein, together with any amendments or revisions that may be set forth in the Special Provisions. The Specifications are comprised of “General Provisions”, Special Provisions”, “General Requirements” and “Technical Specifications”.

Standard Drawings – The City of Rocklin Construction Specifications, Improvement Standards and Standard Drawings, which are incorporated into the Standard Construction Specifications, and made a part of the Plans by reference to one or more specific Standard Drawings.

State – The State of California.

State Specifications – Unless otherwise stated in the Special Provisions, the version of the Standard Specifications of the State of California, Department of Transportation, in effect at the time of Notice to Contractors.

State Plans – Unless otherwise stated in the Special Provisions, the version of the Standard Plans of the State of California, Department of Transportation, in effect at the time of Notice to Contractors.

Subcontractor – A properly licensed party under contract to and responsible to the Contractor for performing a specified part of the Work; or a properly licensed party under contract and responsible to a Subcontractor of the Contractor.

Substantial Completion – The stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so City can occupy or utilize the Work for its intended use, and only minor corrective Work remains to be performed, all required approvals, certificates of occupancy and other sign-off from any other public agencies with jurisdiction have been obtained, (provided such approvals are not delayed as a result of causes unrelated to Contractor’s or its Subcontractors', sub-subcontractors', or suppliers' performance or failure to perform the Work or to satisfy its obligations under the Contract Documents) and Contractor has cleaned up and removed all equipment, tools and other materials from the Work area. Contractor shall secure and deliver to City written warranties and guaranties from its Subcontractors, sub-subcontractors and suppliers bearing the date of Substantial Completion or some other date as may be agreed to by City and stating

the period of warranty as required by the Contract Documents.

Supplemental Drawing – Supplemental Drawings define the Plans or Specifications in greater detail by providing additional information that may have not been specifically or clearly shown or called out on the Plans or in the Specifications.

Technical Specifications – The provisions of the Specifications that describe the technical aspects of the Work, including all technical references contained therein.

Total Bid Price – The aggregate sum of the Bid, including all additive items.

Total Contract Price – The total price for the Work as bid by the Contractor, including any additions or subtractions made via Change Orders.

Work – All obligations and/or actions which the Contractor is contractually required to fulfill and/or perform as specified, indicated, shown, contemplated, or implied in the Contract, including but not limited to (1) all alterations, amendments, or extensions made by Change Order or other written directives or directives of the City; (2) furnishing of all materials, supplies, equipment, tools, labor, transportation, supervision, and all incidentals necessary to perform all tasks required by the Contract; (3) all tasks, duties and obligations required by the Contract; and (4) closing documents for the Project such as complete Record Drawings and submission of all manuals.

Working Day – Any day except: (a) Saturdays, Sundays, and City Legal Holidays; (b) days on which the Contractor is specifically required by the Special Provisions or by law to suspend construction operations; or (c) days on which the Contractor is prevented from proceeding with the current controlling operation or operations of the Work for at least five (5) hours per day due to inclement weather, or conditions resulting immediately therefrom.

Working Drawing – Working Drawings detail a particular item of work and the manner in which it is to be accomplished or performed. Working Drawings are prepared by the Contractor as a submittal or a portion of a submittal and may be specifically requested by the City or required in the Contract or a Field Directive or other written directive.

CHAPTER 2 - BID REQUIREMENTS AND CONDITIONS

TABLE OF CONTENTS

Section **Page**

2-1 BID FORM – Not Applicable 12
2-1.01 Unit Price Bid 12
2-1.02 Lump Sum Bid 12
2-1.03 Allowances 12
2-2 PREPARATION AND SUBMISSION OF BIDS 12
2-3 EXAMINATIONS OF PLANS, SPECIFICATIONS, AND SITE OF WORK 13
2-4 SUBSURFACE CONDITIONS 14
2-5 CONTRACTORS/SUBCONTRACTORS REQUIRED TO BE LICENSED AND REGISTERED 14
2-6 COMPETENCY OF BIDDERS 15
2-7 JOINT VENTURE BIDS 15
2-8 SUBCONTRACTORS 15
2-9 ADDENDA 16
2-10 ASSIGNMENT OF ANTITRUST ACTIONS 17
2-11 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT OR SUSPENSION, AND OTHER RESPONSIBILITY MATTERS 17
2-12 BID GUARANTEE – Not Applicable 18
2-13 WITHDRAWAL OF BID 18
2-14 PUBLIC OPENING OF BIDS – Not Applicable 18
2-15 REJECTION OF BIDS 18
2-16 DISQUALIFICATION OF BIDDERS 18
2-17 RELIEF OF BIDDERS 19
2-18 BID PROTESTS 19

CHAPTER 2 BID REQUIREMENTS AND CONDITIONS

2-1 BID FORM – Not Applicable

Intentionally Left Blank.

2-1.01 Unit Price Bid

Where the Bid for an item of Work is to be submitted on a unit price basis, the Bidder shall bid a unit price as total compensation for completion of one unit of the work described under that item. This price shall be multiplied by the Estimated Quantity included in the informal bid request to derive a total bid price for that item. The total amount bid for a unit price contract shall be entered as a grand total of all individual items. The Estimated Quantities included on the informal bid request are approximate and are only included in the request as a basis for comparison of Bids. The City does not, expressly or by implication, represent or agree that the actual amount of work will equal the approximate Estimated Quantities. Payment will be made for the actual quantity of Work performed in accordance with the Contract. The City reserves the right to increase or decrease the amount of any class or portion of the Work, or to omit portions of the Work, as may be deemed necessary or advisable in the sole discretion of the City. For compensation for alterations in quantities of work, including deviations greater than twenty-five percent (25%), see Section 9- 8.02, “Payment for Changes – Unit Prices”, of these Specifications.

2-1.02 Lump Sum Bid

Where the Bid for an item of Work is to be submitted on a "Lump Sum" or "Job" basis, a single lump-sum price shall be submitted. Items bid on a lump-sum basis shall result in a complete structure, operating plant, or system, in satisfactory working condition with respect to the functional purposes of the installation, as described in the Contract, and no extra compensation will be paid for anything omitted but fairly implied.

2-1.03 Allowances

Where specific allowance items have been entered by the City, the total amount entered shall be included in the Total Bid Price. However, the total amount to be paid for the Work included in the Allowance shall be the amount of the Allowance actually utilized in the course of completing the Work.

2-2 PREPARATION AND SUBMISSION OF BIDS

The Project is a public works project within the requirements of Division 2, Part 7, Chapter 1 of the California Labor Code. Each Bidder and listed Subcontractor is required to be registered pursuant to Labor Code section 1725.5 at the time of bidding. Failure of the Bidder to be registered at the time of bidding shall render the Bid non-responsive and ineligible for award. An unregistered Subcontractor will not be permitted to work on the Project and Contractor may be required to substitute, at its cost and with no adjustment in the Total Contract Price, an

unregistered Subcontractor with a registered Subcontractor.

By submission of a Bid, the Bidder acknowledges acceptance of the nature and location of the Work, the general and local conditions, conditions of the site, the character, quality and scope of work to be performed, the availability of labor, electric power, water, the kind of surface and subsurface materials on the site, the materials and equipment to be furnished, and all requirements of the Contract or other matters which may affect the Work or the cost. Any failure of a Bidder to become acquainted with all of the available information concerning conditions will not relieve the Bidder from the responsibility for estimating properly the difficulties or cost of the Work.

The Bidder declares by the submission of a Bid that the Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the Bid is genuine and not collusive or a sham; that the Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham Bid, and has not directly or indirectly colluded, conspired, connived or agreed with any Bidder or anyone else to put in a sham Bid or to refrain from bidding; that the Bidder has not directly or indirectly sought by agreement, communication, or conference with anyone to fix the Bid price of the Bidder or the Bid price of any other Bidder, or to fix any overhead, profit, or cost element of such Bid price or of that of any other Bidder, or to secure any advantage against the City, anyone interested in the Bid as principal, or those named within the Bid; that all statements contained in the Bid are true; that the Bidder has not directly or indirectly submitted a Bid price or any breakdown thereof or the contents thereof, or divulged information or data relative thereto, to any other corporation, partnership, company, association, organization, bid depository, or to any member or agent therefore, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such a purpose.

Any person executing the above declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity hereby represents that he has full power to execute the declaration on behalf of the Bidder.

Bid prices shall include everything necessary for the completion of the Work and fulfillment of the Contract, except as may be provided otherwise in the Contract Documents. Bid prices shall include all Federal, State, and local taxes, and all other fees and costs not expressly paid for by the City as stated in the Special Provisions.

2-3 EXAMINATIONS OF PLANS, SPECIFICATIONS, AND SITE OF WORK

The Bidder shall examine carefully the site of the proposed Work and the Plans, Specifications and Contract Documents, and shall be satisfied as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered. The submission of a Bid shall be conclusive evidence that the Bidder is satisfied through the Bidder's own investigation as to the conditions to be encountered; the character, quality, quantity and scope of work to be performed; and the materials and equipment to be furnished.

If material discrepancies or apparent material errors are found in the Plans and Specifications prior to the date of bid opening, an Addendum may be issued (see Section 2-9, "Addenda", below). Otherwise, in figuring the Work, Bidders shall consider that any discrepancies or conflict between Plans and Specifications will be governed by Section 4-1, "Intent of Contract Documents".

2-4 SUBSURFACE CONDITIONS

Where investigations of subsurface conditions have been made by the City with respect to subsurface conditions, utilities, foundation, or other structural designs, and that information is shown in the Plans, it represents only a statement by the City as to the character of materials which have actually been encountered by the City's investigation. This information is only included for the convenience of Bidders.

Investigations of subsurface conditions are made for the purpose of design only. The City assumes no responsibility with respect to the sufficiency or accuracy of borings or of the log of test borings or other preliminary investigations or of the interpretation thereof. There is no guaranty, either expressed or implied, that the conditions indicated are representative of those existing throughout the Work, or any part of it, or that unanticipated conditions may not occur. When a log of test borings is included in the Plans, it is expressly understood and agreed that said log of test borings does not constitute a part of the Contract. The log of test borings represents only an opinion of the City as to the character of the materials to be encountered, and is included in the Plans only for the convenience of the Bidders. Making information available to Bidders is not to be construed in any way as a waiver of the provisions of the first paragraph of this Section, and Bidders must satisfy themselves through their own investigations as to conditions to be encountered.

2-5 CONTRACTORS/SUBCONTRACTORS REQUIRED TO BE LICENSED AND REGISTERED

The Bidder shall be licensed under the provisions of Chapter 9, Division 3, of the Business and Professions Code to do the type of work contemplated in the Project, and shall be skilled and regularly engaged in the general class or type of work called for under the Contract. The specific type of license required will be indicated in the "Notice to Contractors". Unless specified otherwise in the Special Provisions, the Bidder shall indicate the license number and class in the space provided for that purpose on their bid.

All Subcontractors engaged to perform portions of the Work shall be licensed under the provisions of Chapter 9, Division 3, of the Business and Professions Code to do the type of work for which they are subcontracted, and shall be skilled and regularly engaged in the genera l class or type of work called for under their subcontracts. Additionally, Subcontractors listed in the Bid shall be licensed at the time the Bid is submitted to do the type of work for which they are subcontracted.

Attention is also directed to the provisions of Public Contract Code Section 20103.5, which addresses Contractor licensing requirements. The City may not award the Contract if it cannot be verified that the low Bidder is an appropriately licensed Contractor at the time of Contract award.

The Contractor, and all Subcontractors, shall be registered pursuant to Labor Code section 1725.5 prior to engaging in the performance of any public work contract that is subject to the requirements of Division 2, Part 7, Chapter 1 of the California Labor Code, and shall maintain current registration throughout the term of this Contract.

2-6 COMPETENCY OF BIDDERS

It is the intention of the City to award a Contract only to a Bidder who furnishes satisfactory evidence that the Bidder has the requisite experience and ability, and has sufficient capital, facilities, and plant to enable the Contractor to prosecute the Work successfully and promptly, and to complete the Work within the time stated in the Contract.

If required, a statement of experience and business standing for the Bidder and any or all Subcontractors designated in the Bid shall be provided to the City at Bid time. To determine the experience of a Bidder, the City may consider any relevant evidence that the Bidder, and/or its key personnel assigned to the Project for the duration of the Project, and/or the Subcontractor(s) has or has not satisfactorily performed on other contracts of similar nature, value, magnitude and/or difficulty.

2-7 JOINT VENTURE BIDS

If two or more prospective Bidders desire to bid jointly as a joint venture on a single project, the joint venture Bid must be accompanied by either a notarized copy of a valid license issued to the joint venture by the Contractor's State License Board or the license number and class of a valid licensed issued by the Contractor's State License Board to each member of the joint venture.

Attention is also directed to the provisions of Business and Professions Code Sections 7028.15 and 7029.1 and Public Contract Code Section 20103.5, which address Contractor licensing requirements for joint ventures. Unless it has done so with its Bid, the joint venture must provide to the City, prior to award of the Contract, a notarized copy of a valid license issued to the joint venture. The City may not award the Contract if it cannot be verified that the joint venture is appropriately licensed at the time of Contract award.

2-8 SUBCONTRACTORS

In accordance with the Subletting and Subcontracting Fair Practices Act, of the Public Contract Code, Section 4100 et seq., each Bidder shall list in their bid:

- The name, California contractor license number, and the location of the place of business of each Subcontractor whom the Bidder proposes to perform work or labor or render service to the prime Contractor in or about the construction of the Work, or a Subcontractor licensed by the State of California who, under subcontract to the prime Contractor, is proposed by the Bidder to specially fabricate and install a portion of the Work according to detailed drawings contained in the Contract, in an amount in excess of one-half of one percent (0.5%) of the Total Bid or, in the case of a Bid for the construction of streets or highways, including bridges, in excess of one-half of one percent (0.5%) of the Bidder's Total Bid or ten thousand dollars ($10,000), whichever is greater. In the case of a Bid including additive Alternates, the bid amount for determining whether a Subcontractor is required to be listed shall be the base bid amount, and the Bidder shall list all Subcontractors subject to this requirement even if the Subcontractor only meets the threshold amount based on

work included in one or more Alternates.

- The portion of the Work [type of work] that will be done by each Subcontractor. The Bidder shall list only one Subcontractor for each portion as is defined by the Bidder in the Bid.

- DIR Registration number or other proof of registration.

If a Bidder fails to specify a Subcontractor for any portion of the Work to be performed under the Contract (or specifies more than one Subcontractor for the same work), the Bidder agrees that the Bidder is fully qualified and shall perform that portion of the Work.

Within 24 hours following the bid opening date and time, a Bidder may further define its description of the "portion" of work to be performed by a listed Subcontractor, including for example by specifying Bid Items to be performed by a listed Subcontractor, but the Bidder shall not vary the portion of work to be provided to the listed Subcontractor. Bidders who list a Subcontractor for less than all of a type of work as described in the Subcontractor listing in the Bid must provide an additional, unique description of the work to be performed by the listed Subcontractor within 24 hours following the Bid Opening date and time or the Subcontractor will be deemed to have been listed to perform all work falling within the description of work.

No Subcontractor listed in the Bid as furnishing and installing carpeting shall sublet any portion of the labor to be performed unless the Subcontractor specified its Subcontractor in its bid to the Bidder.

If after the award of the Contract, the Contractor subcontracts any portion of the Work, except as provided in Section 4107 or 4109 of the Act, the Contractor shall be subject to the penalties specified in Section 4111 of the Act.

Pursuant to Public Contract Code Section 6109, a Contractor may not perform work with a Subcontractor who is ineligible to perform work on public works projects pursuant to Labor Code Section 1777.1.

The Contractor shall include provisions in every subcontract and/or purchase order that the Contract between the Contractor and the City is part of the subcontract or purchase order, and that all terms and provisions of the Contract are incorporated in the subcontract or purchase order. Copies of all subcontracts and purchase orders shall be available to the City upon written request.

2-9 ADDENDA

The correction of any material discrepancies in, or material additions to/omissions from, the Plans, Specifications, or other Contract Documents, or any interpretation thereof, during the bidding period will be made only by an Addendum issued by the City. A copy of each Addendum issued by the City will be posted on the City's website and notice will be provided to each plan holder listed on the City plan holder list and is a part of the Contract. Any interpretation or explanation not included in the addenda will not be considered binding.

2-10 ASSIGNMENT OF ANTITRUST ACTIONS

The Bidder is required to comply with Public Contract Code Section 7103.5(b), which addresses assignment of antitrust actions.

2-11 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT OR SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

As stipulated in the Certification Regarding Debarment, Suspension, Proposed Debarment or Suspension to be submitted a Bid time, the Bidder certifies, to the best of its knowledge and belief, except as expressly disclosed the referenced Certificate, that:

1. The Bidder and/or any of its Principals:

    a. Are not presently debarred, suspended, proposed for debarment or suspension, or declared ineligible for award of the contract by any Federal, State, or local agency.

    b. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property.

    c. Are not presently indicted for, or otherwise criminally or civilly charged by a government entity with, commission of any of the offenses enumerated in Item 1b. above.

    d. The Bidder has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, State, or local agency.

2. "Principals," for the purposes of this certification, means: officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

3. The Bidder shall provide immediate written notice to the City if, at any time prior to contract award, the Bidder learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. A certification that any of the items in Paragraph 2-11-1 of this provision exists will not necessarily result in withholding of an award. However, the certification will be considered in connection with a determination of the Bidder's responsibility. Failure of the Bidder to furnish a certification or provide such additional information as requested by the City may render the Bidder non-

responsible or nonresponsive.

5. A Bidder must disclose those exceptions within the scope of the certification which are known to it, or which could be determined from a reasonable inquiry. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the required certification. The knowledge and information of a Bidder is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

6. The above-described certification is a material representation of fact upon which reliance will be placed when making the award, if and when made. If it is later determined that the Bidder knowingly rendered an erroneous certification, in addition to other remedies available to the City, the City may terminate the contract resulting from this solicitation for default.

If the Bidder has any exceptions to the certification set forth above, the exception and an explanation of the circumstances must be attached to the Bid.

2-12 BID GUARANTEE – Not Applicable

Intentionally Left Blank.

2-13 WITHDRAWAL OF BID

A Bid may be withdrawn at any time prior to the hour fixed in the Notice to Contractors for the submission of Bids by a written request of the Bidder filed with the City at the location where the Bid was submitted. The withdrawal of a Bid will not prejudice the right of a Bidder to file a new Bid within the time prescribed.

2-14 PUBLIC OPENING OF BIDS – Not Applicable

Intentionally Left Blank.

2-15 REJECTION OF BIDS

The City reserves the right to reject any or all Bids. The City reserves the right to waive irregularities in a Bid and to make an award in the best interest of the City. Bids containing omissions, erasures, alterations, conditions, or additions not called for may be rejected.

2-16 DISQUALIFICATION OF BIDDERS

More than one Bid from any individual, firm, partnership, corporation, limited liability company association, or joint venture under the same or different names, will not be considered. Reasonable ground for believing that any Bidder is interested in more than one Bid for the Work will cause rejection of all Bids in which such Bidder is interested. This prohibition shall not

prevent any proposed Subcontractor from being listed in more than one Bid. This prohibition shall not prevent Bids by Bidders with partial ownership in common unless the two Bidders have identified the same individual as their responsible managing employee, member, manager or officer. If there is reason to believe that collusion exists among Bidders, none of the participants of such collusion will be considered.

Any Bid in which the prices obviously are unbalanced may be rejected.

2-17 RELIEF OF BIDDERS

Attention is directed to Public Contract Code Sections 5100 through 5107, concerning relief of Bidders and in particular to the requirement therein that if the Bidder claims a material mistake was made in its Bid, the Bidder shall give the City written notice within five (5) days after the opening of the Bids (excluding Saturdays, Sundays, or Legal Holidays) of the alleged mistake, explaining in the notice in detail how the mistake occurred.

2-18 BID PROTESTS

If the Bidder believes that any provision in the solicitation for Bids is vague, ambiguous, conflicting or contrary to law, then the Bidder shall promptly bring its concern to the City by written notice specifying the provision(s) in question and the factual and legal bases for concern. Failure of the Bidder to raise any concern relating to a solicitation requirement within at least two (2) working days prior to the Bid due date will be deemed a waiver of the Bidder's right to protest based on alleged vague, ambiguous, conflicting or unlawful requirements in the solicitation.

As set forth in the "Resolution of Disputes Regarding the Bidding Process," any Bidder may file a protest against the award of the Contract to any other Bidder. In submitting a bid to the City, the Bidder agrees to comply with and to be bound by that procedure, as summarized below.

No later than five (5) calendar days after Bids are opened, the Bidder must submit in writing to the City an explanation of all legal and factual grounds for any protest. These requirements are to be strictly construed. Untimely protests and/or grounds not set forth in the protest will not be considered. Failure to timely protest or otherwise comply with the protest requirements will constitute a waiver of the right to challenge and forever bar the Bidder from challenging, whether before the City or any administrative or judicial tribunal, any particular Bid(s), the bidding process, or the Contract award on any ground not set forth in the protest. Upon receipt of a protest, the City will provide a copy to any Bidder whose Bid is challenged in the protest.

If a timely written protest is provided to the City at least two (2) business days before any City Council meeting at which the award of the Contract will be considered, then the City shall make reasonable efforts to provide the protesting Bidder with a written response to the protest prior to the City Council meeting. A copy of any City response will be provided to any other Bidder responding to the protest.

Notice of the date and time of the City Council meeting at which the award of the Contract for the Project shall be considered will be posted on the City's website.

CHAPTER 3 - AWARD AND EXECUTION OF CONTRACT

TABLE OF CONTENTS

Section	Page
3-1 AWARD OF CONTRACT	21
3-2 TIME OF AWARD	21
3-3 CONSIDERATION OF BIDS	21
3-4 PERFORMANCE AND PAYMENT BONDS	21
3-4.01 Performance Bond	22
3-4.02 Payment Bond	22
3-5 NOTIFICATION OF SURETY COMPANIES	22
3-6 RETURN OF BID GUARANTEES – Not Applicable	22
3-7 EXECUTION OF CONTRACT	22
3-8 FAILURE TO EXECUTE CONTRACT	23
3-9 INSURANCE	23
3-9.01 General Liability	23
3-9.02 Automobile Liability	24
3-9.03 Workers' Compensation	24
3-9.04 Excess or Umbrella Liability	24
3-9.04.A Contractor’s Equipment	25
3-9.04.B Railroad Protective Liability	25
3-9.04.C Builder’s Risk Insurance	25
3-9.04.D Environmental Liability Insurance	26
3-9.04.E Other Provisions	27
3-9.04.F Deductibles and Self-Insurance Retention	29
3-9.05 Notification of Accident or Occurrence	29
3-9.06 Notification of Claim	29

CHAPTER 3 AWARD AND EXECUTION OF CONTRACT

3-1 AWARD OF CONTRACT

The award of the Contract, if the Contract is to be awarded, will be to the lowest responsive, responsible Bidder. In addition to price in determining the lowest responsive, responsible Bidder, consideration will be given to:

- The ability, capacity and skill of the Bidder to perform the Work;
- The ability of the Bidder to perform the Work within the time specified, without delay;
- The ability of the Bidder to perform the Work in a safe manner;
- The character, integrity, reputation, judgment, experience and efficiency of the Bidder; and,
- The quality of the Bidder's performance on previous work with the City.

3-2 TIME OF AWARD

The award, if made, will be made within sixty (60) days after the Bid Opening, unless otherwise specified. The period for contract award shall be tolled while any protest of an intended award is pending. The specified period of time within which the award of the Contract may be made may be extended as agreed upon in writing by the City and the Bidder before the last day specified in the solicitation for award.

If the lowest responsive, responsible Bidder refuses or fails to execute the Contract, or to provide required bonds and/or insurance certificates, the City may award the Contract to the second lowest responsive, responsible Bidder. If the second lowest responsive, responsible Bidder refuses or fails to execute the Contract or to provide required bonds and/or insurance, the City may award the Contract to the third lowest responsive, responsible Bidder.

3-3 CONSIDERATION OF BIDS

After the Bids have been opened , they will be checked for accuracy and compliance with the Specifications. In the event that the product of a unit price and an estimated quantity does not equal the extended amount quoted, the unit price shall govern and the correct product of the unit price and the estimated quantity shall be deemed to be the amount bid. If the sum of two or more items in a bidding schedule or the sum of two or more bidding schedules does not equal the total amounts quoted, the individual item or schedule amounts shall govern and the correct total shall be deemed to be the amount bid. If the Bid is missing the unit price, then it may be deemed incomplete and the Bid may be rejected.

After the City has made any necessary corrections in mathematical errors appearing on the face of the Bid, all Bids will be compared based on the bid form.

3-4 PERFORMANCE AND PAYMENT BONDS

As part of the execution of the Contract, the successful Bidder shall furnish the following corporate surety bonds to the benefit of the City. The format of the Performance Bond and

Payment Bond forms shall be those contained in the Invitation for Bids. Bonds shall be executed by a surety company authorized to do business in the State of California and listed in the current Federal Department of Treasury Circular 570. The successful Bidder must submit with the bonds the original, or a certified copy, of the unrevoked appointment, power of attorney, bylaws or other instrument entitling or authorizing the person who executed the bond to do so.

When the amount to be paid to the Contractor is based upon units of work to be performed or items to be provided, the term "Total Contract Price" as used below for the purpose of posting Performance and Payment Bonds shall be computed on the basis of the unit price bid multiplied by the Estimated Quantities of work to be performed.

3-4.01 Performance Bond

The Performance Bond, to guarantee the performance of all covenants and stipulations of the Contract, shall be on the form provided by the City and shall be in a sum not less than one hundred percent (100%) of the original Total Contract Price as set forth in the Contract.

3-4.02 Payment Bond

The Payment Bond, to guarantee the payment of wages and of bills contracted for materials, supplies, or equipment used in the performance of the Contract, shall be on the form provided by the City and shall be in a sum not less than one hundred percent (100%) of the original Total Contract Price as set forth in the Contract.

3-5 NOTIFICATION OF SURETY COMPANIES

The surety company shall be familiar with all the provisions and conditions of the Contract. It is understood and agreed that the surety company waives notice of change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or to the specifications accompanying the same, or any other act or acts by the City or the City's authorized agents under the terms of the Contract; and failure to so notify the surety company of changes shall in no way relieve the surety company of its obligations under the Contract. Any alteration or alterations made in any provision of this Contract shall not operate to release any surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of the Civil Code.

3-6 RETURN OF BID GUARANTEES – Not Applicable

Intentionally Left Blank.

3-7 EXECUTION OF CONTRACT

The Contract shall be executed by the successful Bidder and returned to the City, together with the Performance Bond, Payment Bond, certificates of insurance and insurance endorsements, and any other documents required at the time of Contract execution by the

Special Provisions within ten (10) days of the Bidder's receipt of the documents. Insurance certificates shall be signed by a person authorized by the insurer to bind coverage on its behalf and shall be accompanied by copies of all endorsements required by Section 3-9 below.

When requested by the City, the successful bidder shall furnish complete, certified copies of all required insurance policies, including endorsements specifically required by Section 3-9. After execution by the City, one copy of the Contract, bonds, and certificates of insurance will be returned to the Contractor.

3-8 FAILURE TO EXECUTE CONTRACT

If the Bidder to whom the Contract is awarded fails to execute the Contract and file acceptable bonds and insurance certificates as provided herein within ten (10) days from the time the Contract forms are received by the Bidder, the award may be annulled. At the City's discretion, the Contract may then be awarded to the next lowest responsive, responsible Bidder.

On refusal or failure of the second lowest responsive, responsible Bidder to execute the Contract, the City may award it to the third lowest responsive, responsible Bidder.

3-9 INSURANCE

The Contractor shall procure, maintain, and keep in force at all times during the term of the Contract in insurance companies acceptable to the City, at the Contractor's sole expense, the following insurance:

3-9.01 General Liability

General Liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability, contractual liability applicable to the Contractor's assumed liability under the Contract, and products and completed operations liability. Coverage shall be at least as broad as "Insurance Services Office Commercial General Liability Coverage Form CG 0001" (occurrence). The limits of liability shall be not less than:

Each Occurrence	Two Million Dollars ($2,000,000) combined single limits for Bodily Injury and Property Damage
Personal and Advertising Injury	One Million Dollars ($1,000,000)
Products and Completed Operations Aggregate	One Million Dollars ($1,000,000) combined single Limits for Bodily Injury and Property Damage
General Aggregate	Four Million Dollars ($4,000,000) combined single limits for Bodily Injury and Property Damage
Fire Damage	One Hundred Thousand Dollars ($100,000)

The policy shall provide coverage for claims arising out of subsidence.

The Contractor shall procure and maintain Products and Completed Operations Coverage with a carrier acceptable to the City through the expiration of the patent deficiency in the statute of repose set forth in the Code of Civil Procedure section 337.1.

3-9.02 Automobile Liability

Automobile Liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of owned, hired, and non-owned automobiles. Coverage shall be at least as broad as "Insurance Services Office Business Auto Coverage Form CA 0001," symbol 1 (any auto). The limits of liability shall not be less than:

Bodily Injury and Property Damage Combined Single Limit	One Million Dollars ($1,000,000)

3-9.03 Workers' Compensation

Workers' Compensation insurance, with coverage as required by the State of California (unless the Contractor is a qualified self-insurer with the State of California), and Employers' Liability coverage. The limits of Employers' Liability shall not be less than:

Each Accident	One Million Dollars ($1,000,000)
Disease Each Employee	One Million Dollars ($1,000,000)
Disease Policy Limit	One Million Dollars ($1,000,000)

The Workers' Compensation policy required hereunder shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against the City, its officers, officials, employees, agents or volunteers.

In the event the Contractor is self-insured, the Contractor shall furnish a Certificate of Permission to Self-Insure by the Department of Industrial Relations Administration of Self-Insurance, Sacramento. Contractor shall provide evidence of waiver of its right of subrogation against the City, its offices, officials, employees, agents or volunteers as a self-insurer.

3-9.04 Excess or Umbrella Liability

If the Special Provisions require limits of insurance greater than those specified in the General Provisions, the Contractor shall maintain excess or umbrella liability insurance providing excess coverage at least as broad as the underlying coverage for General Liability, Automobile and Employer's Liability with a limit equal to the amount stated in the Special Provisions per occurrence and aggregate.

3-9.04.A Contractor's Equipment

The Contractor, and each of its Subcontractors, shall separately insure its own equipment for loss and damage. The Contractor's Property and Inland Marine policies shall include, or be endorsed to include, a waiver of subrogation against the City, its officers, officials, employees, agents, and volunteers which might arise by reason of damage to the Contractor's property or
equipment (owned, leased or borrowed) in connection with work performed under this Contract by the Contractor.

3-9.04.B Railroad Protective Liability

When stated as a requirement in the Special Provisions, the Contractor shall procure, maintain, and keep in force at all times during the term of the Contract, at the Contractor's sole expense, Railroad Protective Liability insurance with limits of liability as set forth in the Special Provisions.

3-9.04.C Builder's Risk Insurance

When stated as a requirement in the Special Provisions, the Contractor shall procure, maintain, and keep in force at all times during the term of the Contract and until the date of transfer of the insurable interest to and acceptance by the City, at the Contractor's sole expense, Builder's Risk insurance with limits of liability equal to one hundred percent (100%) of the full replacement cost of the Work.

1. Coverage shall be written on a Replacement Cost basis without application of coinsurance and shall cover the Project sites against losses included in perils usually included in a "Special Form" policy format in addition the policy shall include:

    a. Earthquake and Land Movement and Flood.

    b. Loss that ensues from design error, defective materials, or faulty workmanship.

    c. Mechanical breakdown or electrical damage, including testing, magnetic disturbance and changes in temperature or humidity disturbance, and changes in temperature or humidity.

    The property covered shall include the Work, including any materials, equipment, or other items to be incorporated therein while the same are located at the construction site, stored off site, while in transit or at the place of manufacture. In addition, the policy shall cover collapse, falsework, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for architects, engineers and other design professionals required as a result of such insured loss. The policy shall contain a provision that the interests of the City and the Contractor, Subcontractors and material suppliers are insureds under the policy and that any loss shall be payable to the insureds as their interests may appear.

When stated as a requirement in the Special Provisions, Builder's Risk Insurance shall include Delay in Opening coverage with limits of liability, and for the period of time, as set forth in the Special Provisions. Coverage shall include debt service, expense, loss of earnings or rental income or other loss incurred by the City, without deduction, due to the failure of the Project being completed on schedule.

2. The maximum deductible for earthquake, land movement and flood allowable under this policy shall be five percent (5%) of replacement value at risk at the time loss. A one hundred thousand dollars ($100,000) minimum is acceptable. The maximum deductible for all other perils allowable under this policy shall be ten thousand dollars ($10,000). All deductibles shall be borne solely by the Contractor, Subcontractors, or material suppliers, and the City shall not be responsible to pay any deductible, in whole or in part.

3. The City and the Contractor waive all rights against each other and against all other contractors for loss or damage to the extent reimbursed by Builder's Risk insurance or any other property or equipment insurance applicable to the Work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed to obtain such consent.

4. If not covered by Builder's Risk insurance or any other property or equipment insurance required by this Contract, the Contractor shall procure, maintain, and keep in force at all times during the term of the Contract, at the Contractor's sole expense, property insurance for portions of the Contractor's work and/or equipment to be incorporated therein stored offsite or in transit.

3-9.04.D Environmental Liability Insurance

When stated as a requirement in the Special Provisions, the Contractor shall procure, maintain, and keep in force at all times during the term of the Contract, at the Contractor's sole expense, Environmental Liability insurance, using an occurrence form (Claims Made forms at not acceptable unless expressly allowed by the City), which includes coverage for sudden and accidental pollution arising out of the handling of hazardous materials or hazardous wastes; non-hazardous materials or non-hazardous wastes that, when released into the environment, violate regulatory standards of the Federal, State or Local Government; and coverage for liability arising out of the handling of asbestos.

If coverage for Environmental Liability insurance is allowed by the City to be written on a claims-made form, the following provisions apply:

Limit of coverage shall be not less than ten million dollars combined single limits for Bodily Injury and Property Damage ($10,000,000).

Insurance must be maintained and evidence of insurance must be provided for at least four (4) years after completion of the Work. Additional provisions, including Project

specific coverage may be required at the sole discretion of the City.

3-9.04.E Other Provisions

1. The Contractor's General Liability, Automobile Liability, and any Excess or Umbrella Liability or other insurances required in the Special Provisions, shall contain the following provisions:

    a. The City, its officers, officials, employees, agents, and volunteers shall be covered as additional insureds as respects liability arising out of the activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied, or used by the Contractor, or automobiles owned, leased, hired, or borrowed by the Contractor. The policy shall contain no special limitations on the scope of coverage afforded to the City, its officers, officials, employees, agents, or volunteers.

    b. For any claims related to this Contract, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents, or volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

    c. Any failure to comply with reporting or other provisions of the policies on the part of the Contractor, including breaches of warranties, shall not affect coverage provided to the City, its officers, officials, employees, agents, or volunteers.

2. The Contractor's General Liability and any Excess or Umbrella Liability insurance policies shall contain an endorsement stating that any aggregate limits shall apply separately to the Work.

3. The Contractor’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. Each insurance policy by endorsement or provision shall state that coverage shall not be suspended, voided, cancelled, reduced in scope of coverage or in limits, non-renewed, or materially changed unless the insurer(s) provide thirty (30) Calendar Days written notice by certified mail to the City prior to such change. Ten (10) Calendar Days prior written notice by certified mail shall be given to the City in the event of cancellation due to nonpayment of premium.

5. All of the Contractor's insurance coverage, except as noted below, shall be placed with insurance companies with a current A.M. Best rating of at least A-IX.

    Exception: Workers' Compensation which is provided through a State Compensation Insurance Fund or a qualified self-insurer for Workers' Compensation under California law.

6. The Contractor shall sign and file with the City the following certification prior to commencing performance of the work of the Contract:

   "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

   Said certification is included in the Contract, and signature and return of the Contract shall constitute signing and filing of the said certification.

7. The City, at its discretion, may require new types of insurance coverage or increase the limits of insurance coverage required hereunder at any time during the term of the Contract by giving thirty (30) Calendar Days written notice to the Contractor. Contractor shall immediately procure such insurance or increase the limits of coverage and provide certificates of insurance, including copies of all required endorsements, to the City within thirty (30) Calendar Days of receipt of the City's request.

8. The required insurance coverage shall be subject to the approval of the City, but any acceptance of insurance certificates by the City shall in no way limit or relieve the Contractor of its duties and responsibilities in this Contract.

9. If the Contractor fails to procure or maintain insurance as required by this Section 3-9 and each of its subsections and any Special Provisions, or fails to furnish the City with proof of such insurance, the City, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due the Contractor under the Contract. Failure of the City to obtain such insurance shall in no way relieve the Contractor from any of the Contractor's responsibilities under the Contract. Any failure of the Contractor to maintain any item of the required insurance is sufficient cause for termination of the Contract as a material breach.

10. The making of progress payments to the Contractor shall not be construed as relieving the Contractor of responsibility for loss or damage, or destruction occurring prior to final acceptance by the City. Partial payment does not constitute partial acceptance.

11. The City is authorized to execute amendments and waivers, with or without conditions, to the insurance requirements of the Contract. The City will provide such amendments or waivers in writing to the Contractor.

12. The Contractor is responsible for the acts and omission of all of its Subcontractors and shall require all of its Subcontractors to maintain adequate insurance.

    The failure of the City to enforce in a timely manner any of the provisions of this Section 3-9 and/or any of its subsections shall not act as a waiver to enforcement of any of these provisions at any time during the term of the Contract.

3-9.04.F Deductibles and Self-Insurance Retention

Any deductible or self-insured retention over $10,000 that applies to General Liability or Automobile Liability must be declared to and approved by the City.

3-9.05 Notification of Accident or Occurrence

The Contractor shall report by telephone to the City within twenty-four (24) hours and also report in writing to the City within fifteen (15) Calendar Days after the Contractor or any Subcontractors or agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of ten thousand dollars ($10,000) to the Work, property of the City or others, arising out of any work done by or on behalf of the Contractor as part of the Contract. Such report shall contain:

1. The date and time of the occurrence,

2. The names and addresses of all persons involved, and

3. A description of the accident or occurrence and the nature and extent of injury or damage.

3-9.06 Notification of Claim

If any claim for damages is filed with the Contractor or if any lawsuit is instituted against the Contractor, that arises out of or is in any way connected with the Contractor's performance under this Contract and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect the City, Contractor shall give prompt and timely notice thereof to the City. Notice shall be prompt and timely if given within thirty (30) Calendar Days following the date of receipt of a claim or ten (10) Calendar Days following the date of service of process of a lawsuit.

CHAPTER 4 - SCOPE OF WORK

TABLE OF CONTENTS

Section	Page
4-1 INTENT OF CONTRACT DOCUMENTS	31
4-2 PLANS AND SPECIFICATIONS FURNISHED	32
4-3 CONFORMANCE WITH CODES AND STANDARDS	32
4-4 SUPPLEMENTAL DRAWINGS	32
4-5 FIELD DIRECTIVES OR OTHER WRITTEN DIRECTIVES	33
4-6 DOCUMENT PRECEDENCE	33
4-7 REQUESTS FOR INFORMATION	35
4-7.01 General	35
4-7.02 Procedure	35
4-7.03 Response	35
4-8 DELETED ITEMS	36
4-9 EXTRA WORK	36
4-10 USE OF COMPLETED PORTIONS	36
4-11 LANDS AND RIGHTS-OF-WAY	36
4-12 WARRANTY	37

CHAPTER 4 SCOPE OF WORK

4-1 INTENT OF CONTRACT DOCUMENTS

The Work shall be performed and completed according to the Contract Documents. The Contract Documents provide the details for completing the Work in accordance with the terms of the Contract. Each Contract Document is an integral part of the Contract, and a requirement occurring in one is as binding as though occurring in all. The Contract Documents shall be interpreted as being explanatory and complementary in requiring complete Work ready for use and occupancy or operation in satisfactory working condition with respect to the functional purposes of the installation.

The Contractor shall do all of the work and furnish all materials, supplies, equipment, tools, labor, transportation, supervision, resources, and everything else necessary or proper, except as otherwise herein expressly stipulated, necessary or proper for performing and completing the Work herein required, including any Change Order work or disputed work directed by the City in conformity with the true meaning and intent of the Plans, Specifications, and all provisions of the Contract, within the time specified.

All work shown on the Plans, the dimensions of which are not figured, shall be accurately followed to the scale to which the drawings are made; however, figured dimensions shall in all cases be followed, even if they differ from scaled measurements. Full-size drawings shall be followed in the execution of the Work.

If the Contract does not specifically allow the Contractor a choice of quality or cost of items to be furnished, but could be interpreted to permit such a choice, the Contractor shall furnish the highest quality under current industry standards, regardless of the cost of the item.

Unless otherwise specified, the Contractor agrees to furnish all materials, supplies, equipment, tools, labor, transportation, supervision, resources, and everything else necessary to perform and complete the Work in a good and workmanlike manner to the satisfaction of the City, in the manner designated, and in strict conformity to the Contract. When portions of the Work are described in general terms, but not in complete detail, it is understood that the Contractor will employ only the best general practice and incorporate only the best quality materials and workmanship in the Work.

No extra compensation will be allowed for anything omitted but fairly implied. The prices paid for the various items will include full compensation for furnishing all materials, supplies, equipment, tools, labor, transportation, supervision, resources, incidentals and everything else necessary to complete the Work as provided in the Contract. The prices paid include all overhead, markups and profit.

If the Contractor discovers any discrepancies during the course of the Work between the Plans and conditions in the field, or any errors or omissions in the Plans and conditions in the field, or any errors or omissions in the Plans, the Specifications, or in the layout given by stakes, points, or instructions, it shall be the Contractor's duty to inform the City immediately, and the City shall promptly verify the same. Any work done after such discovery, until authorized by the City, will be done at the Contractor's risk.

4-2 PLANS AND SPECIFICATIONS FURNISHED

The City will provide, at no cost to the Contractor, copies of Project Plans (except Standard Drawings or State Plans), Project Specifications (the State Specifications), and Special Provisions, and the fully executed Contract for the Contractor's use in prosecuting the Work. The total number of copies of the Plans, Specifications, and Special Provisions provided shall equal the total of the prime Contractor plus the number of Subcontractors listed in the Bid. The Contractor may purchase additional copies of Plans, Specifications, and Special Provisions.

The Contractor shall retain an approved set of Contract documents on the job during the progress of the Work. This set shall be used by the Contractor as the Record Drawings as described in Section 11-3, "Record Drawings" of these General Provisions.

4-3 CONFORMANCE WITH CODES AND STANDARDS

The Work shall be in full compliance with the latest adopted edition of the following applicable standards and regulations:

- The State Fire Marshal
- The UBC
- Title 8
- Title 22
- Title 24
- The NEC
- The UPC
- Storm Water Pollution Plans and Standards
- Other codes, laws or regulations applicable to the Work or the Contract.

Nothing in the Contract is to be construed to permit work not conforming to these requirements. When the Work detailed in the Plans and Specifications differs from governing codes, the Contractor shall complete the Work in accordance with the higher standard. If the higher standard is more expensive than the Work detailed in the Plans and Specifications, the Contractor will be compensated for the Contractor's additional costs by Contract Change Order as provided in Chapter 9, "Changes and Claims", of these General Provisions.

4-4 SUPPLEMENTAL DRAWINGS

In addition to the Plans incorporated in the Contract at the time of signing, the City may furnish Supplemental Drawings as necessary to clarify or define in greater detail the intent of the Contract. In furnishing such Supplemental Drawings, the City may make minor changes in the Work, not involving extra cost and not inconsistent with the nature of the Work. The Supplemental Drawings shall become a part of the Contract.

4-5 FIELD DIRECTIVES OR OTHER WRITTEN DIRECTIVES

The City may issue Field Directives or other written directives from the office or field during the course of the Work, and the Contractor shall immediately comply with the Field Directive or other written directive. Contractor must perform all work directed by a field directive, whether or not Contractor believes the work is included in the Contract and regardless of any disputes regarding money, time and/or other issues. Contractor acknowledges that continued progress of the Work is of high importance and that such disputes can be resolved as the Work progresses.

A Field Directive or other written directive may be used to add, delete, modify, or reject work, to note deficiencies in work, to clarify the Contract or to order work to be performed. Work required by a Field Directive or other written directive shall be in accordance with the Contract and any previously executed Change Orders, except as delineated otherwise in the directive. Drawings included with Field Directives or other written directives are part of the Contract and shall be incorporated into the Record Drawings.

If the Contractor refuses or neglects to comply with or make progress in the execution of any Field Directive or other written directive, the City, in addition to all other rights under the Contract and/or applicable law, may employ any person or persons to perform such work at Contractor's cost, and the Contractor shall not interfere with the person or persons so employed.

At appropriate intervals, Field Directives and/or other written directives that alter the Contract may be grouped to form a Change Order as described in Chapter 9, "Changes and Claims" of these General Provisions.

4-6 DOCUMENT PRECEDENCE

The component Contract Documents are intended to provide explanation for each other. Any work shown on the Plans and not in the Specifications, or vice versa, is to be executed as if indicated in both. In case of conflict in the Contract, the following order of precedence will govern interpretation of the Contract:

1. Permits from other agencies as may be required by law;

2. The Agreement, as amended by Change Orders and any other Contract amendments;

3. Special Provisions;

4. Technical Specifications;

5. Plans and Drawings;

6. General Provisions and General Requirements;

7. Invitation for Bids [Notice to Contractors], including attachments and addenda;

8. City of Rocklin Construction Standard Specifications;

9. City of Rocklin Improvement Standards;

10. State of California Department of Transportation Standard Plans and Specifications.

In addition, the following shall also apply:

1. Written numbers and notes on a drawing shall govern over graphics.

2. A detail drawing governs over a general drawing.

3. A detail specification governs over a general specification.

4. A specification in a section governs over a specification referenced by that section.

5. Changes last in time govern prior requirements.

In case of conflict between the Project Plans and Technical Specifications, the Plans shall govern in matters of quantity and size, the Technical Specifications in matters of quality. In case of conflict within the Plans involving quantities or within the Technical Specifications involving quality, the greater quantity and the higher quality shall be provided.

Where on any Drawing a portion of the Work is drawn out and the remainder is indicated in outline, the drawn-out parts shall apply to all other like portions of the Work. Where ornament or other detail is indicated as starting, such detail shall be continued throughout the courses or parts in which it occurs and shall also apply to other similar parts in the Work, unless otherwise indicated.

All work shown on the Plans, the dimensions of which are not figured, shall be accurately followed to the scale to which the drawings are made; however, figured dimensions shall in all cases be followed, even if they differ from scaled measurements. Full-size drawings shall be followed in the execution of the Work.

Any material specified by reference to the number, symbol, or title of a specified standard such as a Commercial Standard, a Federal Specification, a trade association standard, or other similar standards, shall comply with the requirements in the latest approved revision thereof and any amendments or supplements thereto in effect on the date of Notice to Contractors, except as limited to type, class, or grade, or modified in such reference. The standards referred to, except as modified in the Contract Documents, shall have full force and effect as though printed in the Contract Documents.

Any work for which there are no technical specifications in the project Plans and Specifications, shall be performed in accordance with documents 8, 9 and 10 listed above in this Section 4-6, with the highest order of precedence. Documents 9 and 10 are only incorporated into the

Contract for this limited purpose, and no portions of these documents are incorporated for any other purpose except as expressly indicated elsewhere in the Contract Documents.

4-7 REQUESTS FOR INFORMATION

4-7.01 General

Contractor shall prepare a Request for Information (RFI) when additional information, clarification, or interpretation of the Contract is required. RFI's may also be used for apparent conflicts, inconsistencies, ambiguities, or omissions.

RFI's shall be submitted to the City sufficiently in advance of the work to permit time for investigation and preparation of a response. Any work undertaken prior to receipt of a response to an RFI will be at the Contractor's risk.

RFI's shall not be used for submittals or for substitution of material or equipment, or for waiving of requirements.

4-7.02 Procedure

An RFI shall be submitted on an approved form as defined at the preconstruction meeting, and shall be numbered consecutively. A status log shall be prepared and updated by the Contractor and reviewed with the City at each progress meeting. Each RFI shall deal with only one topic, item, issue, or system. The RFI shall clearly describe and specifically state what is being requested. Relevant portions of the Contract shall be cited, marked-up, and attached.

The Contractor shall review each RFI before submittal and compare it with the Contract to verify that a response is required. RFI's will only be accepted from the Contractor and not from Subcontractors or suppliers. A recommendation or proposed solution may be included when appropriate or expedient. RFI's that are not clear or RFI's for which a response is clearly identified in the Contract will not be accepted.

4-7.03 Response

The City will normally respond within fifteen (15) Working Days. The City will provide a written response, and that response shall control. The Contractor shall indicate a priority for responses to RFI's if more than five (5) RFI's are pending at the same time. In case of a dispute between the Contractor and the City, protest may be made as provided in Section 9-16, "Dispute Regarding Contract Requirements", of these General Provisions.

Subsequent resubmittals of an RFI shall be identified with the same RFI number and a letter designation. Resubmittals shall clearly state the reason for the resubmittal.

Responses to RFI's indicating a change to drawings shall be recorded by the Contractor on the Record Documents in accordance with Section 11-3, "Record Drawings" of these General Provisions.

4-8 DELETED ITEMS

The City may delete from the Work any item of work. The Contractor will be paid for all work done toward the completion of the item prior to such deletion, as provided in Chapter 9, "Changes and Claims", of these General Provisions but in no event will the amount paid exceed the Bid or Schedule of Values amount less the value of the deleted work. The Contractor shall make no claim, nor receive any compensation for profits, for loss of profit, for damages, or for any extra payment whatever because of any deleted items of work.

4-9 EXTRA WORK

Work not covered by the Contract but necessary for the proper completion of the Project will be classed as extra work and shall be performed by the Contractor when directed in writing by the City. Extra work shall be performed in accordance with the Contract and as directed by the City.

Extra work must be authorized in writing by the City before the work is started. Payment for extra work will not be made unless such prior written authorization is obtained.

In the event of an emergency or other situation that endangers the Work or endangers public safety, the City will direct the Contractor to perform such extra work necessary to protect the Work or the public.

4-10 USE OF COMPLETED PORTIONS

The City has the right during the progress of the Work to occupy and/or use any completed or partially completed portion of the Work. Such use shall not be deemed acceptance of that portion, nor of any other portions of the Work, nor of work not completed in accordance with the Contract.

Under unusual circumstances on an exception basis, and only by written approval of the City, the City may provide a field acceptance of a completed portion of the Work under Section 7-21 "Final Inspection and Field Acceptance", of these General Provisions, such that the warranty period for that portion will be considered to commence and the Contractor will be relieved of any further maintenance and protection of that portion. No final payment shall occur for a limited portion of the work. The Contractor will not be relieved of the Contract requirements for repairing or replacing defective work and materials in accordance with Sections 7-21 and 7-23, "Warranty Work", of these General Provisions.

4-11 LANDS AND RIGHTS-OF-WAY

The City shall provide the lands, rights-of-way, and easements upon which the Work is to be done, and such other lands as may be designated on the Plans for the use of the Contractor. The Contractor shall confine its operations to within these limits. The Contractor shall comply with the terms and conditions of right of entry, right of way and easement documents. The City shall provide photocopies of these documents to the Contractor prior to the Contractor's use of, or commencement of Work, in the lands in question.

The Contractor shall provide at the Contractor's own expense any additional land and access that is required for temporary construction facilities or storage of materials. The Contractor shall obtain all required permissions for use of private property prior to taking possession or use. The permission shall be obtained in writing and a copy forwarded to the City prior to the Contractor taking possession of said property.

4-12 WARRANTY

Unless otherwise specified in the Special Provisions, the warranty time period will be one year after City acceptance of Work (see Section 7-22, “Final Acceptance and Notice of Completion”, of these General Provisions) and subject to the terms of the Contractor Guarantee Form. The Performance Bond furnished by the Contractor as part of the execution of the Contract shall include the terms and time period of the Warranty of the Contractor’s work In lieu of continuing the original performance bond through the warranty period, the Contractor may submit a warranty bond, on a form substantially the same as the Performance Bond, for a minimum of ten percent (10%) of the total project value to be valid for one year from the date of acceptance by the Council, subject to extension in accordance with the Contractor Guarantee Form for corrected defective work .

If required by the Special Provisions, the Contractor shall enter into and sign Warranty statements in the form provided to warranty various segments of the Work for the time specified.

If failure of any portion of the Work can be attributed to faulty materials, poor workmanship, defective equipment, or any other reason that can be attributed to Contractor’s performance, and this failure occurs prior to the end of the specified warranty period, the Contractor shall promptly make the needed repairs at the Contractor's expense in accordance with Section 7-23, “Warranty Work”, of these General Provisions.

CHAPTER 5 -- CONTROL OF WORK AND MATERIALS

TABLE OF CONTENTS

Section	Page
5-1 AUTHORITY OF CITY	40
5-2 ATTENTION AND COOPERATION OF CONTRACTOR	40
5-3 SUGGESTIONS TO CONTRACTOR	40
5-4 SEPARATE CONTRACTS	40
5-5 COOPERATION WITH OTHER CONTRACTORS	41
5-6 CONTRACTOR'S DISMISSAL OF UNSATISFACTORY EMPLOYEES	41
5-7 CONTRACTOR'S EQUIPMENT	41
5-8 CONTRACTOR'S SUBMITTALS	41
5-8.01 Submittals - General	42
5-8.02 Resubmittals	43
5-8.03 Submittals Containing Proprietary Information	43
5-8.04 Electrical, Instrumentation, Control, and Communication Systems	43
5-8.05 Maintenance and Operations (M&O) Submittals	44
5-9 DAILY REPORTS	44
5-10 SURVEYS	45
5-10.01 Surveys	45
5-10.01.A Streets and Highways	45
5-10.01.B Sewer, Water, and Drainage Facilities	45
5-10.02 Survey Monuments	46
5-11 RESPONSIBILITY FOR ACCURACY	46
5-12 DUTIES AND POWERS OF INSPECTORS	46
5-13 INSPECTION	47
5-14 QUALITY OF MATERIALS AND WORKMANSHIP	47
5-15 SUBSTITUTIONS	48
5-15.01 Written Request	48
5-15.02 Documentation	48
5-16 PREPARATION FOR TESTING	49
5-17 MATERIALS SAMPLING AND TESTING	49
5-18 APPROVAL OF MATERIALS OR EQUIPMENT	49
5-18.01 Sources Of Supply	49
5-18.02 Plant Inspection	50
5-19 PROVISIONS FOR EMERGENCIES	50
5-20 RIGHT TO RETAIN IMPERFECT WORK	50
5-21 REMOVAL OF REJECTED MATERIALS OR WORK	50
5-22 TEMPORARY SUSPENSION OR DELAY OF WORK	51
5-23 TERMINATION OF CONTRACT	51
5-23.01 Reasons for Termination	51
5-23.01.A Termination for Convenience	51
5-23.01.B Termination for Cause	51
5-23.02 Termination After Contract Time	52
5-23.03 Notice of Termination; City Completion	52
5-23.04 Payments to Contractor Upon Termination of Contract	54
5-23.05 Completion Not a Waiver of City Rights	55

5-23.06 Survival of Obligations 55
5-24 TERMINATION OF UNSATISFACTORY SUBCONTRACTS 55

CHAPTER 5 CONTROL OF WORK AND MATERIALS

5-1 AUTHORITY OF CITY

The City will decide all questions regarding the quality and acceptability of materials furnished, work performed, and rate of progress of the Work. The City will decide all questions regarding the interpretation and fulfillment of the Contract on the part of the Contractor, and all questions as to the rights of different contractors that may be involved with the Work.

The City will determine the amount and quality of the Work performed and materials furnished for which payment is to be made under the Contract.

The City will administer its authority through a duly designated representative identified at the preconstruction meeting. The Contractor and the City representative shall make good faith attempts to resolve disputes that arise during the performance of the Work.

Any order given by the City not otherwise required by the Contract to be in writing will be given or confirmed by the City in writing at the Contractor's request. Such request shall state the specific subject of the decision, directive, instruction, or notice and, if it has been given orally, its date, time, place, author and recipient.

5-2 ATTENTION AND COOPERATION OF CONTRACTOR

The Contractor shall comply with any written instruction delivered to the Contractor or the Contractor's authorized representative by appropriately authorized representatives of the City.

5-3 SUGGESTIONS TO CONTRACTOR

Any plan or method suggested to the Contractor by the City, but not specified or required in writing, if adopted or followed in whole or in part by the Contractor, shall be used at the risk and responsibility of the Contractor. The City assumes no responsibility.

5-4 SEPARATE CONTRACTS

The City reserves the right to award other contracts in connection with the Work. The Contractor shall afford other contractors reasonable opportunity for the delivery and storage of their materials and the execution of their work and shall properly connect and coordinate its work with the other contractors.

If any part of the Contractor's work depends upon the work of any other contractor for proper execution or results, the Contractor shall inspect and promptly report to the City any defects in such work that render the other contractor's work unsuitable for proper execution and results. The Contractor's failure to so inspect and promptly report shall constitute an acceptance of the other contractor's work as fit and proper for the reception of the Contractor's work, unless defects develop in the other contractor's work after the execution of the Contractor's work.

5-5 COOPERATION WITH OTHER CONTRACTORS

Other contractors and other forces, including the City and/or adjacent property owners may perform work adjacent to or within the Work area concurrent with the Contractor's operations. The Contractor shall conduct operations to minimize interference with the work of other forces or contractors. Any disputes or conflicts between the Contractor and other forces or contractors retained by the City which create delays or hindrance to each other shall be referred to the City for resolution. If the Contractor's work is delayed because of the acts or omissions of any other force or contractor, the Contractor shall have no claim against the City other than for an extension of time (see Section 7-18, "Extension of Time", of these General Provisions).

5-6 CONTRACTOR'S DISMISSAL OF UNSATISFACTORY EMPLOYEES

If any person employed by the Contractor or any Subcontractor shall fail or refuse to carry out the directions of the City or the provisions of the Contract, or is, in the opinion of the City, incompetent, unfaithful, intemperate, or disorderly; or uses threatening or abusive language or conduct to any person on or associated with the Work or with the public; or is acting or working in a manner that compromises the safety of the public, Work or persons or property involved with the Work, or is otherwise unsatisfactory, the Contractor shall, when requested by the City, remove the worker from the Work site immediately, and shall not again employ the removed worker on the Work except with the written consent of the City.

5-7 CONTRACTOR'S EQUIPMENT

The Contractor shall provide adequate and suitable equipment, labor, and means of construction to meet all the requirements of the Work, including completion within the Contract Time. Only equipment suitable to produce the quality of work required will be permitted to operate on the Project. Specific types of equipment may be requested by the City on component parts of the Work.

The City may, at the City's option, permit the use of new or improved equipment, at the Contractor's cost. If such permission is granted, it is understood that it is granted for the purpose of testing the quality and continuous attainment of work produced by the equipment, and the City shall have the right to withdraw such permission at any time that the City determines that the alternative equipment is not producing work that is equal in all respects to that specified, or will not complete the Work in the time specified in the Contract. The cost for mobilizing and demobilizing new or improved equipment shall be borne by the Contractor.

In any case where the use of a particular type or piece of equipment has been banned, or in cases where the City has condemned for use on the Work any piece or pieces of equipment, the Contractor shall promptly remove such equipment from the site of the Work at its cost. Failure to do so within a reasonable time may be considered a breach of contract. The cost for mobilizing and demobilizing replacement equipment shall be borne by the Contractor.

5-8 CONTRACTOR'S SUBMITTALS

5-8.01 Submittals - General

The Contractor shall furnish all working drawings, plans, specifications, descriptive data, certificates, samples, tests, methods, schedules, and manufacturer's instructions as required in the Contract, and any other information required to demonstrate that the materials and equipment to be furnished and the methods of work comply with the provisions and intent of the Contract. Submittals shall be submitted by the dates specified in the Contract or, in the City's sole discretion, a fine of $100 per day will be levied until the appropriate submittals are properly submitted.

Submittals for systems shall be bound together, include all information for the system and, unless otherwise specified, submitted to the City electronically.

A minimum of five (5) copies of all submittals shall be furnished, two (2) of which will be returned after review. Depending on the complexity of the submittal, the number of submittals, and the express needs of the Contractor, the submittal will be returned to the Contractor within thirty (30) Calendar Days, exclusive of any time awaiting clarification or further information. Where any item of the work is required to be installed in accordance with the manufacturer's recommendations, the Contractor shall furnish a complete set of the manufacturer's installation recommendations to the City prior to starting the installation. These submittals will be retained by the City.

If the information furnished in a submittal shows any deviation from the Contract requirements, the Contractor shall, by a statement in writing accompanying the information, advise the City of the deviation and state the reasons. It shall be the Contractor's responsibility to ensure there is no conflict with other submittals and to notify the City in any case where the Contractor's submittal may concern work by another contractor, adjacent property owners, other forces or the City.

The Contractor is solely responsible for coordination of submittals among all related crafts performing the Work. The Contractor shall verify that its Subcontractors' submittals are complete in every way and meet the requirements of the Contract.

Direction from the City to proceed following return of the Contractor's submittals shall not relieve the Contractor of responsibility for any error or of any obligation for accuracy of dimensions and details, for agreement with and conformity to the Contract, or responsibility to fulfill the Contract as prescribed. Nor shall such direction be considered as approval of any deviation or conflict in the submittal unless the City has been expressly advised in writing of the same as set forth immediately above, and the City has expressly approved such deviation or conflict in writing.

The Contractor shall make no changes to any submittal after it has been returned, and the equipment or materials shall not deviate in any way except with written approval by the City. Fabrication or other work performed in advance of return of the submittal with a direction to proceed shall be done entirely at the Contractor's risk.

Minimum requirements for submittals are contained in these Specifications. Additional and/or project-specific requirements may be contained in the Contract. The Contractor is responsible for identifying and providing all required submittals.

5-8.02 Resubmittals

Resubmittals shall address all comments from the City. Partial resubmittals may be returned 'REVISE AND RESUBMIT." The Contractor is responsible for the City's review costs for each resubmittal in excess of the first resubmittal. These costs will be charged to the Contractor and will be deducted from progress payments.

5-8.03 Submittals Containing Proprietary Information

All required information shall be provided even though some or all of such information may be considered proprietary. If any of the information required herein is considered proprietary, a proprietary agreement shall be executed between the City and the Contractor, stipulating that all such information will be supplied by the Contractor and kept confidential by the City. All proprietary data shall be identified as part of the Contractor's Bid and the proprietary agreement shall be executed before award of the Contract. Proprietary information is defined as any information or data describing or defining a product, process or system which 1) was developed at the expense of the Contractor, a Subcontractor or supplier; 2) is not generally available in the industry; and 3) is kept secret by its owner for purposes of preventing its use by others. Application software and all other documentation, or any other product, prepared by the Contractor, Subcontractor, or supplier at the expense of the City for specific use on the facility being constructed under the Contract shall not be considered proprietary.

All submitted proprietary information shall describe the final record Work. No part of the Work covered by the proprietary agreement shall be modified after proprietary submittal acceptance until updated proprietary information has been submitted by the Contractor and accepted by the City. Updated proprietary information shall fully document all modifications to be implemented. All proprietary data shall be marked "PROPRIETARY" by the Contractor.

5-8.04 Electrical, Instrumentation, Control, and Communication Systems

Electrical, instrumentation, control, and communication system drawings shall include elementary and loop diagram drawings, functional single line system layout drawings, connection drawings, interconnection drawings, panel/cabinet fabrication drawings, and detailed circuit board and component drawings. Detailed circuit schematics and circuit board layout drawings shall clearly show, locate, and identify all components and wiring. Each circuit board component shall be identified by the component's original manufacturer name and part number.

Industry standard part numbers shall be used. Component values, voltage/current levels, setpoints, and timing values shall be defined. Drawings shall be in the latest version of AutoCAD or other electronic reproducible medium specified by the City.

Conduit layout diagrams shall be provided for all electrical conduits, and conduits shall be labeled in the field consistent with the layout diagrams.

Complete annotated software/firmware source code listings and program documentation shall be provided for all electronic/electrical systems, subsystems, assemblies, parts, components, and equipment that incorporate programmable devices. All instructions and hardware necessary to load, store, modify, and activate software/firmware source codes and programs shall be provided.

5-8.05 Maintenance and Operations (M&O) Submittals

For use in subsequent maintenance and operations the Contractor shall furnish to the City electronically and bound together and indexed all maintenance and operation information, including all the highest level of factory maintenance manuals (greatest level of detail) that are available to factory representatives with a three-year subscription to newsletters and updates supplied by the manufacturer covering all equipment and systems included in the Contract. The City may withhold up to thirty percent (30%) of the Total Contract Price until M&O submittals have been submitted and approved. The submittal shall include at a minimum:

- Drawings
- Illustrations
- Parts lists
- Wiring diagrams of systems
- Internal wiring diagrams and circuit board schematics and layout drawings
- Manufacturer's recommended spare parts lists
- Name, address and phone number of nearest parts and service City
- Systems balance data
- Maintenance and service instructions
- Operation instructions
- Software including annotated source lists and programs

The submittal of maintenance and operation information is required for all mechanical, electrical, instrumentation, control, communications, sound, or special equipment and systems.

The Contractor shall obtain approval of the required data at least thirty (30) Calendar Days prior to any required training or the final inspection date.

5-9 DAILY REPORTS

No less than on a weekly basis, the Contractor shall submit, upon request of the City, to the City daily reports, which shall include, without limitation, the identity of Subcontractors on the site, an accurate headcount of workers on the site, materials and equipment delivered to the site, visitors to the site, work performed, and any problems encountered.

5-10 SURVEYS

5-10.01 Surveys

Except as set forth in this Section or in the Special Provisions, the Contractor shall be responsible for performing all necessary surveys to lay out and control the Work to the locations, elevations, lines, and dimensions shown or specified in the Contract. Any deviations must receive prior written approval of the City. All surveys affecting the line or elevation of underground drainage, sewers, or utilities, and all other work within public rights-of-way or easements, shall be performed by or under the direction and supervision of a California Registered Civil Engineer authorized to practice land surveying or a California Licensed Land Surveyor. The Contractor shall be responsible for protecting and perpetuating survey monuments affected by construction activities in accordance with Business and Professions Code Section 8771(b). The Contractor shall be responsible for the accuracy of the Contractor's own layout work, and shall be liable for the preservation of all established lines and grades.

Stakes damaged or destroyed by the operations of the Contractor shall be replaced at the Contractor's expense.

The Contractor's surveys also shall include, without limitation, the following surveys:

5-10.01.A Streets and Highways

- Slope Stakes -- One line of slope stakes at fifty-foot (50') intervals for the construction of each pavement edge. The Contractor shall set back and reference the stakes.

- Subgrade -- One line of blue tops at centerline or at a location directed by the City for each two (2) lanes of the roadway at fifty-foot (50') intervals, and three (3) lines on super-elevated sections for each two (2) lanes. The Contractor shall reference subgrade stakes for the subbase and base layers.

- Finished Base -- One (1) line of blue tops at centerline or at a location directed by the City for each two (2) lanes of roadway at fifty-foot (50') intervals, and three (3) lines for each (2) lanes on super-elevated and widened sections.

- All necessary line, location, and elevation stakes for curb and gutter, inlets, pipes, drainage structures, signals, box culverts, and other miscellaneous facilities.

5-10.01.B Sewer, Water, and Drainage Facilities

- For all pipelines to be laid on grade: the City will establish an offset line at fifty-foot (50') intervals, furnish cut sheets and necessary land surveys, and establish bench marks, base lines, and reference points for locating principal structures.

- For drainage channels: the City will furnish slope stakes at fifty-foot (50')

intervals.

From this information, the Contractor shall develop and make all additional detail surveys and measurements necessary for the construction of the Work.

5-10.02 Survey Monuments

The City shall show on the construction Plans, to the best of its knowledge, the location and character of survey monuments located within the construction area. It is the Contractor's responsibility to arrange and pay for a diligent and thorough search for survey monuments.
This shall be performed by or under the direction of a California Licensed Land Surveyor or a California Registered Civil Engineer authorized to practice Land Surveying, prior to the beginning of construction or maintenance work that could disturb or destroy a survey monument. Any monuments found shall be referenced and reset by or under the direction of a California Licensed Land Surveyor or a California Registered Civil Engineer authorized to practice Land Surveying in accordance with Business and Professions Code Section 8771. On thin surface treatments, such as chip seals, the monuments can be covered in advance of the maintenance treatment with a suitable material and then removed to expose the monument.

When survey monuments not shown on the Plans are discovered, the Contractor shall bring them to the attention of the City prior to damaging them. Any City survey monuments damaged or destroyed by the Contractor shall by reset by the City or Contractor at the Contractor's expense. Any other damaged or destroyed survey monuments shall by reset by the Contractor at its sole expense in accordance with the Land Surveyors Act (Business & Professions Code 8700 et seq.).

When the Special Provisions require that the Contractor provide all surveys, the Contractor shall be responsible for referencing, resetting, and filing of corner records for all survey monuments disturbed or destroyed by construction activities in accordance with Business and Professions Code Section 8771.

All survey monuments and references shall be set or reset by or under the direction of a California Licensed Land Surveyor or a California Registered Civil Engineer authorized to practice Land Surveying.

5-11 RESPONSIBILITY FOR ACCURACY

The Contractor shall obtain all necessary measurements for and from the Work, and shall check dimensions, elevations, and grades for all layout and construction work and shall supervise such work; the accuracy for all of which the Contractor shall be responsible. The Contractor is responsible for adjusting, correcting, and coordinating the work of all Subcontractors so that no discrepancies result.

5-12 DUTIES AND POWERS OF INSPECTORS

Inspectors are the authorized representatives of the City. Their duty is to inspect materials and

workmanship of those portions of the Work to which they are assigned, either individually or collectively, under instructions of the City, and to report all deviations from the Contract.

City work site inspections will only be conducted Monday through Thursday from 7AM to 3:30PM, excluding City Holidays. Any inspections outside of these hours shall be requested at least three (3) days prior, must be approved by the Project Manager, and all costs associated with the inspections shall be paid by the Contractor.

5-13 INSPECTION

The inspection of the Work does not relieve the Contractor of the obligation to fulfill all Contract requirements. The purpose of inspection is not to assure Contractor that all of the Work is meeting all of the Contract requirements.

All work and materials furnished pursuant to the Contract shall be subject to inspection and approval by the City. The Contractor shall provide the City and Inspectors with access to the Work during construction and shall furnish every reasonable facility and assistance for ascertaining that the materials, equipment and the workmanship are in accordance with the requirements and intent of the Contract. Any work, materials, or equipment not meeting the requirements and intent of the Contract will be rejected, and unsuitable work, equipment or materials shall be made good, notwithstanding the fact that such work, materials or equipment may have been previously inspected or approved and /or payment may have been made. The Contractor shall be solely responsible for any costs associated with the removal of any defective work, equipment or materials discovered during the inspection and the complete cost of reconstruction.

Unless authorized in writing by the City, any work done in the absence of an Inspector, whether completed or in progress, shall be subject to inspection. The Contractor shall furnish all tools, labor, materials, access facilities, and other facilities necessary to allow such inspection, even to the extent of uncovering or taking down completed portions of the Work. The Contractor shall pay all costs incurred, whether or not any defective work is discovered. The Contractor shall also be solely responsible for any costs associated with the removal of any defective work discovered during the inspection and the complete cost of reconstruction.

Reexamination of any part of the Work may be ordered by the City, and such part of the Work shall be uncovered by the Contractor. The Contractor shall pay the entire cost of such uncovering, reexamination, and replacement if the reexamined work does not conform to the Contract.

The Contractor shall notify the City of the time and place of any factory tests and submit test procedures for approval thirty (30) Calendar Days in advance for any tests that are required by the Contract. The Contractor shall report the time and place of preparation, manufacture or construction of any material for the Work, or any part of the Work, that the City wishes to inspect. The Contractor shall give five (5) Working Days' notice in advance of the beginning of work on any such material or of the beginning of any such test to allow the City to make arrangements for inspecting and testing or witnessing.

5-14 QUALITY OF MATERIALS AND WORKMANSHIP

Unless otherwise allowed or required by the Special Provisions, all equipment and materials

shall be new and of a quality at least equal to that specified. All workmanship shall also be of the highest qualify. When the Contractor is required to furnish equipment, materials or manufactured articles or shall do work for which no detailed specifications are set forth, the equipment, materials or manufactured articles shall be of the best grade in quality and workmanship obtainable in the market. If not ordinarily carried in stock, the articles shall conform to the usual standards for first-class materials or articles of the kind required. The work performed shall secure the best standard of construction and equipment of the Work as a whole or in part.

Materials shall be furnished in sufficient quantities and at such times to ensure uninterrupted progress of the Work. All required spare parts shall be delivered in new condition, not in a used or unknown condition, and with any certificates required. Materials, supplies, and equipment shall be stored properly and protected as required. The Contractor shall be entirely responsible for damage or loss by weather or other causes.

5-15 SUBSTITUTIONS

Certain materials, articles, or equipment may be designated in the Contract by brand or trade name or manufacturer together with catalog designation or other identifying information. Substitute material, article, or equipment which is of equal quality and of required characteristics for the intended purpose may be proposed for use, provided the Contractor complies with the requirements of the following paragraphs.

5-15.01 Written Request

The Contractor shall submit any request for substitution in writing no later than thirty (30) Calendar Days after the award of the Contract.

5-15.02 Documentation

If requested by the City, a proposal for substitution must be accompanied by complete information and descriptive data, including cost of operation, cost of maintenance, and physical requirements necessary to determine the equality of offered materials, articles, or equipment.

The Contractor shall also submit such shop drawings, descriptive data, and samples as requested. The burden of proof of comparative quality, suitability, and performance of the offered proposal shall be upon the Contractor. The determination of equal quality, suitability, and performance shall be at the sole discretion of the City. The City will examine such submittals with reasonable promptness. If the City rejects the request for such substitution, then one of the particular products designated by brand name in the Contract shall be furnished. Acceptance of substitution by the City shall not relieve the Contractor from responsibility for deviations from the Plans and Specifications or from responsibility for errors in submittals. Failure by the Contractor to identify deviations in the request material from the Plans and Specifications shall void the submittal and any action taken thereon by the City.

Changes required for proper installation and fit of substitute materials, articles or

equipment, or because of deviations from the Contract shall not be made without the written consent of the City and shall be made by the Contractor without additional cost to the City. The Contractor shall pay the costs of design, drafting, architectural or engineering services and alterations of the construction required to accommodate any Contractor substitution or construction error to maintain the original function and design.

5-16 PREPARATION FOR TESTING

The Contractor shall maintain proper facilities and provide safe access for inspection by the City to all parts of the Work and to the shops wherein parts of the Work are in preparation.
Where the Contract requires work to be tested or approved, such work shall not be tested or covered up without at least a five (5) Working Day notice to the City of its readiness for inspection, unless the written approval of the City for such testing or covering is first obtained.

5-17 MATERIALS SAMPLING AND TESTING

Materials to be used in the Work will be subject to sampling and tests by the City. The Contractor shall furnish the City with a list of the Contractor's sources of materials and the locations at which such materials will be available for inspection. The list shall be furnished to the City in time to permit the inspection and testing of materials in advance of their use.

Testing shall be done to such standards as set forth in the Plans, Specifications, or Special Provisions. References made in these documents to standard methods of testing materials shall make such standards a part of the Specifications.

Whenever a reference is made in the Specifications to a specification or test designation of any recognized State or national organization or State of California City, and the number or other identification representing the year of adoption or the latest revision is omitted, it shall mean the specification or test designation in effect on the date of the original Notice to Contractors for the Work.

When requested by the City, samples or test specimens of the proposed materials shall be prepared at the expense of the Contractor and furnished by the Contractor in such quantities and sizes required for proper examination and tests, and with complete information describing type, kind, or size of material, and its source. All samples shall be submitted in time to permit the making of proper tests, analyses, or examinations before incorporating the materials into the Work. No material shall be used in the Work unless or until it has been approved by the City. All material tests shall be made by the City in accordance with recognized standard practice. The Contractor shall pay the cost of the first retest and any subsequent retest of any area or material. The City will secure and test samples whenever necessary.

5-18 APPROVAL OF MATERIALS OR EQUIPMENT

5-18.01 Sources Of Supply

The City's approval at the source of supply may be required prior to procurement. Such approval shall not prevent subsequent disapproval or rejection of materials or equipment

by the City if the quality is less than required by the Contract.

5-18.02 Plant Inspection

The City assumes no obligation to inspect materials or equipment at the source of supply. The Contractor is responsible for incorporating satisfactory materials and equipment into the Work, notwithstanding any prior inspections or tests.

The City will inspect materials or equipment at the source if the Contractor submits a written request and if the City deems the inspection necessary. The Contractor and the supplier will cooperate with and assist the City while performing the inspection. The City shall have access to all production areas of the material or equipment source or place of manufacturing.

5-19 PROVISIONS FOR EMERGENCIES

The City may provide necessary labor, material and equipment to correct any emergency resulting from the Contractor's operation including noncompliance with the Contract, public convenience, safety, traffic control, and protection of Work, persons, environment, and property. The nature of the emergency may prevent the City from notifying the Contractor prior to taking action. The costs of such labor, material, and equipment shall be borne by the Contractor and will be deducted from progress payments.

The performance of such emergency work under the direction of the City shall not relieve the Contractor from any damages resulting from the emergency.

5-20 RIGHT TO RETAIN IMPERFECT WORK

If any portion of the work done or materials or equipment furnished under the Contract shall prove defective or not in accordance with the Contract, and if the defect in the work, materials or equipment is not of sufficient magnitude or importance to make the work, materials or equipment dangerous or undesirable, or if the removal of such work, materials or equipment is impracticable or will create conditions which are dangerous or undesirable, the City shall have the right and authority to retain the work, materials or equipment instead of requiring it to be removed and reconstructed or replaced. Progress payment deductions will be made as described in Section 8-9, "Deductions for Imperfect Work", of these General Provisions.

5-21 REMOVAL OF REJECTED MATERIALS OR WORK

The Contractor shall remove all rejected or condemned materials, equipment or structures brought to or incorporated in the Work within two (2) Working Days of the City's written directive. No such rejected or condemned materials or equipment shall again be offered for use in the Work. The Contractor shall, at the Contractor's expense, bring into Contract compliance all rejected material, equipment or work in a manner acceptable to the City.

The City may bring into Contract compliance the rejected material or equipment if the Contractor fails to comply with this Section. All costs shall be borne by the Contractor and will be deducted

from the Progress Payment.

5-22 TEMPORARY SUSPENSION OR DELAY OF WORK

The City has the authority to suspend or delay the Work, wholly or in part, for any period the City deems necessary. The Contractor shall immediately comply with the City's written directive to suspend or delay the Work. The suspended or delayed work shall be resumed only when conditions are favorable or methods are corrected, as ordered or approved in writing by the City. Public safety and convenience must be maintained throughout the suspension or delay in accordance with Sections 6-12, "Public Convenience and Safety", and 6-13, "Public Safety and Traffic Control", of these General Provisions.

Delays due to suspension of work shall be classified as Inexcusable or Excusable Delays in accordance with Section 7-12, "Delays", of these Specifications. Such suspension shall not relieve the Contractor of the Contractor's responsibilities as described in the Contract.

5-23 TERMINATION OF CONTRACT

5-23.01 Reasons for Termination

The City reserves the right to terminate the Contract or the Contractor's control over the Work for any of the reasons listed below.

5-23.01.A Termination for Convenience

The City may at any time and for any reason terminate the Contract or the Contractor's performance of the Work, in whole or in part.

If the Contract or the Contractor's control over the Work is terminated for cause and if it is later determined that the termination for cause was wrongful, such termination for cause automatically shall be converted to and treated as a termination for convenience. In such event, the Contractor shall be entitled to receive only the amount payable under Section 5-23.04 of these General Provisions, and the Contractor specifically waives any claim for any other amounts or damages, including any claim for consequential damages or lost profits.

5-23.01.B Termination for Cause

The City may terminate the Contract or the Contractor's control over the Work and so notify the Contract and the Contractor's sureties for the following causes:

- The Contractor is adjudged bankrupt or makes an assignment for the benefit of the Contractor's creditors, or if a receiver is appointed because of the Contractor's insolvency.

- The City has made a determination that the Contractor will be unable to complete the Work on or before the completion date as adjusted by Change Order, or the Contractor has not completed the Work on or before the completion date as adjusted by Change Order.
- The Contractor abandons the Work.
- The Work or any portion is sublet or assigned without the City's consent.
- The rate of progress is not in accordance with the Contract.
- Any portion of the Work is unnecessarily delayed.
- The Contractor willingly violates any terms or conditions of the Contract.
- The Contractor does not supply sufficient materials or properly skilled and staffed labor.
- The Contractor fails to promptly pay its Subcontractors.
- The Contractor disregards laws, ordinances, or City orders.
- The Contractor fails to correct defective work in response to defective work notices.
- The Contractor fails to comply with written directives.

5-23.02 Termination After Contract Time

In addition to any other rights it may have, the City may terminate the Contract or the Contractor's right to proceed at any time after the Contract Completion Date, as adjusted by Change Order. Upon such termination, in addition to the Contractor's other obligations under the Contract, the Contractor shall not be entitled to receive any compensation after such termination until the Work is completed, and the Contractor shall be liable to the City for liquidated damages for all periods of time from the Contract Completion Date, as adjusted by Change Order, until the date of completion, as well as for all losses incurred by the City in completing the Work, as set forth in Section 5-23.04 of these General Provisions.

5-23.03 Notice of Termination; City Completion

If grounds exist under Sections 5-23.01B or 5-23.02 above, then the City may issue to the Contractor and its sureties a Notice of Intent to Terminate the Contract or the Contractor's Control Over the Work for Cause. The Notice shall state the grounds for termination for cause that exist and demand that Contractor cure the grounds, or make satisfactory arrangement for cure of the grounds, within ten (10) days of the date of the Notice, or else

the City will terminate the Contract or the Contractor's control over the Work.

If the Contractor fails to cure the grounds, or make satisfactory arrangement for cure of the grounds, stated in the Notice of Intent to Terminate within ten (10) days of the date of the Notice of Intent to Terminate, the City may give written Notice of Termination for Cause to the Contractor and the Contractor's sureties that the Contract, or a portion of the Contract, has been terminated and/or that the Contractor's control over the Work, or a portion of the Work, has been terminated for the reasons stated in the Notice of Termination. The Notice shall also demand that Contractor's surety take over and perform the Work through Completion. The Contractor's surety shall then have the right to take over and perform the Work through Completion. The City may take over the Work through Completion at the Contractor's and surety's expense if the surety does not commence performance within thirty (30) Calendar Days from the date of mailing the Notice of Termination or if immediate resumption of the Work is necessary to avoid significant additional cost.

If the City is forced to take over the Work, it may prosecute the same to completion by day labor, by contract or by any other method it may deem advisable, for the account and at the expense of the Contractor and its sureties, and the Contractor and its sureties shall be liable to the City for any excess costs, including management, supervision, and design support, occasioned thereby. In such event, the City may, without liability, take possession of and utilize in completing the Work, the Contractor's materials whether stored at the Site or elsewhere, that are necessary for completion. The City may also take possession of and use all or any part of the Contractor's tools, equipment and appliances on the premises to complete the Work. The City assumes the responsibility for returning such equipment in as good condition as when it was taken over, reasonable wear and tear excepted. The items shall be returned to the Contractor when the Work is complete or sooner, at the City's discretion. The City agrees to pay a reasonable amount for the use of such tools and equipment.

The Contractor hereby assigns to the City all of its interest in orders and/or contracts existing at the time of termination. The assignment of said orders and/or contracts shall be effective upon notice of acceptance by the City in writing, and only as to those orders and/or contracts which the City designates in writing.

Whenever the Contract or the Contractor's control over the Work is terminated for cause, the Contractor and its sureties and shall be liable to the City for liquidated damages for all periods of time from the Contract Completion Date, as adjusted by Change Order and whether or not the termination date precedes or post-dates the adjusted Contract Completion Date, until the date of completion, as well as for all losses incurred by the City in completing the Work, as set forth in Section 5-23.04 of these General Provisions.

Immediately upon receipt of a Notice of Termination for Cause or for Convenience, except as otherwise directed in writing by the City, the Contractor shall:

1. Stop work under the Contract on the date and to the extent specified in the Notice of Termination.

2. Place no further orders or subcontracts for materials, services, or facilities except as necessary to complete the portion of the Work that is not terminated.

3. Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination.

4. Assign to the City, in the manner, at the times, and to the extent directed by the City, all of the rights, titles, and interests of the Contractor under the orders and subcontracts so terminated. The City shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

5. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts with the approval or ratification of the City. The City's approval or ratification shall be final.

6. Transfer title to the City, and deliver in the manner, at the times, and to the extent directed by the City, fabricated or unfabricated parts, work in process, completed work, supplies, other material produced as a part of, or acquired in connection with, the terminated work, and the completed or partially completed drawings, information, and other property that, if the Contract had been completed, would have been submitted to the City.

7. Sell, in the manner, at the times, to the extent, and at the price that the City directs or authorizes, any property of the types referred to in Item 6 of this Section (Section 5-23.03). The Contractor is not required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed and at a price approved by the City. The proceeds of any such transfer or disposition shall be used to reduce any payments made to the Contractor under the Contract or be credited to the cost of the work covered by the Contract or paid as the City directs.

8. Complete performance of the Work not terminated by the Notice of Termination.

9. Take necessary action, or as the City directs, to protect and preserve the property related to the Contract in which the City has an interest.

5-23.04 Payments to Contractor Upon Termination of Contract

In the event of a termination for convenience, the Contractor and the City may agree upon an amount paid to the Contractor for the total or partial termination of the Contract or of the Contractor’s control over the Work. The amount may include those items specified in Chapter 9, “Changes and Claims”, of these General Provisions. However, such agreed amount shall not exceed the Total Contract Price, reduced by the amount of payments already made and the Contract price of work not terminated. The Contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.

If the Contractor and the City fail to agree on the amount to pay the Contractor because of the termination for convenience under this Section, the City shall determine the amount due the Contractor.

In the event of a termination for cause, the Contractor is not entitled to receive any portion of the amount to be paid under the Contract until it is fully completed. After completion, if

the unpaid balance exceeds the sum of the amount expended by the City in finishing the work, plus all damages sustained or to be sustained by the City, including, without limitation, legal expenses, City forces, administration and management, direct and indirect, plus liquidated damages, plus any unpaid claims on account of labor, materials, tools, equipment, or supplies contracted for by the Contractor for the Work, provided that sworn statements of said claims shall have been filed as required by Chapter 9, “Changes and Claims”, of these General Provisions, the excess not otherwise required by the Contract Documents to be retained shall be paid to the Contractor. If the sum so expended to complete, plus the City’s damages as described herein, plus liquidated damages, plus unpaid claims as described herein exceeds the unpaid balance of the Total Contract Price, the Contractor and the Contractor's surety are liable to the City for the amount of such excess.

5-23.05 Completion Not a Waiver of City Rights

No act by the City before the Work is finally accepted shall operate as a waiver or stop the City from acting upon any subsequent event, occurrence or failure by the Contractor to fulfill the terms and conditions of the Contract. The rights of the City pursuant to this Section 5-23 and all of its subsections are in addition to all other rights of the City pursuant to the Contract, and at law or in equity.

5-23.06 Survival of Obligations

No termination of this Contract or of the Contractor’s control over the Work shall excuse or otherwise relieve the Contractor of its responsibilities under the Contract with respect to any Work performed prior to the date of termination, including, without limitation, its obligation to perform the Work in a good and workmanlike manner, free of defects, and in accordance with the Contract, its warranty obligations with respect to the Work, and its obligation to make all payments due. All of the Contractor’s responsibilities under the Contract with respect to the Work performed prior to the date of termination shall survive any termination.

5-24 TERMINATION OF UNSATISFACTORY SUBCONTRACTS

When any portion of the Work subcontracted by the Contractor is not prosecuted in a satisfactory manner, the Contractor shall immediately terminate the subcontract upon written notice from the City. The Subcontractor shall not again be employed for any portion of the work on which the Subcontractor's performance was unsatisfactory. Substitution of a new subcontractor shall be accomplished in accordance with California Code.

CHAPTER 6 - LEGAL RELATIONS AND RESPONSIBILITIES

TABLE OF CONTENTS

Section	Page
6-1 COMPLIANCE WITH LAWS AND REGULATIONS	58
6-1.01 Hours of Labor	58
6-1.02 Prevailing Wage	59
6-1.03 Payroll Records	60
6-1.03A Additional Requirements for Labor Compliance	60
6-1.04 Nondiscrimination	62
6-1.05 Apprentices	62
6-1.06 Workers' Compensation	63
6-1.07 Fair Labor Standards	63
6-1.08 Contractors License	63
6-1.09 Use of Pesticides	63
6-1.10 Reporting Requirements and Sanctions	63
6-1.11 Subcontracting	64
6-1.12 Occupational Safety and Health	64
6-2 INDEMNIFICATION	65
6-2.01 Contractor's Performance	65
6-2.02 Indemnification of Adjacent Property Owners	66
6-3 CONTRACTOR'S LEGAL ADDRESS	66
6-4 CONTRACTOR NOT AN AGENT OF CITY	66
6-5 SUBSTITUTION OF SUBCONTRACTORS	67
6-6 ASSIGNMENT OF CONTRACT	67
6-7 ASSIGNMENT OF MONIES	67
6-8 PROTECTION OF CITY AGAINST PATENT CLAIMS	67
6-9 RESPONSIBILITY OF THE CONTRACTOR	67
6-10 PERMITS AND LICENSES	68
6-11 GENERAL SAFETY REQUIREMENTS	69
6-11.01 Compliance With Safety & Health Regulations	69
6-11.02 24-Hour Contact Information	69
6-11.03 Work During Hours of Darkness	70
6-12 PUBLIC CONVENIENCE AND SAFETY	70
6-12.01 Public Convenience	70
6-12.02 Pedestrian and Bicyclist Access	70
6-12.03 Written Notification To Residences and Businesses	70
6-12.04 Access To Driveways, Houses and Buildings	71
6-12.05 Property Damage	71
6-12.06 Erection of Signs To Expedite Passage of Vehicles	71
6-12.07 Traffic Obstructions, Delays and Inconveniences	71
6-12.08 Work On Private Property	71
6-12.09 Hazardous Conditions Created	72
6-13 PUBLIC SAFETY AND TRAFFIC CONTROL	72
6-13.01 General	72
6-13.02 Responsibility For Safety	72
6-13.03 Passage of Emergency Vehicles	72
6-13.04 Furnishing, Installing, and Maintaining Traffic Controls	72
6-13.05 Inadequate Traffic Controls and After-Hour Maintenance and Repairs	73

6-13.06 Competent Flaggers 73
6-13.07 Construction Signs 73
6-13.08 Temporary Bridging of Excavations and Trenches 73
6-13.09 Entering and Leaving the Construction Zone 74
6-13.10 Existing Traffic Signals and Lighting Systems, Signs and Pavement Markings 74
6-13.11 Bus Stops 75
6-13.12 Dust 75
6-13.13 Removal of Spillage From Roadway 75
6-14 CONFINED SPACES 75
6-14.01 Contractor Responsibilities and Qualifications 75
6-14.02 Existing Sewers and Storm Drains 76
6-14.03 Joint City – Contractor Entries 76
6-15 TRAFFIC CONTROL PLANS (TCP) 76
6-15.01 Traffic Pattern Changes 77
6-15.02 Traffic Control Plans (TCP) 77
6-16 BARRICADING OPEN TRENCHES 77
6-17 EXISTING UTILITIES 77
6-17.01 General 78
6-17.02 Maintenance and Protection 78
6-17.03 Exact Locations Unknown 78
6-17.04 Underground Service Alert (USA) 79
6-17.05 Damage to Existing Utilities 80
6-17.06 Markings 80
6-18 APPROVAL OF CONTRACTOR'S PLANS NO RELEASE FROM LIABILITY 81
6-19 CONTRACTOR SHALL NOT MORTGAGE EQUIPMENT 81
6-20 PROPERTY RIGHTS IN MATERIALS 81
6-21 EXCAVATION AND TRENCH SAFETY 81
6-21.01 Permit 81
6-21.02 Shoring, Bracing. Shielding, and Sheeting 82
6-22 PRESERVATION OF PROPERTY 82
6-23 OVERLOADING 83

CHAPTER 6 LEGAL RELATIONS AND RESPONSIBILITIES

6-1 COMPLIANCE WITH LAWS AND REGULATIONS

The Contractor shall be familiar and comply with all Federal, State, and local laws, ordinances, codes and regulations which in any manner affect the Work, those engaged or employed in the Work or the material or equipment used in or upon the Work, or in any way affect the conduct of the Work. No pleas of misunderstanding of such laws, ordinances, codes, or regulations or of ignorance of the same on the part of the Contractor shall modify the provisions of the Contract. The Contractor and the Contractor's surety shall indemnify, defend and save harmless the City and the City's officers, officials, agents, employees, volunteers, members, affiliates and their duty authorized representatives against any claim for liability arising from, or based upon, the violation of any such law, ordinance, regulation, decree, or order, whether by the Contractor or by the Contractor's employees.

The attention of the Contractor is directed to certain laws that affect the Contract. The listing of these laws in this Chapter is not to be construed as a listing of all applicable laws. The Contractor is solely responsible for familiarity and compliance with all applicable laws.

Particular attention is called to the following:

6-1.01 Hours of Labor

Eight (8) hours of labor shall constitute a legal day's work and the Contractor or any Subcontractor under the Contractor, in the execution of the Contract, shall not require more than eight (8) hours of labor in any Calendar Day, and forty (40) hours of labor in any calendar week, from any person employed by the Contractor in the performance of the Work under the Contract, except as permitted under the provisions of Labor Code Sections 1810 to 1815 of the Labor Code of the State of California. The Contractor shall forfeit, as penalty to the City, the amount specified in Labor Code section 1813 for each worker employed by the Contractor or any Subcontractor under the Contractor in the execution of the Contract for each Calendar Day during which any worker is required or permitted to labor more than eight (8) hours and for each calendar week during which any worker is required or permitted to labor more than forty (40) hours, in violation of the provisions of Labor Code Sections 1810 to 1815.

Overtime shall be paid at the rate of not less than one and one half (1 1/2) times the basic rate of pay, or at such higher rate as may be required by the DIR, applicable statutes or collective bargaining agreements.

The City reserves the right to approve or disapprove the days scheduled for work, and the hours during which work is in progress. Overtime and shift work may be established by the Contractor with reasonable notice and the written permission of the City. Unless a different schedule for work is specified or approved by the Project Manager, no work other than overtime and shift work shall be done between the hours of 7:00 p.m. and 7:00 a.m., except such work as is necessary for the proper care and protection of the work already performed or except in case of an emergency. Failure of the Contractor to perform the work in accordance with this policy shall be deemed to be a failure on the Contractor's part to comply with the Contract and is cause for termination.

6-1.02 Prevailing Wage

Pursuant to Labor Code Section 1772, workers employed by contractors or subcontractors in the execution of any contract for public work are deemed to be employed upon public work as defined in Labor Code Sections 1720-1725. Therefore, the Contractor and all Subcontractors on the Project shall pay not less than the prevailing rate of per diem wages, including, but not limited to, overtime, Saturday, Sunday, and holiday work, travel and subsistence, as determined by the Director of the DIR pursuant to Labor Code Section 1773. Copies of such prevailing rate of per diem wages are available upon request at the office of the City Clerk at Rocklin3970 Rocklin Road, Rocklin, CA 95677 or on the internet at http://www/dir/ca/gov/OPRL/PWD.

The Contractor shall obtain and post copies of these prevailing wage rates in a prominent place at the job site, in accordance with the regulations of the DIR.

The responsibility to check prevailing wage rates is the Contractor's. Pursuant to Labor Code Section 1773.4 the Contractor may file with the Director of DIR or the Chief of the Division of Labor Standards Enforcement ("DLSE") a petition to review a determination of any rate or rates made by the Director of DIR. The Contractor may also petition the Director of DIR to make a determination for a particular craft, classification or type of work not covered by a general determination. Pending the review or determination, the wages may be assumed to be those in the applicable collective bargaining agreement, but no adjustment in the Bid or Total Contract Price shall be made if such assumption is incorrect.

The wage rates determined by the Director of the California DIR refer to expiration dates. Prevailing wage determinations with a single asterisk (*) after the expiration date that are in effect on the date of Notice to Contractors remain in effect for the duration of the Project. Prevailing wage determinations with double asterisks (**) after the expiration date indicate that the basic hourly wage rate, overtime and holiday wage rates, and employer payments to be paid for work performed after this date have been determined. If work extends past this date, the new rate shall be paid and should be incorporated in contracts entered into for the Project. The Contractor should contact the DIR as indicated in the prevailing wage determinations to obtain predetermined wage changes. All determinations that do not have double asterisks (**) after the expiration date remain in effect for the duration of the Project.

The Contractor agrees that in the event of underpayment of wages to any employee on the Project, whether by the Contractor or any Subcontractor, the City may retain from payments due to the Contractor, an amount sufficient to pay such worker the difference between the wages required to be paid by the DIR and the wages actually paid such worker for the total number of hours worked. The City may disburse such retention to such employees.

For each worker paid less than the applicable prevailing wages for any work done under this Contract by the Contractor or any Subcontractor, the Contractor shall forfeit to City as a penalty the sum determined by the Labor Commissioner in accordance with the considerations set forth in Labor Code Section 1775, over and above any retention or withholds otherwise authorized by the Contract. If a worker employed by a Subcontractor is paid less than the prevailing wages by the Subcontractor, the Contractor is not subject to

this penalty assessment if the Contractor can demonstrate that it did not have knowledge of that failure of the Subcontractor to pay the prevailing wages and that it strictly complied with the requirements of Labor Code Section 1775(b). In addition to applicable penalties, the Contractor or Subcontractor shall pay each worker the difference between the prevailing wage and the amount paid for every hour the worker was paid less than the prevailing wage.

6-1.03 Payroll Records

Contractor shall comply with Labor Code Section 1776. Regulations implementing Section 1776 are located in Section 16000 and Sections 16401 through 16403 of Title 8, California Code of Regulations. The Contractor shall be responsible for compliance by all Subcontractors on the Project.

The Contractor and Subcontractors shall keep accurate payroll records, showing the name, address, Social Security number, work classification, dates of payroll period, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Contractor and by each Subcontractor in connection with the Work. Such records shall be certified under penalty of perjury that the information contained in the payroll record is true and correct and that the employer has complied with the requirements of Labor Code sections 1771, 1811, and 1815 for any work performed by its employees, and shall be available for inspection at all reasonable hours at the principal offices of the Contractor and Subcontractors in a manner set forth in Labor Code Sections 1776 and 1812. The Contractor shall be held responsible for all Subcontractors' compliance with this requirement.

Failure to submit timely, complete certified payrolls when requested shall entitle the City to withhold payment from the Contractor. Additionally, in the event of noncompliance with this section, the Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply. In the event of continued noncompliance, the penalties specified in subdivision (h) of the Labor Code section 1776 may be deducted from progress payments to the Contractor.

The Contractor shall not carry on its payrolls any person not actually employed by the Contractor, nor shall it carry on its payrolls employees of a Subcontractor. The Contractor shall show on its payrolls all persons actually employed by the Contractor on the Project, in any capacity. The Contractor shall supervise all Subcontractors to ensure that all Subcontractors comply with this Section.

In accordance with Government Code Section 8546.7, or any amendments thereto, all books, records, and files of the Contractor, or any Subcontractor connected with the performance of this Contract, shall be subject to examination and audit by the California State Auditor for a period of three (3) years after final payment. Contractor shall preserve and cause to be preserved such books, records and files for the audit period.

6-1.03A Additional Requirements for Labor Compliance

The Contractor shall comply with the following additional requirements and shall cause all Subcontractors on the Project, whether under contract with the Contractor or under contract with any Subcontractor, to comply.

The records kept by the Contactor and all subcontractors of the hours and wages of all employees employed on Project also shall be open at all times for inspection by the DIR and DLSE, in accordance with Sections 1776 and 1812 of the Labor Code. Such records shall be furnished electronically to the Labor Commissioner of the DIR monthly, unless more frequent submission is required herein, and shall be furnished within 10 days of any separate request by the DIR or DLSE. Payroll records shall be furnished in a format prescribed by section 16401 of Title 8 of the California Code of Regulations, with use of the current version of DIR's "Public Works Payroll Reporting Form" (A-1-131) and "Statement of Employer Payments" (DLSE Form PW26) constituting presumptive compliance with this requirement, provided the forms are filled out accurately and completely. Payroll data can be entered manually or uploaded into the electronic certified payroll reporting (eCPR) system once it is available.

On a random basis and at such other times as it deems appropriate, the DIR also may confirm the accuracy of payroll reports, including by corroboration of information in payroll reports through independent sources, including without limitation worker interviews, examination of any time and pay records found within the definition of "Payroll Records" in section 16000 of Title 8 of the California Code of Regulations, direct verification of "Employer Payments" (as defined at section 16000 of Title 8 of the California Code of Regulations) through third-party recipients of those payments, or any other legal and reasonable method of corroboration. As part of its confirmation process, the DIR may require the Contractor and any of its subcontractors to furnish for inspection itemized statements prepared in accordance with Labor Code Section 226. The DIR may conduct random confirmation based on a recognized statistical sampling of the records submitted.

The DIR may conduct in-person inspection(s) at the site or sites at which the Work of the Project is being performed ("On-Site Visits"). On-Site Visits may include visual inspection of required job site notices, including but not limited to (1) the determination(s) of the Director of DIR of the prevailing wage rate of per diem wages required to be posted at each job site in compliance with Labor Code Section 1773.2; (2) the Notice of pay days and time and place of payment required by Labor Code Section 207; and (3) any other notices prescribed by law. On-Site Visits may also include inspections of records, inspections of the work site and observation of work activities, interviews of workers and others involved with the Project, and any other activities deemed necessary by the DIR to ensure compliance with prevailing wage requirements. In accordance with Labor Code Section 90, the Labor Commissioner and his deputies and agents shall have free access to any construction site or other place of labor and may obtain any information or statistics pertaining to the lawful duties of the Labor Commissioner, including but not limited to evidence of compliance with Labor Code Section 226 (itemized wage statements for employees) and any other laws enforced by the Labor Commissioner.

In accordance with Section 16463 of Title 8 of the California Code of Regulations ("8 CCR Section 16463"), the City may, on its own or if required by the Labor Commissioner, withhold funds due to the Contractor when payroll records are delinquent or inadequate. The amount withheld shall be those payments due or estimated to be due to the Contractor or Subcontractor whose payroll records are delinquent or inadequate, plus any additional amount that the Labor Commissioner

has reasonable cause to believe may be needed to cover a back wage and penalty assessment against the Contractor or Subcontractor whose payroll records are delinquent or inadequate. The Contractor shall cease all payments to a Subcontractor whose payroll records are delinquent or inadequate until the Labor Commissioner provides notice that the Subcontractor has cured the delinquency or deficiency. When payments are withheld under 8 CCR Section 16463, the Labor Commissioner will provide the Contractor and Subcontractor, if applicable, with immediate written notice that includes all of the following: (1) a statement that payments are being withheld due to delinquent or inadequate payroll records, and that identifies what records are missing or states why records that have been submitted are deemed inadequate; (2) specifies what amounts the City has been directed to withhold; and (3) informs the Contractor or Subcontractor of the right to request an expedited hearing to review the withholding of payments under Labor Code Section 1742, limited to the issue of whether the records are delinquent or inadequate or the Labor Commissioner has exceeded his or her authority under 8 CCR Section 16463. Where the violation is by a Subcontractor, the Contractor shall be notified of the nature of the violation and reference shall be made to Contractor's rights to withhold or recover payments from the Subcontractor under Labor Code Section 1729. The withholdings under 8 CCR Section 16463 do not preclude assessment of penalties under Labor Code Section 1776(g) for failure to timely comply with a written request for certified payroll records, as set forth above.

6-1.04 Nondiscrimination

The Contractor shall comply with Section 1735 of the Labor Code, which provides as follows:

"A contractor shall not discriminate in the employment of persons upon public works on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code. Every contractor for public works who violates this section is subject to all the penalties imposed for a violation of this chapter."

6-1.05 Apprentices

Attention is directed to the provisions of Sections 1777.5, 1777.6 and 1777.7 of the Labor Code concerning the employment of apprentices by the Contractor or any Subcontractor.

The Contractor and all Subcontractors shall comply with the requirements of Section 1777.5 and Section 1777.6 in the employment of apprentices. Violation of these requirements shall subject the Contractor and/or Subcontractor to the penalties set forth in Section 1777.7 of the Labor Code and/or otherwise provided by law or Contract.

Information relative to apprentice standards, wage schedules, and other requirements may be obtained from the Director of DIR, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices and/or on the OPRL website at www.dir.ca.gov/OPRL/PWD. Apprentices employed on the Project must at all times work with or be under the direct supervision of a journeyman or journeymen.

6-1.06 Workers' Compensation

Pursuant to Labor Code Section 1860, in accordance with the provisions of Section 3700 of the Labor Code, the Contractor is required to secure the payment of compensation to its employees.

6-1.07 Fair Labor Standards

The Contractor shall comply with the Fair Labor Standards Act of 1938 as amended (29 U.S.C. 3201 et seq.) as applicable.

6-1.08 Contractors License

The Contractor shall comply with Chapter 9 of Division 3 of the Business & Professions Code.

6-1.09 Use of Pesticides

The Contractor shall comply with all rules and regulations that govern the use of pesticides required in the performance of the Work, including any certifications that may be required for purchase, use, storage or application.

Pesticides include, but are not limited to, herbicides, insecticides, fungicides, rodenticides, germicides, nematocides, bactericides, inhibitors, fumigants, defoliants, desiccants, soil sterilants, and repellants.

Any substance or mixture of substances intended for preventing, repelling, mitigating, or destroying weeds, insects, diseases, rodents, or nematodes and any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant shall be considered a pesticide.

6-1.10 Reporting Requirements and Sanctions

Failure to provide specific information, records, reports, certifications, or any other documents required for compliance with the Contract will be considered noncompliance. At a minimum, documents required include:

1. List Of Subcontractors

   A list is required from the Contractor of all Subcontractors, including all lower tier Subcontractors, who are or will be performing work on the Project, using the format of Attachment B to the Bid Documents. This list is due within ten (10) Calendar Days after the date of the preconstruction conference or within ten (10) Calendar Days after the date of award of the subcontract. The later of the two dates will apply.

2. Certified Payroll Reports

   Certified Payroll Reports are required from the Contractor and each Subcontractor, regardless of the subcontract amount or the type of procurement, for every payroll period in which work is performed. These reports are due with progress payment requests and no later than ten (10) Working Days of the ending date of the payroll period.

3. Fringe Benefit Statement

   A Fringe Benefit Statement is required from the Contractor and each Subcontractor if fringe benefits are paid to an approved plan, fund, or program. The statement is due with the first certified payroll report and any time the fringe benefit amounts change. The statement is not required if the fringe benefits are paid in cash to the employees.

4. Other Documentation

When required by the Special Provisions, other reporting documentation may be required depending on the source of funding for the project.

If the Contractor fails to comply with the provisions of this Section, the Contractor will be advised of the specific deficiencies and requested to make immediate corrections. The Contractor will also be advised that monetary deductions will be made for failure to effect corrections or delinquencies.

If the Contractor fails to correct a deficiency in the reporting requirements within fifteen (15) Calendar Days after notification, a deduction may be made. In such cases, the deduction will be ten percent (10%) of the estimated value of the work done during the month, except that the deduction will not exceed ten thousand dollars ($10,000), nor be less than one thousand dollars ($1,000), and will be deducted from the next progress payment.

Deductions for non-compliance will be in addition to all other deductions provided for in the Contract and will apply irrespective of the number of instances of noncompliance. Deductions will be made separately and cumulatively for each estimate period in which a new deficiency appears. When all deficiencies for a period have been corrected, the deduction covering that period will be released on the next progress payment. Otherwise, the deduction will be retained.

6-1.11 Subcontracting

The Contractor must comply with Section 4101 to Section 4113, inclusive, of the Public Contract Code.

6-1.12 Occupational Safety and Health

The Contractor must comply with all applicable provisions of the California Occupational Safety and Health Act (Labor Code Sections 6300 et seq.). The foregoing includes, but is not limited to, all applicable Title 8 Safety Orders issued by the State of California Occupational Safety and Health Administration (Cal/OSHA). Failure of the City to suspend

the work or notify the Contractor of the inadequacy of the safety precautions or non-compliance with existing laws and regulations shall not relieve the Contractor of this responsibility.

6-2 INDEMNIFICATION

6-2.01 Contractor's Performance

To the fullest extent permitted by law, the Contractor shall indemnify, defend with counsel acceptable to the City, and hold harmless the City, its officers, officials, employees, agents, and volunteers from and against any and all losses, claims, demands, damages, costs, expenses, attorney's fees, or liability of every nature arising out of or in any way connected with the performance or attempted performance of the provisions of this Contract, caused in whole or in part by any negligent or willful act or omission of the Contractor, its officers, employees, or agents, or anyone directly or indirectly acting on behalf of the Contractor, regardless of whether caused in part by a party indemnified hereunder. Nothing contained in the foregoing indemnity provisions shall be construed to require the Contractor to indemnify the indemnified party in contravention of Section 2782 of the Civil Code for the active or sole negligence or willful misconduct of that indemnified party.

To the fullest extent permitted by law, the Contractor's duty to defend shall extend, without limitation, to any suit or action founded upon any losses, claims, demands, damages, costs, expenses, attorney's fees, or liability of every nature arising out of or in any way connected with the performance or attempted performance of the provisions hereof, or in any way arising out of or connected with this Contract.

The defense and indemnity obligations expressly extend to and include any and all claims, demands, damages, costs, expenses, or liability occasioned as a result of damages to adjacent property caused by the conduct of the Work.

The defense and indemnity obligations expressly extend to and include any and all claims, demands, damages, costs, expenses, or liability occasioned as a result of the violation by the Contractor, the Contractor's agents, employees, or independent contractors, Subcontractors or suppliers of any provisions of federal, State or local law, including applicable administrative regulations.

The defense and indemnity obligations also expressly extend to and include any claims, demands, damages, costs, expenses, or liability occasioned by injury to or death of any person, or any property damage to property owned by any person while on or about the site or as a result of the Work, whether such persons are on or about the site by right or not, whenever the Work is alleged to have been a contributing cause in any degree whatsoever.

In claims against any person or entity herein indemnified that are made by an employee of the Contractor or an employee of any of the Contractor's agents, independent contractors, Subcontractors or suppliers, a person indirectly employed by the Contractor or by any of the Contractor's agents, independent contractors, Subcontractors or suppliers, or anyone for whose acts the Contractor or any of the Contractor's agents, independent contractors, Subcontractors or suppliers may be liable, the defense and/or indemnification obligation herein shall not be limited by any limitation on amount or type of damages, compensation,

or benefits payable by or for the Contractor or the Contractor's agents, independent contractors, Subcontractors or suppliers under workers' compensation acts, disability acts, or other employee benefit acts.

The defense and indemnification obligations herein shall not be limited by any assertion or finding that the person or entity indemnified is liable by reason of a non-delegable duty.

The defense and indemnities set forth herein shall not be limited by the insurance requirements set forth in the Contract.

The defense and indemnification requirements herein set forth shall extend to claims occurring after this Contract is terminated as well as while it is in force.

6-2.02 Indemnification of Adjacent Property Owners

In the event the Contractor enters into any agreement with the owners of any adjacent property to enter upon or adjacent to such property for the purpose of performing this Contract, the Contractor shall fully indemnify, defend and save harmless such person, firm, or corporation, State or other governmental agency which owns or has any interest in the adjacent property. The form and content of the indemnification agreement shall be approved by the City prior to commencement of any work on or about such property. The Contractor also shall indemnify the City and other indemnities identified in Section 6-2.01 as provided in the Contract. These provisions shall be in addition to any other requirements of the owners of adjacent property.

6-3 CONTRACTOR'S LEGAL ADDRESS

Both the address given in the Bid and the Contractor's office in the vicinity of the Work are designated as places that samples, notices, letters, or other articles or communications to the Contractor may be mailed or delivered. The delivery to either of these places shall be deemed sufficient service to the Contractor and the date of such service shall be the date of delivery.

The address named in the Bid may be changed at any time by written notice from the Contractor to the City. Nothing herein shall be deemed to preclude or render inoperative the service of any drawing, sample, notice, letter or other article or communication to the Contractor.

6-4 CONTRACTOR NOT AN AGENT OF CITY

The Contractor shall be an independent contractor and not an employee, agent, or other representative of the City. Nothing in the Contract shall be construed to create any relationship of joint venture, partnership or any other association of any nature whatsoever between the City and the Contractor other than that of owner and independent contractor.

The City shall have the right to direct the Contractor as provided in the Contract. The aforementioned right of supervision shall not reduce or abrogate the Contractor's liability of all damage or injury to persons, public property, or private property that may arise directly or indirectly from the Contractor's execution of the Work.

6-5 SUBSTITUTION OF SUBCONTRACTORS

The Contractor shall comply with the requirements of the Subletting and Subcontracting Fair Practices Act, Chapter 4 of Part 1 of Division 2 of the Public Contract Code, commencing with Section 4100, forbidding bid shopping and bid peddling, requiring accurate listing of all Subcontractors, and requiring Subcontractors to be licensed. The Contractor shall not, without the written consent of the City: (a) substitute any party as Subcontractor in place of the Subcontractor designated in the original bid; (b) permit any such subcontract to be assigned or transferred; or (c) allow the subcontracted work to be performed by anyone other than the original Subcontractor listed on the bid. Consent for substitution or subletting shall only be given pursuant to Section 4107 of the Public Contract Code. Should the Contractor violate any of the provisions of this Section, the violation shall be deemed a breach of this Contract and the City shall have all remedies provided by California law, including but not limited to those provided in Public Contract Code Section 4110, allowing termination of the Contract or a penalty assessment of ten percent (10%) of the subcontract amount.

6-6 ASSIGNMENT OF CONTRACT

The Contract or the performance of the Contract may be assigned by the Contractor, but only upon written consent of the City and the Contractor's surety, unless the surety has waived its right of notice of assignment. No such assignment or subcontracting shall be permitted that would relieve the Contractor or the Contractor's surety of their responsibilities under the Contract.

6-7 ASSIGNMENT OF MONIES

The Contractor may assign monies due the Contractor under the Contract, and such assignment will be recognized by the City, if given proper notice, to the extent permitted by law. Any assignment of monies shall be subject to all deductions provided for in the Contract. All money withheld may be used by the City for the completion of the Work if the Contractor defaults.

6-8 PROTECTION OF CITY AGAINST PATENT CLAIMS

The Contractor shall assume all costs arising from the use of patented materials, equipment, devices, and processes on or incorporated in the Work and shall indemnify and hold harmless the City and the City's officers, officials, agents, employees, volunteers, members, affiliates and their duly authorized representatives from all actions for, or on account of, the use of any patented materials, equipment, devices, or processes in the construction of, or subsequent operation of, the Work. Before final payment, if requested by the City, the Contractor shall furnish acceptable proof of a proper release from all costs or claims arising from the use of patented materials, equipment, devices, or processes used on or incorporated in the Work.

6-9 RESPONSIBILITY OF THE CONTRACTOR

The Contractor shall be solely responsible for, and have control over, construction means,

methods, techniques, sequences, procedures, and coordination of all portions of the Work under the Contract, unless otherwise provided in the Contract.

The Work shall be under the Contractor's responsible care and charge until completion and final acceptance, and the Contractor shall bear the entire risk of injury, loss, or damage to any part by any cause. The Contractor shall rebuild, repair, restore, and make good all injuries, losses or damage to any portion of the Work, equipment or the materials occasioned by any cause, and shall bear the entire expense.

In no case shall the Contractor’s use of Subcontractors in any way alter the position of the Contractor or the Contractor’s sureties with relation to the Contract. When a Subcontractor is used, the responsibility for every portion of the Work shall remain with the Contractor. No Subcontractor will be recognized as having a direct contractual relationship with the City. All persons engaged in the Work under the Contract will be considered as employees of the Contractor and their work shall be subject to all the provisions of the Contract. The City will deal only with the Contractor who is responsible for the proper execution of the Work. The Contractor shall pay when due all valid claims of Subcontractors, suppliers, and workmen with respect to the Work.

The mention herein of any specific duty or responsibility imposed upon the Contractor shall not be construed as a limitation or restriction of any other responsibility or duty imposed upon the Contractor by the Contract, said reference being made herein merely for the purpose of explaining the specific duty or responsibility.

The Contractor shall do all of the work and furnish all labor, materials, tools, equipment, and appliances, except as otherwise herein expressly stipulated, necessary or proper for performing and completing the Work herein required, including any change order work or disputed work directed by the City in conformity with the true meaning and intent of the Plans, Specifications, and all provisions of the Contract, within the time specified.

If the Contractor discovers any discrepancies during the course of the Work between the Plans and conditions in the field, or any errors or omissions in the Plans and conditions in the field, or any errors or omissions in the Plans, the Specifications, or in the layout given by stakes, points, or instructions, it shall be the Contractor's duty to inform the City immediately, and the City shall promptly verify the same. Any work done after such discovery until authorized by the City, will be done at the Contractor's risk.

6-10 PERMITS AND LICENSES

Except as set forth in the Special Provisions, the Contractor shall, at the Contractor’s sole expense, obtain all necessary permits and licenses for the construction of the Work, give all necessary notices, pay all fees required by law, and comply with all laws, ordinances, rules and regulations relating to the Work and to the preservation of the public health and safety. The Contractor shall also procure all permits and licenses necessary for the normal conduct of the Contractor’s business and construction operations.

Unless otherwise noted in the Special Provisions, building, plumbing, heating, electrical, and similar permits that the Contractor is required to obtain from the City Building Department for City-owned projects will be obtained by the Contractor at City expense.

The California Environmental Quality Act of 1970 (CEQA) may be applicable to permits, licenses, and other authorizations that the Contractor shall obtain from local agencies in connection with performing the Work. The Contractor shall comply with the provisions of CEQA in obtaining such permits, licenses, and other authorizations, which will be obtained in time to prevent delays to the Work. The Contractor shall also comply with all mitigation measures identified in the Special and/or Technical Provisions.
Contractor shall also furnish the Engineer a copy of a valid, current City of Rocklin Business License obtained at Contractor expense prior to the commencement of the work.

6-11 GENERAL SAFETY REQUIREMENTS

6-11.01 Compliance With Safety & Health Regulations

Safety is a prime consideration in all City contracts. The Contractor shall conform to all applicable occupational safety and health standards, rules, regulations, and orders established by the State of California or Federal Government. In no case shall the City or any of its agents, officials, officers, employees, independent contractors or representatives have either direct or indirect responsibility for the means, methods, techniques, sequences or procedures utilized by the Contractor, or for safety precautions and programs in connection with the Work, or for maintaining any safety or health conditions on the site, or for ensuring against or correcting any hazardous conditions on the site. The City or any of its agents, employees or independent contractors may call to the attention of the Contractor any safety, health or hazardous conditions at the site but, by doing so, does not assume any liability or responsibility for remediation or correction of the condition, which liability and responsibility lie solely with the Contractor.

The Contractor shall, upon request, submit to the City a copy of its Injury Illness Prevention Program (IIPP) (including Site Safety Plan and Code of Safe Work Practices) and all updates and revisions to the IIPP for review. The Contractor is required to fulfill the requirements of these programs during the prosecution of the work.

6-11.02 24-Hour Contact Information

The Contractor shall have on record with the City the following twenty-four (24) hour emergency contact numbers:

- Traffic control device supplier: Supplier of barricades, steel plates, delineators, channelizers, construction signs, and other traffic control equipment to be used during construction.

- Contractor representative: An employee of the Contractor having the authority to make decisions and the ability to respond to an emergency on the project at any time.

- Safety representative: The Contractor's Safety Representative shall have the authority to make decisions regarding safety and health concerns on the project and to direct the Contractor's personnel to abate any hazard identified by the City.

6-11.03 Work During Hours of Darkness

Working areas utilized by the Contractor during the hours of darkness shall be illuminated to conform to the minimum illumination intensities established by Cal-OSHA, Construction Safety Orders and the Traffic Control Plans (TCP).

6-12 PUBLIC CONVENIENCE AND SAFETY

6-12.01 Public Convenience

All work within public streets and/or roadway rights-of-way shall be done in an expeditious manner and cause as little inconvenience to the traveling public as possible. Vehicles, bicycles, and pedestrians must be allowed to pass at all times except during an emergency closure. See Section 7-8, “Peak Hours, Hours of Darkness, Holidays and Weekends”, of these General Provisions for time limitations.

6-12.02 Pedestrian and Bicyclist Access

The Contractor shall not block the movement of pedestrian or bicycle traffic. The Contractor shall provide for pedestrian and bicycle traffic by phasing construction operations or by providing alternative pedestrian and bicyclist access through or adjacent to construction areas. Proper advance notice signage with reasonable detours shall be installed and maintained through all phases of construction. Access to pedestrian and bicycle devices at traffic signals shall be maintained at all times. At no time shall pedestrians be diverted into a portion of the street used for vehicular traffic or on to private property unless adequate lane closure signage is in place. Pedestrian and bicycle access shall consist of four-foot (4’) wide bridges across trenches and four-foot (4’) wide passageways through construction areas. Hand railings for pedestrians shall be provided when required by Cal/OSHA Regulations or the Americans with Disabilities Act (ADA) on each side of each bridge or passageway to protect pedestrians from hazards caused by construction operations or adjacent vehicular traffic. Railings or barricades, which border passageways located in roadway areas, shall be reflectorized on the side facing oncoming traffic. The provisions of this section 6-12.02 shall apply absent written approval from the City to the contrary.

6-12.03 Written Notification To Residences and Businesses

The Contractor shall notify, in writing, residents and business establishments along the route of the Work at least ten (10) Working Days prior to road closures and at least two (2) Working Days prior to disruption of ingress and egress. The notice provided to the residences or businesses shall include, at a minimum, schedule of closures with estimated closure times, closure location, alternate route or detour, and name and twenty-four (24) hour phone number of a contact person employed by the Contractor.

The Contractor shall notify, in writing, residents and business establishments along the route of the Work at least two (2) Working Days prior to placing parking restrictions within the City right-of-way. The notice provided to the residences or businesses shall include, at

a minimum, schedule of parking restrictions with estimated times, location, and a name and twenty-four (24) hour phone number of a contact person employed by the Contractor.

6-12.04 Access To Driveways, Houses and Buildings

Access and passable grades shall be maintained to the extent feasible for business establishments and residents during construction. Safe and passable pedestrian, bicyclist, and vehicular access shall be provided and maintained. Access shall be continuous and unobstructed unless otherwise approved and shall be ADA compliant. When abutting property owner's access across the right-of-way line is to be eliminated, repaired, or replaced under the Contract, the existing access shall not be closed until the replacement access facilities are completed and functional or suitable temporary access facilities are installed.

6-12.05 Property Damage

Any property damage caused by the Contractor shall be repaired at the Contractor's expense to the satisfaction of the City.

Pursuant to Public Contract Code Section 9201, the City shall provide the Contractor with timely notification of any third-party claims received by the City relating to this Contract. Such notification shall not create any rights or obligations on the part of the City to respond or otherwise act on behalf of the Contractor with respect to such third-party claims.

6-12.06 Erection of Signs To Expedite Passage of Vehicles

The Contractor shall erect such warning and directional signs as necessary or as directed by the City for expediting the passage of public traffic through or around the Work and the approaches. All warning and directional signs shall comply with the current version of the California-MUTCD.

6-12.07 Traffic Obstructions, Delays and Inconveniences

All public traffic shall be permitted to pass through the Work and the Contractor shall conduct operations that offer the least possible obstruction, delay, and inconvenience to the public.

6-12.08 Work On Private Property

The Contractor must obtain written permission from the owner of any privately owned property prior to beginning any work, storing materials or otherwise conducting any operations on said property. The written approval from the property owner must be on file with the City before any operations will be permitted on said property.

6-12.09 Hazardous Conditions Created

Whenever the Contractor's operations create a condition hazardous to pedestrians, bicyclists, or the traveling public, the Contractor shall, at the Contractor's own expense, furnish, erect and maintain any fences, covers, temporary railing (Type K), barricades, lights, signs and other devices necessary or as directed by the City to prevent accidents or damage or injury to the public or property.

If needed for public use, roadway excavation shall be conducted to maintain a smooth and even surface satisfactory for use by public traffic at all times. The surface of the roadbed shall be kept in a smooth, even condition free of humps and depressions, satisfactory for the use of public traffic as determined by the City.

Temporary facilities that the Contractor uses to perform the Work or store or stage material or equipment shall not be installed or placed where they will interfere with the free and safe passage of public vehicular, bicycle, or pedestrian traffic.

6-13 PUBLIC SAFETY AND TRAFFIC CONTROL

6-13.01 General

All traffic controls shall be installed in accordance with the latest edition of the Caltrans "California-MUTCD."

6-13.02 Responsibility For Safety

It is the Contractor's responsibility to provide for public safety and traffic control. The City may review the Contractor's operations and inform the Contractor if an unsafe or hazardous condition is observed. The Contractor may be directed verbally or via Field Directive, letter, email, or other means to abate the hazard. The Contractor must comply with all directives for hazard abatement immediately and within the timeframe imposed by the City.

6-13.03 Passage of Emergency Vehicles

The Contractor shall provide for the uninterrupted passage of emergency vehicles through the Work zone at all times regardless of the controlled traffic conditions in place at the time.

6-13.04 Furnishing, Installing, and Maintaining Traffic Controls

Appropriate traffic control shall be furnished by the Contractor to provide an adequate warning to the public of dangerous conditions to be encountered during construction at all hours of the day or night. Warning and directional signs shall be erected and maintained

as required by the City and by law. All traffic controls shall be installed as required by the Specifications.

6-13.05 Inadequate Traffic Controls and After-Hour Maintenance and Repairs

Should the Contractor appear negligent in furnishing and maintaining sufficient traffic control devices or protective measures or fail to provide flaggers as necessary to control traffic, the City may direct the Contractor, at the Contractor's expense, to abate the hazard.

Should the City identify the inadequacy of warning devices and protective measures, that action shall not relieve the Contractor from responsibility for public safety or abrogate the obligation to furnish and pay for these devices and measures.

Should the Contractor fail to properly furnish or maintain traffic controls, or correct a hazard caused by inadequate or inappropriate traffic control, the City will abate the hazard. All City costs to abate the hazard shall be reimbursed by the Contractor or deducted from the progress payment. If the Contractor is not available to perform after-hour maintenance and repair to traffic control devices, the City will correct the situation and deduct all costs from the progress payment.

6-13.06 Competent Flaggers

The Contractor shall provide competent and professional flaggers to control traffic when necessary or requested by the City. All flaggers shall be trained as required by Cal-OSHA regulations and shall be prepared to provide verification of such training to the City when requested.

6-13.07 Construction Signs

The Contractor is responsible for supplying, installing, and maintaining all construction signs and posts. The Contractor will receive direction from the City as to the specific locations and placement of each sign. Regulatory signs or guide signs shall be supplied, erected, and maintained by the Contractor, subject to City approval, and shall be protected from damage from construction activities by the Contractor throughout the duration of the Project.

6-13.08 Temporary Bridging of Excavations and Trenches

Whenever necessary or requested by the City, excavations shall be bridged with steel plates to allow an unobstructed flow of traffic.

1. Asphalt concrete "cutback" shall be placed around the edges of the plate to provide a ramp and smooth transition from the pavement to the plate to minimize wheel impact. All ramping must be accomplished to provide a minimum angle of approach of twelve horizontal to one vertical (12H:1V).

2. Bridging shall be secured against displacement by using railroad spikes or other approved fastening devices.

3. Bridging shall be placed and secured to work to minimize noise levels.

4. Steel plates used for bridging shall extend at least one (1) trench width on each side beyond the edges of the trench. Any deviations from these requirements must be designed by a registered engineer and reviewed by the City.

5. Depending upon the depth of the excavation, soil type, vibration, and other variables, the trench may require shoring to support bridging. The excavation shall be designed by a State Registered Civil Engineer or other appropriate professional if there is any question about the capability of the excavation and bridging to support the forces of traffic.

WIDTH OF EXCAVATION	MINIMUM THICKNESS OF STEEL PLATES
2.0 ft. or less (0.6 m or less)	7/8 inch (22 mm)
3.0 ft. (0.9 m)	1 inch (25 mm)
4.0 ft. (1.2 m)	1-1/4 inch (32 mm)

In sidewalk areas, one and one-eighth inch (1-1/8") plywood may be substituted for steel plating. Such plywood shall be secured to prevent removal by unauthorized persons. Asphalt concrete "cutback" or other non-displaceable material must be used to provide a ramp for pedestrian and handicap access. All ramping must be accomplished to provide a minimum angle of approach of twelve horizontal to one vertical (12H:1V). Vehicular travel over backfilled but unpaved excavations will not be allowed, unless the Contractor provides a temporary surface suitable for driving consisting of at least two inches (2") of plant mix asphalt over six inches (6") of aggregate base, concrete slurry (completely cured), or traffic plates placed over the excavated area of sufficient width and thickness as indicated in this Section.

6-13.09 Entering and Leaving the Construction Zone

Construction equipment shall enter and leave the roadway by moving in the direction of public traffic. All movements of workmen and construction equipment on or across lanes open to public traffic shall be performed in a safe manner that will not endanger the workmen or the public. When leaving a work area and entering a roadway carrying public traffic, the Contractor's equipment operators shall yield to public traffic.

6-13.10 Existing Traffic Signals and Lighting Systems, Signs and Pavement Markings

Existing traffic signals and highway lighting systems shall be kept in operation during progress of the Work. When traffic signal shutdown is permitted by the City, the Contractor shall notify the City at least five (5) Working Days prior to shut down. Traffic signal detectors accidentally cut or damaged during construction shall be repaired or replaced by

the Contractor at the Contractor's expense and be operational within seventy-two (72) hours. When traffic signals are approved for shutdown, the Contractor shall control traffic by use of flaggers as directed by the City. "STOP" signs will not be permitted at these locations, unless allowed by the City.

Existing signs and pavement markings shall be maintained by the Contractor and shall not be removed or altered without City approval.

6-13.11 Bus Stops

If construction operations will obstruct a bus stop, the Contractor shall notify the Transit provider five (5) Working Days in advance of beginning that portion of the Work and make provisions agreeable to the transit provider to provide an alternate location where people can safely board the bus.

6-13.12 Dust

Water or dust palliative shall be applied if ordered by the City for the alleviation or prevention of dust nuisance caused by the Contractor's operations as provided Chapter 10 of these General Provisions.

6-13.13 Removal of Spillage From Roadway

The Contractor shall immediately remove any spillage resulting from hauling operations along or across any public traveled way.

6-14 CONFINED SPACES

6-14.01 Contractor Responsibilities and Qualifications

When working in a confined space, the Contractor shall comply with all confined space requirements of Title 8, General Industry Safety Orders (Cal-OSHA), Article 108, Sections 5156 through 5159.

Prior to any confined space entry, the Contractor shall submit for City review:

1. The Contractor's procedures for confined space operations.

2. Copies of all documents and certificates that qualify the Contractor to safely perform work in permit-required confined spaces. The Contractor shall also submit all applicable Material Safety Data Sheets (MSDS) and hazard information on chemicals, products, materials, or procedures.

3. Sufficient documentation and evidence that a permit-required confined space entry can be made in accordance with Article 108. Documentation shall include, but not be limited to the following:

- Equipment availability, suitability, and integrity.
- Personnel training.
- Experience.
- Supervision.
- Safety.
- Accident experience.
- Permit-required confined space policy.
- Hot work procedures (if applicable).
- Lock-out/tag-out procedures (if applicable).

The Contractor's submittal shall be made thirty (30) Calendar Days prior to any confined space entry in accordance with Section 5-8, "Contractor's Submittals," of these General Provisions.

The Contractor will not be allowed to make a permit-required confined space entry until the City has reviewed the Contractor's qualifications and proposed methods.

The Contractor shall conform to the procedures established by the Contractor's submittal during all confined space operations. The Contractor shall provide all monitoring and safety equipment necessary to perform pre-entry checks of confined spaces. The Contractor shall also provide all monitoring, safety, and communications equipment required for confined space operations.

6-14.02 Existing Sewers and Storm Drains

Because of the potential danger of solvents, gasoline, and other hazardous material in existing sewers and storm drainpipes, these areas shall be treated as permit-required confined spaces unless it has been proven, through appropriate testing, that no hazards exist or are expected to develop.

6-14.03 Joint City – Contractor Entries

Unless otherwise directed in writing by the City, when City employees work alongside the Contractor in a permit-required confined space, the permit procedures for both the City and the Contractor shall be used. The Entry Supervisor shall coordinate the requirements of both permit procedures prior to entry.

6-15 TRAFFIC CONTROL PLANS (TCP)

6-15.01 Traffic Pattern Changes

The Contractor shall notify the City in advance of the Contractor's desire to change any existing traffic patterns. Traffic lanes for public use shall be at least ten feet (10') in width. Whenever feasible an additional four feet (4') shall be provided for a bicycle lane. If it is not feasible to provide a separate bicycle lane, the Contractor shall post signage before the construction area stating, "SHARE the Road with Bicyclists." Additionally, when the lane is shared, the Contractor shall post signage for a maximum speed limit of 25 MPH in the shared lane. For traffic pattern changes that do not require a road closure, the Contractor shall provide the City with a minimum of five (5) Working Days advance notification, unless otherwise approved or deemed an emergency lane closure by the City. For all road closures, the Contractor shall provide the City with a minimum of twenty (20) Working Days' notice prior to the desired closure date, unless otherwise approved or deemed an emergency road closure by the City.

6-15.02 Traffic Control Plans (TCP)

The Contractor shall submit a Traffic Control Plan (TCP) to the City for review. The TCP shall show traffic control measures to be used for vehicles, bicyclists, and pedestrians affected by the construction. Five (5) sets of the TCP shall be submitted on eleven-inch by seventeen-inch (11"x17") (minimum) paper. The Contractor will not be allowed to begin work associated with the road or lane closure until the TCP is reviewed by the City.

TCPs will be reviewed and returned within twenty (20) Working Days.

The City reserves the right to extend the review period or request and review a TCP if special conditions warrant.

Detours used exclusively by the Contractor for hauling materials and equipment shall be constructed and maintained by the Contractor at the Contractor's expense. If the Contractor's operations are damaging the roadway, the City has the authority to regulate the Contractor's operations and direct the Contractor to repair the roadway at the Contractor's expense.

6-16 BARRICADING OPEN TRENCHES

Any excavation permitted by the City to be left open shall be barricaded with Type I, Type II, or Type III barricades with reflective tape and flashers as approved or directed by the City. Signs stating "OPEN TRENCH" shall be posted when requested by the City. All open excavated areas shall be barricaded with at least two (2) Type III barricades at the end of the excavation that faces oncoming traffic. Any excavation within four feet (4') of the traveled way, not protected by K-rail or a similar traffic control barrier approved by the City, shall be backfilled at the end of the work shift or plated in accordance with Section 6-13.08, "Temporary Bridging of Excavations and Trenches," in this Section of these General Provisions.

6-17 EXISTING UTILITIES

6-17.01 General

The Contractor shall coordinate and fully cooperate with the City and utility owners for the location, relocation, and protection of utilities. The Contractor's attention is directed to the existence of utilities, underground and overhead, necessary for all buildings in the Work area. The Contractor shall arrange with utility owners for the location of service lines serving these buildings in advance of the actual construction and for the relocation of such facilities, if necessary, by the utility owner or the Contractor.

6-17.02 Maintenance and Protection

Unless otherwise shown or specified in the Contract, the Contractor shall maintain in service all drainage, water, gas, sewer lines, power, lighting, telephone conduits, and any other surface or subsurface utility structure that may be affected by the Work. However, the Contractor, for convenience, may arrange with individual owners to temporarily disconnect service lines or other facilities along the line of the Work. The cost of disconnecting and restoring such utilities shall be borne by the Contractor.

Unless otherwise specified in the Special Provisions, the Contractor shall protect all existing utilities on all projects being constructed, whether inside or outside of highway rights-of-way. The utility owner in these cases may elect to provide the necessary protective measures and bill the Contractor for the cost. "Existing utilities" includes traffic control devices, conduits, streetlights, and related appurtenances. Existing utility facilities that are to be relocated, including traffic signals and light poles, shall be relocated prior to paving. No paving shall be performed around existing utility facilities that are to be relocated.

6-17.03 Exact Locations Unknown

The locations of existing utility facilities shown on the Plans are approximate and represent the best information obtainable from utility maps and other information furnished by the various utility owners involved. The City warrants neither the accuracy nor the extent of actual installations as shown on the Plans. There may be additional utilities on the property unknown to either party to the Contract. If, during the course of the Work, additional subsurface utilities are discovered, the City may make adjustments to the Work. Compensation for such adjustments will be in accordance with Chapter 9, "Changes and Claims", of these General Provisions.

In accordance with Government Code Section 4215, the City will compensate the Contractor for the costs of locating, repairing damage not due to the failure of the Contractor to exercise reasonable care, removing, relocating or protecting existing main or trunk line utility facilities not indicated in the Plans and Specifications with reasonable accuracy, and for equipment on the Work necessarily idled during such work. In no event shall the City be liable for any further or additional costs resulting directly or indirectly from any such occurrence.

Compensation will be in accordance with Chapter 9, "Changes and Claims", of these General Provisions. Nothing herein shall be deemed to require the City to indicate the presence of existing utility services, laterals, or appurtenances whenever their presence

can be inferred from other visible facilities such as buildings, meters, junction boxes, valves, service facilities, identification markings, and other indicators on or adjacent to the Work.

If the Contractor discovers utilities not identified in the Plans or Specifications, the Contractor shall immediately notify the City and the utility owner by the most expeditious means available and later confirm in writing. If the completion of the Work is delayed by failure of the City or the utility owner to remove, repair, or relocate the utility, such delay may be an excusable delay as defined and provided for in Section 7-12.02, "Excusable Delays", of these General Provisions. Nothing herein shall preclude the City from pursuing any appropriate remedy against the utility for delays that are the responsibility of the utility. The Contractor shall not be assessed liquidated damages for delay in completion of the Work for that portion of such delay as is caused by failure of the City or the owner of a utility to provide for the removal or relocation of existing utilities.

6-17.04 Underground Service Alert (USA)

The City is a member of the Underground Service Alert North (U.S.A.) one-call program. Except in an emergency, the Contractor and any Subcontractor planning to conduct any excavation shall notify the U.S.A. at least two (2) Working Days, but no earlier than fourteen (14) Calendar Days, in advance of performing excavation work. U.S.A. can be reached by calling 811 or going to www.usanorth811.org. U.S.A. does not accept emergency calls. For emergency repairs, the Contractor or any Subcontractor planning to conduct an excavation, must contact the designated City representative. The provisions of Government Code Sections 4216 through 4215.9, inclusive, shall be followed.

Each phase of the Project shall be called into U.S.A. and continuing excavation reported every fourteen (14) Calendar Days. The Contractor shall not call into U.S.A. the entire Project boundaries or, on road construction projects, the entire length of the project. The excavator shall only request the marking of facilities within the area to be excavated within fourteen (14) Calendar Days of the call. U.S.A. will provide an inquiry identification ("Ticket") number to the person contacting the center. The U.S.A. ticket number shall be available to the Inspector at the job site along with the date U.S.A. was called. If the U.S.A. notifications are not kept up-to-date, the excavation will be stopped, and a new two (2) Working Day notice will be required before continuing the excavation. If, at any time during an excavation for which there is a valid ticket number, the field markings are no longer reasonably visible, the Contractor shall contact U.S.A.to have the area re-marked. The Contractor shall allow two (2) Working Days for re-marking of facilities.

Prior to calling U.S.A., the Contractor shall clearly mark the excavation site with white, water-soluble, or spray chalk paint in paved areas or place flags, stakes, whiskers, or some other approved method in unpaved areas. The Contractor shall determine the exact location (twenty-four inches (24") from outside edge on either side of the facility) of utilities in conflict with the proposed excavation by exposing the subsurface installation with hand tools before using any power-operated or power-driven equipment. The Contractor is responsible for protecting operators' markings or markers until they are removed.

Prior to Final Acceptance, all U.S.A. markings shall be removed by the Contractor to the satisfaction of the City. During the progress of the Work, markings shall be removed by the Contractor to the satisfaction of the City. During the progress of the Work, markings

or markers shall be removed within two (2) months of the date the markings or markers are no longer needed or upon completion of the work, whichever comes sooner. The City will accept natural weathering of the markings if the markings disappear within the two-month period or prior to Final Acceptance. If the markings are in brick pavers or concrete areas and if, by natural weathering or other approved removal methods, the markings still remain, the Contractor must replace the concrete or the brick pavers in-kind, unless the utility operator has failed to use chalk-based paint or other non-permanent marking materials. Contractors and utility operators are encouraged to avoid marking in these areas by using offset markings. Removal methods shall be non-destructive and residual shadowing shall not remain.

Removal of markings shall comply with requirements of any applicable Federal, State, and local laws, rules, or regulations.

U.S.A. markings not removed by the required time lines may be removed and the sidewalk or street repaired/replaced by the City at its discretion. The City will charge the Contractor a service fee equal to the actual costs of removal for removing the markings and making any repairs and/or replacements. This fee will include the cost to comply with any applicable Federal, State, and local laws, rules, or regulations.

6-17.05 Damage to Existing Utilities

The Contractor shall notify the affected utility of any contact, scrape, dent, nick, or damage to their facility. Any operator or excavator who negligently violates Government Code Section 4215 is subject to a civil penalty in an amount not to exceed ten thousand dollars ($10,000). Any operator or excavator who knowingly and willfully violates Government Code Section 4215 is subject to a civil penalty in an amount not to exceed fifty thousand dollars ($50,000).

6-17.06 Markings

The following table designates color codes and symbols that shall be used by the Contractor and the utility owners to identify utilities:

FIELD MARKINGS		
COLOR CODES AND SYMBOLS		
Color	**Symbol Name**	**Name**
Safety Precaution Blue	W	Water
Safety Alert Orange	FA Tel R TV WU	Fire Alarm Telephone/Communication Railroad Television/CATV Western Union
Safety Green	S D	Sewer Storm Drain
Safety Red	L	Street Lighting

FIELD MARKINGS		
COLOR CODES AND SYMBOLS		
	E T	Electric Traffic Signals
High Visibility Safety Yellow	G Company Name	Gas Oil or Chemical Steam
Purple	RW	Reclaimed Water
Pink/Fuchsia	TSM	Temporary Survey
White	USA	Proposed Excavation – Paint outline of proposed excavation area with white dotted line

6-18 APPROVAL OF CONTRACTOR'S PLANS NO RELEASE FROM LIABILITY

The review or approval by the City of any submittal, working drawing or any method of work proposed by the Contractor shall not relieve the Contractor of any of the Contractor's responsibility for any errors and shall not be regarded as any assumption of risk or liability by the City or any officer, official, agent, employee, member, volunteer, affiliate, or their duly authorized representatives. The Contractor shall have no claim under the Contract because of the failure or partial failure or inefficiency of any reviewed or approved plan or method. City review or approval means that the City has no objection to the Contractor using the proposed plan or method at the Contractor's responsibility and risk.

6-19 CONTRACTOR SHALL NOT MORTGAGE EQUIPMENT

The Contractor shall not mortgage or otherwise convey the title of the plant, machinery, tools, appliances, supplies, or materials that may at any time be in use, or further required or useful, in the prosecution of the Work, without prior written consent of the City.

6-20 PROPERTY RIGHTS IN MATERIALS

Nothing in the Contract shall be construed as vesting in the Contractor any right of property in the materials used after they have been installed, attached or affixed to the Work, and on which partial payments have been made by the City. All such materials shall be the property of the Contractor and the City jointly as their interests may appear, and shall not be removed from the Work by the Contractor without the City's consent.

6-21 EXCAVATION AND TRENCH SAFETY

6-21.01 Permit

The Contractor must obtain a permit from the Division of Industrial Relations per Labor Code Section 6500, as specified in California Code of Regulations, Title 8, Article 6,

Section 1539 “Permits” of the Construction Safety Orders, for all excavations five feet (5’) or deeper to which an employee is required to descend. The permit shall be kept at the construction site at all times.

6-21.02 Shoring, Bracing. Shielding, and Sheeting

In accordance with Labor Code Section 6705, at least five (5) Working Days in advance of excavation of any trench or trenches five feet (5’) or more in depth, with a total value of twenty-five thousand dollars ($25,000) or more, the Contractor shall submit to the City a detailed plan showing the design of shoring, bracing, sloping, or other provisions for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a California Licensed Professional Civil or Structural Engineer. A signed copy of the detailed plan shall be on the site at the time of the excavation. Nothing in this Section shall be deemed to allow the use of a shoring, sloping, or protective system less effective than that required by the Construction Safety Orders. Nothing in this Section shall be construed to impose tort liability on the City or any of its employees. These systems must support the sides of the excavation and prevent soil movement that could cause injury to any person or structure. Any damage resulting from a lack of adequate shoring, bracing, shielding or sheeting shall be repaired at the Contractor's expense.

The Contractor shall immediately replace or repair any unsafe ladder, scaffolding, shoring, or bracing, or correct any other dangerous or hazardous situation that exists.

A Competent Person, as defined in California Code of Regulations, Title 8, Construction Safety Orders, Section 1504, “Definitions,” shall be on site at all times when the Contractor's employees are working within the trench. A "Competent Person" is one who is capable of identifying existing and predictable hazards in the surroundings, or working conditions which are unsanitary, hazardous, or dangerous to employees, and who has authorization to take prompt corrective measures to eliminate them.

The price bid for work that will require an excavation of five feet (5’) or deeper (or less if conditions warrant) shall include the cost of adequate sheeting, shoring, and bracing, or equivalent method conforming to applicable safety orders, unless a separate Bid Item for such work is included in the bid form.

6-22 PRESERVATION OF PROPERTY

Trees and shrubbery that are to remain, pole lines, fences, signs, traffic control devices, striping, survey markers and monuments, buildings and structures, conduits, under- or above-ground pipelines, and any other improvements and facilities shall be protected from injury or damage. If ordered by the City, the Contractor shall provide and install suitable safeguards to protect such objects from injury or damage. If such objects are injured or damaged by reason of the Contractor's operations, said objects shall be replaced or restored at the Contractor’s expense to a condition as good as when the Contractor entered upon the Work. The Contractor shall receive City approval before the removal of any road sign or permanent traffic control device that interferes with the Work.

6-23 OVERLOADING

The Contractor shall determine safe loading capacities and shall not overload any structure, equipment, pavement, or material beyond its safe capacity, or significantly deteriorate the preconstruction condition, during construction. In addition to assuming full responsibility for bodily injury resulting from any such overloading, the Contractor shall repair to the City's satisfaction or reimburse the City for the costs of repairing the damage. For pavement assessment prior to construction, contact the City Public Works Department.

CHAPTER 7 - PROSECUTION OF THE WORK

TABLE OF CONTENTS

Section	Page
7-1 BEGINNING OF WORK	85
7-2 AMOUNT OF WORK UNDER CONSTRUCTION	85
7-3 PRECONSTRUCTION CONFERENCE AND PROGRESS MEETINGS	85
7-4 WORK TO BE UNDERTAKEN WITH ADEQUATE SUPERVISION, LABOR FORCE, EQUIPMENT AND METHODS	85
7-4.01 Superintendence	86
7-4.02 Labor	86
7-4.03 Equipment and Methods	86
7-5 SCHEDULES	86
7-5.01 Baseline (Contract) Schedule	88
7-5.02 Progress Schedules	89
7-5.03 Schedule Revisions	90
7-5.04 Short Interval Schedules	90
7-5.05 Float	91
7-5.06 City's Right to Revise the Schedule	91
7-5.07 Responsibility for Completion	91
7-6 UNUSUAL SITE CONDITIONS	92
7-7 PURSUANCE OF WORK DURING INCLEMENT WEATHER	93
7-8 PEAK HOURS, HOURS OF DARKNESS, HOLIDAYS, AND WEEKENDS	93
7-8.01 Allowable Times and Hours of Work	93
7-8.02 Off-Period Work	93
7-8.03 Emergency Repairs	93
7-8.04 Revocation of Permission For Off-Period Work	94
7-8.05 Working Shifts	94
7-9 TEMPORARY FACILITIES AND SERVICES	94
7-10 PROTECTION OF WORK, PERSONS AND PROPERTY	94
7-11 PROOF OF COMPLIANCE WITH CONTRACT	95
7-12 DELAYS	95
7-12.01 Inexcusable Delays	95
7-12.02 Excusable Delays	95
7-13 NOTICE OF DELAYS	96
7-14 CARELESS DESTRUCTION OF STAKES AND MARKS NO CAUSE FOR DELAY	96
7-15 TIME OF COMPLETION	96
7-16 EXTENSION OF TIME NOT A WAIVER	96
7-17 INCLEMENT WEATHER AND CONTRACT TIME	97
7-18 EXTENSION OF TIME	97
7-19 SUBSTANTIAL COMPLETION	97
7-20 CLEANING UP	97
7-21 FINAL INSPECTION AND FIELD ACCEPTANCE	98
7-22 FINAL ACCEPTANCE AND NOTICE OF COMPLETION	98
7-23 WARRANTY WORK	98

CHAPTER 7 PROSECUTION OF THE WORK

7-1 BEGINNING OF WORK

No work may take place prior to receipt of the executed Contract and review of the prescribed bonds and insurance. Upon receipt of the executed Contract and approval of the bonds and insurance by the City, a Notice to Proceed will be issued which will constitute authorization to begin work. The counting of Contract Time shall begin upon issuance of the Notice to Proceed or other date as specified in that notice.

7-2 AMOUNT OF WORK UNDER CONSTRUCTION

The Contractor shall not have more work under construction than can be undertaken properly with regard to the rights of the public and the safety and integrity of the Project.

7-3 PRECONSTRUCTION CONFERENCE AND PROGRESS MEETINGS

Prior to beginning work, but within ten (10) working days of issuance of the Notice to Proceed, a preconstruction conference shall be held for the purpose of reviewing the Work. The Contractor must attend this preconstruction conference, and shall invite Subcontractors and others necessary to ensure all topics are adequately covered. Topics discussed include, but are not limited to, mobilization, access, temporary facilities, utilities, subcontractors, schedules, procedures, correspondence, progress payments, payroll records, Storm Water Pollution Prevention Plans (SWPPP), coordination, safety, after-hour contacts for Contractor and City personnel, quality control/quality assurance, personnel assignments, and other topics as appropriate.

Progress meetings, as stipulated in the Special Provisions or as required by the City, will be conducted throughout the duration of the Contract. The purpose of these meetings is to inform, discuss, and resolve issues related to the Work; the Contractor or the Contractor's agent shall attend. Topics discussed include, but are not limited to, progress, schedules, safety, SWPPP, RFI's, Change Orders, Field Directives, field coordination, submittals, quality control/quality assurance, testing, startup, safety, and other topics related to the Work.

The City may prepare minutes of all meetings. If minutes are prepared, the City will endeavor to send them to Contractor within two (2) Working Days. Contractor will endeavor to respond within two (2) Working Days with any corrections to the minutes, and any portion of the minutes not corrected by Contractor will be deemed as accurate. The City or Contractor may audiotape or videotape these meetings to create a record of the meeting, and a copy of any tape recordings shall be provided as part of the minutes.

7-4 WORK TO BE UNDERTAKEN WITH ADEQUATE SUPERVISION, LABOR FORCE, EQUIPMENT AND METHODS

The Contractor shall undertake the Work under the Contract with all materials, tools, machinery, apparatus, and labor necessary to complete the Work as described, shown, or reasonably implied under the Contract, or as directed by the City, on or before the scheduled Contract

Completion Date.

If Contractor is not diligently proceeding with the prosecution of the Work as set forth in the construction schedule (see Section 7-5, “Schedules”, of these General Provisions), Contractor shall, immediately and at no additional cost to City, take all measures necessary to ensure completion within the Contract Time, including but not limited to increasing the number of employees, working overtime, working additional shifts or crews, and working Saturdays, Sundays, or holidays, subject to other requirements in these provisions.

7-4.01 Superintendence

The Contractor shall keep on the Work, throughout its progress, a competent superintendent who shall have complete authority to represent and act for the Contractor. Such superintendent shall be capable of reading and understanding the Contract, and shall receive and follow any instruction given by the City.

Whenever the Contractor or the Contractor’s superintendent is not present on a particular part of the Work where it may be desired to give direction, orders will be given by the City and shall be received and obeyed by the foreman or other representative who may have charge of the particular work in reference to which the orders are given, or the City may stop the work until the Contractor or the Contractor's superintendent arrives.

7-4.02 Labor

Workers, laborers, or mechanics skilled in each class of work shall accomplish every part of the Work. The Contractor is responsible for the efficiency, safety and adequacy of its labor force and those of all Subcontractors.

7-4.03 Equipment and Methods

Only equipment and methods suitable to produce the quality required by the Contract will be permitted to operate on the Work. Except as specified in Section 5-7, “Contractor’s Equipment”, of these General Provisions, or in the Special Provisions or Technical Specifications, equipment shall be that used in general practice for the work undertaken. If any part of the Contractor's plant, equipment, or methods of executing the Work is unsafe, inefficient, or inadequate to ensure the required quality or rate of progress of the Work, the City may order the Contractor to modify the Contractor’s facilities or methods. The Contractor shall promptly comply with such orders at the Contractor’s expense. However, neither compliance with such orders nor failure of the City to issue such orders shall relieve the Contractor from the obligation to secure the degree of safety, the quality of the Work, and the rate of progress required by the Contract. The Contractor is responsible for the safety, adequacy, and efficiency of its plant, equipment, and methods.

7-5 SCHEDULES

The Contractor shall submit a baseline schedule and updated schedules in accordance with this

Section 7-5 and Section 5-8, “Contractor’s Submittals”, of these General Provisions, which shall illustrate the Contractor’s planned schedule for carrying out the Work and completing the Work within the Contract Time. The Contractor’s updated schedules shall show the as-built schedule for work completed.

All schedules must show completion by any milestone dates required in the Contract Documents and the Contract Completion Date. Contractor expressly waives any early completion delay claim. Contractor has the right to try to complete the Work ahead of any milestone date and/or the Contract Completion Date, but if Contractor is somehow delayed from doing so, Contractor may not base a claim for additional compensation on such delay.

Contractor acknowledges that a purpose of submitting reasonable, accurate and adequate schedules is to protect the City and Contractor against unjustified delay and disruption claims or unjustified rejections of such claims. Contractor agrees to devote all resources necessary to provide scheduling services, as with any other item of Work on the project. Contractor agrees that its failure to submit reasonable, accurate and adequate schedules will bar claims by Contractor for additional compensation and/or time extensions based on the information contained in such a schedule, including but not limited to delay, disruption or inefficiency claims.

The City will review all schedules for conformance with the Contract. City review and/or approval of a schedule does not relieve the Contractor of responsibility for the feasibility of the schedule or for accomplishing milestones and completion within Contract Time, nor does City review and/or approval warrant or acknowledge the reasonableness of the schedule’s logic, durations, labor estimates, or equipment productivity. City review and/or approval of a schedule does not indicate approval by the City of the schedule, nor does it relieve Contractor of responsibility for any characteristics of the schedule that breach the Contract or that are unreasonable, inaccurate, inadequate, or deficient.

If no separate item is provided in the Bid Form for scheduling, the cost for preparing the baseline schedule and preparing updates and revisions of the baseline schedule shall be included in payments for mobilization. If no bid item for mobilization is included in the Bid Form, conformance with this provision is incidental to and included in the various bid items and no additional payment will be made. Updates and revisions of the schedules are included in the prices paid for other items of work.

Because the City places a high value on the importance and use of project scheduling information as a management tool in achieving the completion of the Work as planned, the City will deduct 10 percent (10%) of the monthly progress payment, but not more than twenty-five thousand dollars ($25,000), for failure by the Contractor to timely obtain the approved Contract Schedule or to any monthly updated Progress Schedule, as required by the Specifications, with each monthly progress payment request. These deductions are cumulative, and will be made for each and every month that the Contractor fails to provide the required information. The monthly updated schedule and narrative shall be accurate, reflect actual events on the Project, and meet all requirements of the Specifications. If the Contractor does not correct the deficiency by providing an acceptable schedule within ten (10) Calendar Days of the City’s receipt of the monthly progress payment request, the deduction may become permanent via a deductive Change Order. The City may withhold payments from the Contractor until a satisfactory baseline schedule, update, or revision has been submitted and reviewed.

7-5.01 Baseline (Contract) Schedule

Within 21 Calendar Days after receiving the Notice to Proceed, the Contractor shall submit a detailed proposed baseline schedule presenting an orderly and realistic plan for completion of the Work, in conformance with the requirements of the Specifications. The proposed baseline schedule shall be in electronic format (*e.g.,* CD, DVD, or flash drive but not .pdf).

The proposed baseline schedule shall comply with the following requirements, unless modified by the City:

1. A time scaled CPM type schedule showing the mathematical analysis of the CPM network diagram and prepared in the version of software subject to City acceptance.

2. No activity on the schedule shall have a duration longer than fourteen (14) Working Days, with the exception of fabrication and procurement activities, unless otherwise approved by the City. Activity durations shall be the total number of actual days required to perform that activity including consideration of weather impact on completion of that activity.

3. Procurement of major equipment, through receipt and inspection at the job site, identified as a separate activity.

4. Owner furnished materials and equipment if any, identified as separate activities.

5. Dependencies (or relationships) between activities.

6. Processing/approval of submittals and shop drawings for major equipment. Activities that are dependent on submittal acceptance and/or material delivery shall not be scheduled to start earlier than the expected acceptance or delivery dates.

7. Separate buildings and other independent project elements shall be individually identified in the network.

8. Fourteen (14) Working Days for developing punch list(s), completion of punch list items, and final clean-up for the work or any designated portion thereof. No other activities shall be scheduled during this period.

9. Interface with the work of other contractors (or entities).

Each activity shown on the proposed baseline schedule shall have the following minimum information:

- Unique number(s) for each activity
- Activity description
- Activity relationships and dependencies (logic)
- Activity duration in Working Days

- Early start, early finish, late start, late finish dates (calendar date, i.e., day, month, year)
- Total float, free float
- Interim milestone dates and completion dates
- Detailed list of work contained within each activity
- Manpower loading for each item of work for unit price contracts
- Cost loading for each item of work for lump sum contracts

The City will review the proposed baseline schedule for conformance with the requirements of the Contract and, within seven (7) Calendar Days after receipt, will approve the proposed baseline schedule or will return it with comments. If the proposed baseline schedule is not approved, the Contractor shall revise the schedule to incorporate comments and resubmit the schedule for approval within seven (7) Calendar Days after receiving it. The approved schedule shall become the Contract Schedule.

The Contract Schedule shall be the basis for evaluating job progress, payment requests, and time extension requests. The responsibility for developing the Contract Schedule and monitoring actual progress as compared to the schedule rests with the Contractor.

Failure of the Contract Schedule to include any element of the work or any inaccuracy in the Contract Schedule will not relieve the Contractor from responsibility for accomplishing all the Work in accordance with the Contract.

Approval of the Contract Schedule will not relieve the Contractor of the responsibility for accomplishing the Work in accordance with the Contract and the Contract Time.

7-5.02 Progress Schedules

The Contractor shall submit to the City each month with its payment application an electronic and hard copy up to-date Progress Schedule with a narrative describing the general status of the Work and addressing any problem areas or delays, with impacts on critical path items of work highlighted. A corrective course of action shall also be included when problem areas or delays are encountered. The Progress Schedule shall be in the same software format and version as that used to create the Contract Schedule and shall include:

1. The Contractor's estimated percentage complete and remaining duration for each activity not yet complete.
2. Actual start/finish dates for activities as appropriate.
3. Identification of processing errors, if any on the previous update reports.

4. Revisions, if any, to the assumed activity durations including revisions for weather impact for any activities due to the effect of the previous update on the schedule.

5. Identification of activities that are affected by requested or proposed changes to the Work.

6. Resolution of conflict between actual work progress and schedule logic. When out of sequence activities develop in the Contract Schedule because of actual construction progress, the Contractor shall submit revisions to schedule logic to conform to current status and direction.

The City will review the updated schedule information and meet with the Contractor each month, unless the City requests more frequent meetings, to determine the status of the Work. If agreement cannot be reached on any issue, the Contractor will use the City's determination in the processing of the update.

Progress payments pursuant to the Contract will be based on the Progress Schedules.

7-5.03 Schedule Revisions

If the sequence of construction differs significantly, as determined by the City, from the Contract Schedule, the Contractor shall submit within fifteen (15) Calendar Days a revised schedule to the City for approval.

When a requested or proposed change to the Work will have an impact on the critical path, the Contractor shall submit a schedule fragnet showing this impact. If the requested or proposed change is accepted by the City, the schedule fragnet shall be incorporated into the Contract Schedule. Time extensions will be considered only to the extent there is insufficient remaining float to accommodate these changes, and pursuant to Sections 7-12, "Delays" and 7-18, "Extension of Time", of these General Provisions. No additional cost beyond that provided in Chapter 9, "Changes and Claims", of these General Provisions will be allowed for the incorporation of approved changes into the Contract Schedule.

Should the Contractor, after approval of the Contract Schedule, intend to change its plan of construction, it shall submit its requested revisions to the City, along with a written statement of the revision, including a description of the logic for rescheduling the work, methods of maintaining adherence to Intermediate milestones and other specific dates and the reasons for the revisions. If the requested changes are acceptable to the City, they will be incorporated into the Contract Schedule in the next reporting period.

Schedule revisions shall be submitted at least seven (7) Calendar Days prior to the date of submission of updated information. The City will have seven (7) Calendar Days to review the revisions.

7-5.04 Short Interval Schedules

The Contractor shall, if required by the City, prepare a Short Interval Schedule (SIS) to be used throughout the duration of Work. The SIS shall include all current activities and projected activities for the succeeding two (2) weeks. The SIS shall include actual

start/finish dates for the preceding one (1) week. The SIS shall be submitted to the City prior to the each progress construction meeting. The Contractor shall participate in short interval scheduling coordination during the progress construction meetings.

7-5.05 Float

All float in any activity, milestone completion date, and/or Contract Completion Date is owned by the Project and, as such, is a resource available to both the City and the Contractor. Neither the City nor the Contractor owns the float time.

Unless otherwise provided herein, float is synonymous with total float and total float is the period of time measured by the number of Working or Calendar Days (as specified in the Contract) any non-critical path activity may be delayed before it and its succeeding activities become part of the critical path. If a non-critical path activity is delayed beyond its float period, then that activity becomes part of the critical path and controls the completion date of the Work. Thus, delay of a non-critical path activity beyond its float period will cause delay to the Project itself.

Acceptance of any schedule based on less time than the maximum time allowed for accomplishment of milestones or Project completion within Contract Time, does not serve to contractually change any Contract duration, nor does it serve as a waiver of either the Contractor's or the City's right to utilize the full amount of time specified in the Contract. As such, liability for delay of Project completion dates rests with the party actually causing delay to Project completion dates.

7-5.06 City's Right to Revise the Schedule

In the event of a delay to critical path work which is not the fault of the Contractor, the City may elect to re-sequence work or otherwise modify the Contract Schedule in an attempt to minimize the effect of the delay. It shall be the responsibility of the Contractor to cooperate in this effort. It is not the City's responsibility to ensure the Contractor the ability to use "optimal" crew size throughout the Project and no adjustment of the Total Contract Price will be made for minor variations in crew size or claimed loss of efficiency or disruption that result from schedule adjustments. However, overtime work or weekend work required by the City to meet schedule objectives other than those of the Contractor will be reimbursed per the provisions of Chapter 9, "Changes and Claims" of these General Provisions, provided that the Contractor has not contributed to the delay which the City is seeking to overcome. If the Contractor contends that a schedule adjustment will cause a significant disruption of its work sequence or ability to perform work efficiently, it shall notify the City within forty eight (48) hours of receipt of the adjustment. Failure to provide timely notice constitutes a waiver by the Contractor of any claim for compensation arising out of the schedule adjustment.

7-5.07 Responsibility for Completion

The Contractor shall furnish sufficient manpower, materials, facilities and equipment and shall work sufficient hours, including night shifts, overtime operations, Saturdays, Sundays and holidays (in accordance with Section 7-08) as may be necessary to insure the

progression and completion of the Work in accordance with the Contract Time. If work on the critical path is behind the currently updated Progress Schedule and it becomes apparent that the Work will not be completed within the Contract Time, the Contractor will implement whatever steps it deems necessary to make up all lost time at no additional cost to the City. If the Contractor's solution is not successful, it will make further attempts using the following sequence of events:

1. Reschedule activities to achieve maximum practical concurrence of accomplishment of activities.

2. If the above cannot be achieved then;

    a. The Contractor shall increase manpower in such quantities and crafts as will substantially eliminate, in the judgment of the City, the backlog of work; or increase the number of working hours, shifts per working day, working days per week or the amount of equipment or any combination of the foregoing sufficiently to substantially eliminate in the judgment of the City the backlog of work.

    b. In addition, the City may require the Contractor to submit a recovery schedule demonstrating its program and proposed plan to make up a lag in scheduled progress and to ensure completion of the Work within the Contract Time. If the City finds the proposed recovery schedule unacceptable, it may require the Contractor to submit a new plan. If the actions taken by the Contractor or the second plan proposed are unsatisfactory, the City may require the Contractor to take any of the actions set forth in the previous paragraph without additional cost to the City to make up the lag in scheduled progress.

Failure of the Contractor to comply with the requirements of this Section 7-5.07 shall be considered grounds for a determination by the City that the Contractor is failing to undertake the Work with such diligence as will ensure its completion within the time specified and will subject the Contractor to all rights and remedies of the City under the Contract Documents.

7-6 UNUSUAL SITE CONDITIONS

The Contractor shall promptly upon discovery, and before the following conditions are disturbed, notify the City, in writing, of any:

1. Material that the Contractor believes may be hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.

2. Subsurface or latent physical conditions at the site differing from those indicated in the Contract.

3. Unknown physical conditions at the site of any unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

The Contractor shall follow up the prompt notification with written documentation of the unusual site condition within five (5) Working Days. The City will have the site remediated or issue a Change Order per Chapter 9, “Changes and Claims”, of these General Provisions if it finds that the conditions do materially differ or involve hazardous waste.

7-7 PURSUANCE OF WORK DURING INCLEMENT WEATHER

During inclement or unsuitable weather or other unfavorable conditions, the Contractor shall pursue only such portions of the Work that will not be damaged by the weather or unfavorable conditions. When the weather or unfavorable conditions creates hazardous travel or working conditions, as determined by the City, the Contractor may be directed to stop that portion of the Work, in accordance with Section 5-22, “Temporary Suspension or Delay of Work”, of these General Provisions, until the weather clears or the conditions are no longer unfavorable. The Contractor must keep roads safe and inspect and maintain storm water pollution prevention and erosion control devices during inclement weather or unfavorable conditions. Lane and road closures may not be allowed if the City determines that the traffic controls will create unnecessary risk to the traveling public, the Contractor, and/or City employees.

7-8 PEAK HOURS, HOURS OF DARKNESS, HOLIDAYS, AND WEEKENDS

7-8.01 Allowable Times and Hours of Work

Unless otherwise noted in the Special Provisions or approved by the City, no work shall be done between the hours of 7 p.m. and 7 a.m., or on Saturdays, Sundays, or Legal Holidays.

Unless otherwise noted in the Special Provisions or approved by the City, no lane of traffic shall be closed to the public during the peak hours of 7:00 a.m. to 8:00 a.m. and 3:30 p.m. to 6:00 p.m., except as necessary for the proper care and protection of work already performed or in case of an emergency repair as defined below. These exceptions are allowed only with the City’s written permission.

7-8.02 Off-Period Work

A written request to work between 7 p.m. and 7 a.m. or on Saturdays, Sundays, or Legal Holidays, or to close a lane of traffic during peak hours must be submitted at least two (2) Working Days in advance of the intended work. The City will evaluate the Contractor’s request to determine if there is a benefit to the City, a nuisance or a hazard to the public, the Project, or the area surrounding the site, and if the Contractor should pay any City overtime costs related to the off-period work. The City may place conditions on any approval of off-period work based on this analysis.

7-8.03 Emergency Repairs

An emergency repair is a repair to the Work (including traffic controls, barricades, or temporary signs) required as a result of an unforeseen event that poses a danger to the

public or jeopardizes the integrity of the Work, whether completed or not. The Contractor may be allowed to close a lane of traffic or work at night, on Saturdays, Sundays, or Legal Holidays for an emergency repair. The Contractor must notify the City within one (1) hour of dispatch of the Contractor's repair crews, and give their names, an emergency contact number, the location of the emergency repair, and a tentative completion date and time. The Contractor shall notify the City when the emergency repair is completed and the road is clear. If an extension of time is required, the Contractor must provide a revised tentative Contract Completion Date. If an adjustment to the Total Contract Price is required, the Contractor shall notify the City of all proposed adjustments necessitated by the emergency and emergency repair.

7-8.04 Revocation of Permission For Off-Period Work

The City may revoke permission for off-period work if the Contractor endangers the public, an employee, or themselves by violating a safety and health regulation, or fails to maintain an adequate work force and equipment for reasonable prosecution and inspection of such work.

7-8.05 Working Shifts

Two- or three-shift operations may be established as a regular procedure by the Contractor upon written permission from the City. Such permission may be revoked if the Contractor fails to comply with applicable safety and health regulations, fails to provide for adequate inspection of the Work, or fails to provide sufficient means and equipment, including artificial light, to permit the Work to be carried out safely and appropriately and to permit proper inspection.

7-9 TEMPORARY FACILITIES AND SERVICES

Unless specified otherwise in the Special Provisions, the Contractor shall be responsible for providing and maintaining necessary material storage facilities, utilities, field offices, temporary roads, fences, security, etc. for prosecuting the Work. The Contractor shall obtain a City of Rocklin hydrant permit at contractor expense prior to connecting to or drawing construction water from fire hydrants.

7-10 PROTECTION OF WORK, PERSONS AND PROPERTY

The Contractor shall protect the Work, equipment and materials from damage until completion and acceptance of the Work. Neither the City nor any of its agents assume any responsibility for collecting funds from any person or persons that damages the Contractor's work.

The Contractor shall store materials and equipment in accordance with manufacturer's recommendations and erect such temporary structures as required to protect them from damage. The Contractor shall furnish guards, fences, warning signs, walks, and lights, and shall take all other necessary precautions to prevent damage or injury to persons or property.

7-11 PROOF OF COMPLIANCE WITH CONTRACT

When requested by the City, the Contractor shall submit properly authenticated proof of the Contractor's compliance with the Contract.

7-12 DELAYS

The Contractor shall provide notification to the City for any delays, in accordance with Section 7-13, "Notice of Delays", of these General Provisions.

7-12.01 Inexcusable Delays

The Contractor shall not receive any time extensions or additional monetary compensation for inexcusable delays. Inexcusable delays include, but are not limited to, the following:

1. Delays that affect only a portion of the Work but do not prevent or delay the prosecution of controlling items of work nor the completion of the whole Work within the Contract Time.

2. Delays associated with the reasonable interference of other contractors employed by the City that do not necessarily prevent or delay the prosecution of controlling items of work or the completion of the whole Work within the Contract Time.

3. Delays associated with loss of time resulting from the necessity of submitting plans for City approval or from City surveys, measurements, inspections, and testing.

4. Delays that could have been avoided by the exercise of care, prudence, foresight, and diligence on the part of the Contractor or Subcontractors.

7-12.02 Excusable Delays

The Contractor may be granted an extension of Contract Time for excusable delays, which are those that are determined to be beyond the control of the Contractor, impact a controlling item of work, could not be prevented by the exercise of care, prudence, foresight, and diligence, and only to the extent there is insufficient remaining float to accommodate the delay. These excusable delays may include City acts, unusually severe weather or conditions resulting therefrom, Acts of God or of the public enemy, fire, epidemics, and labor strikes. Material shortages and delays in utility company relocations may be classified as excusable if the Contractor produces satisfactory evidence of acting in a timely manner.

The Contractor shall not receive any additional monetary compensation due to excusable delays unless the City determines that the excusable delay resulted from a City act or the discovery of cultural resources (as specified in Section 10-12, "Archeological and Cultural Resources", of these General Provisions). The Contractor shall also not receive any additional monetary compensation due to excusable delays under the following circumstances:

1. The Contractor could have reasonably anticipated the delay and avoided the cost impacts of it.

2. When there are two (2) or more concurrent delays and at least one does not qualify for monetary compensation under Section 7-12.

3. The excusable delay does not affect controlling critical path tasks that would delay overall completion of the Work.

7-13 NOTICE OF DELAYS

The Contractor shall immediately notify the City in writing delivered by personal delivery, U.S. Mail First Class, or email, if the Contractor foresees any delay in the prosecution of the Work or if the Contractor learns of the occurrence of any excusable delay; but in no case shall the written notice be provided to the City later than five (5) Working Days after the occurrence of the event that is the cause of the excusable delay. The Contractor shall describe in this notice, the nature and cause of the delay and shall state the probability of the delay occurring (if foreseen ahead of time) so the City may take steps to prevent the occurrence or continuance of the delay and may determine whether the delay is inexcusable or excusable, its duration, and its extent. Notification of delays in any other format than described herein, including, without limitation, in progress meetings and regardless of whether noted in the progress meeting minutes, is insufficient to constitute the required and proper notice.

In the event of a continuing delay, the Contractor is required to give only one notice.

The City will assume that all delays were inexcusable unless the City was notified as indicated above and through its investigation found them excusable. Contractor waives any and all claims for time extensions and/or monetary compensation based on delay if notice is not provided as described above. The Contractor acknowledges that City has a strong interest in mitigation of delay impacts and in confirmation of the existence of delay; therefore, the Contractor agrees to submit these notices of delay and to waive claims if notice is not submitted as required.

7-14 CARELESS DESTRUCTION OF STAKES AND MARKS NO CAUSE FOR DELAY

If the Contractor or Subcontractors destroy stakes and marks causing a delay in the Work, the Contractor shall have no claim for damages or time extensions. See also Section 5-9, “Surveys”, of these General Provisions.

7-15 TIME OF COMPLETION

Time is of the essence on all City contracts. The Contractor shall complete all of the Work called for under the Contract within the Contract Time.

7-16 EXTENSION OF TIME NOT A WAIVER

Time extensions granted for excusable delays or for the execution of extra or additional work shall not operate as a waiver of any of the City’s rights under the Contract.

7-17 INCLEMENT WEATHER AND CONTRACT TIME

The Contractor will be allowed a time extension if, in the opinion of the City, inclement or unsuitable weather or its effects prevents working on the current critical path task at the beginning of the shift for at least five (5) consecutive hours, or for at least (5) hours during the shift. (A current critical path task or controlling operation is any feature of the Work (e.g., an operation or activity including settlement, curing periods, and submittal activities) that if delayed or prolonged will delay the time of completion of the Contract.)

7-18 EXTENSION OF TIME

Subject to the provisions of Section 7-12.02, compliance with the required contractual notice provisions in Section 7-13, and subject to submission of a schedule fragnet in accordance with Section 7-5.03 of these General Provisions showing the impact on the critical path of the event giving rise to an excusable delay, the Contractor will be allowed a time extension to complete the Work equal to the sum of all excusable delays as determined in accordance with Section 7-12 to Section 7-17 of these General Provisions, plus any adjustments in Contract Time due to Change Orders as outlined in Section 9-12, “Time Extensions for Changes”, of these General Provisions. During such time extension, the Contractor will not be charged for extra engineering and inspection or liquidated damages.

7-19 SUBSTANTIAL COMPLETION

When the Contractor considers the entire Work, or a specific portion of the Work, substantially complete, the Contractor shall certify in writing to the City that the Work is substantially complete and request that the City grant substantial completion. Within five (5) Working Days, the City and the Contractor shall inspect the Work to determine the status of completion. If the City does not consider the Work ready for its intended use, the City will notify the Contractor in writing, giving the City’s reasons. If the City considers the Work ready for its intended use, the City will grant substantial completion, and then the City will provide a list of items to be completed or corrected (often referred to as a “deficiency list” or “punch list”) before Final Acceptance and Final Payment. Immediately upon being provided a deficiency list, the Contractor shall proceed to correct or complete the items on the list.

Substantial completion does not bar liquidated damages from being assessed and accruing. Liquidated and other damages may continue to accrue until Completion.

7-20 CLEANING UP

Throughout the construction period, the Contractor shall keep the site of the Work in a presentable condition, dispose of any surplus materials, keep roadways reasonably clear of dirt and debris, keep all sidewalk and other pedestrian areas clear of dirt, loose gravel, debris and any tripping hazards, clean out all drainage ditches and structures, and repair any fences or other property damaged during the progress of the Work, to the satisfaction of the City.

The Contractor shall also keep the work site cleaned of all rubbish, excess material, and

equipment. All portions of the work shall be left in a neat and orderly condition prior to requesting final inspection. Surplus material shall be disposed of in accordance with Section 18-7, “Surplus Material Disposal”, of the Placer County Specifications. The final inspection will not be made until final clean-up has been accomplished.

Construction and demolition debris may be properly disposed of by the contractor using self-haul equipment to deliver the debris to an approved disposal site. Any paid waste/recycling collection or disposal services shall exclusively utilize the City’s designated refuse collection service provider.

7-21 FINAL INSPECTION AND FIELD ACCEPTANCE

The Contractor shall notify the City in writing when it believes that it has corrected all items on the deficiency (punch) list and has achieved Completion, and the City shall promptly inspect the Work. The Contractor or the Contractor's representative shall be present at the final inspection. The Contractor will be notified in writing of any further defects or deficiencies and the Contractor shall proceed within ten (10) Calendar Days to correct such defects or deficiencies. When again notified that the Contractor has achieved Completion, the City will again inspect the Work to ascertain that the corrections are in accordance with the Contract and Completion has occurred. The City may delay additional inspections if the City has reason to believe that the Contractor is not making a good faith effort to correct deficiencies. The Engineer will recommend acceptance of the Work to the Council or designee if it finds all the corrections acceptable and Completion has occurred; otherwise, the Engineer shall continue to withhold field acceptance of the work until all deficiencies on the deficiency (punch) list are corrected and Completion achieved.

7-22 FINAL ACCEPTANCE AND NOTICE OF COMPLETION

Upon Completion of the Work, including but not limited to acceptance of M&O manuals, Record Drawings, and test reports, the Engineer will recommend to the Council that it accept the Contract as complete. Upon acceptance by the Council, a Notice of Completion will be recorded with the County Recorder within fifteen (15) Calendar Days. Acceptance by the City Council shall cause the commencement of warranty periods. Acceptance shall not relieve the Contractor from the responsibility of completing or correcting any work, nor from the responsibility to correct any patent or latent defects in the Work.

7-23 WARRANTY WORK

Should any defects or deficiency in material, equipment or workmanship, such as faulty materials, poor workmanship, defective equipment, or any other reason that can be attributed to Contractor’s performance, become apparent during any warranty period, the City shall notify Contractor in writing of the defect before expiration of the warranty period. If so notified, Contractor has a duty to immediately correct, or immediately and satisfactorily commit to correct, the defect or deficiency to meet the Contract requirements at Contractor’s sole expense. This duty to correct does not expire for any reason, including but not limited to expiration of the warranty period. A new warranty period, equivalent to the original warranty period, will apply to all corrected deficiencies.

The City is hereby authorized to make such needed repairs if the Contractor fails to undertake,

with due diligence, the needed repairs within ten (10) Calendar Days after the Contractor is given written notice of such failure and without notice to the surety; and the Contractor shall pay the entire costs for the City's work. However, in case of an emergency where, in the opinion of the City, delay would cause serious loss or damages or a serious hazard to the public, the City may immediately make repairs or take other action without prior notice to the Contractor or surety; and the Contractor shall pay the entire costs for the City's work.

CHAPTER 8 - MEASUREMENT AND PAYMENT

TABLE OF CONTENTS

Section	Page
8-1 BASIS AND MEASUREMENT OF PAYMENT QUANTITIES	101
8-1.01 Unit Price Contracts	101
8-1.02 Lump Sum or Job Contracts	101
8-1.03 Payment for Mobilization	101
8-1.03.A Mobilization Not a Pay Item	101
8-1.03.B Mobilization a Pay Item	102
8-2 SCOPE OF PAYMENT	102
8-2.01 General	102
8-2.02 Unit Price Contract	102
8-2.03 Lump Sum or Job Contract	102
8-2.04 Final Pay Items	102
8-2.05 Allowances	103
8-2.06 Payment for Material Not Incorporated in the Work	103
8-3 WORK TO BE DONE WITHOUT DIRECT PAYMENT	103
8-4 PAYMENT FOR USE OF COMPLETED PORTIONS OF WORK	103
8-5 PROGRESS PAYMENT PROCEDURES	103
8-6 INSPECTION AND PROGRESS PAYMENTS NOT A WAIVER OF CONTRACT PROVISIONS	104
	104
8-7 RETENTION	104
8-7.01 Retention to Ensure Performance	105
8-7.02 Non-Compliance	105
8-7.03 Substitution of Securities	105
8-8 WITHHOLDINGS/DENIAL OF PROGRESS PAYMENT REQUEST	105
8-9 DEDUCTIONS FOR IMPERFECT WORK	107
8-10 LIQUIDATED DAMAGES FOR DELAY	107
8-11 FINAL ESTIMATE AND PAYMENT	107
8-12 FINAL PAYMENT TO TERMINATE LIABILITY OF CITY	109
8-13 DISPUTED PAYMENTS	109

CHAPTER 8 MEASUREMENT AND PAYMENT

8-1 BASIS AND MEASUREMENT OF PAYMENT QUANTITIES

It is the Contractor's responsibility to measure and/or compute the quantities of work completed, subject to verification by the City, under the terms of the Contract. In computing quantities, the length, area, solid contents, number, weight, or time as specified in the Contract or the Schedule of Values shall be used.

8-1.01 Unit Price Contracts

Payment for all work bid at a price per unit of measurement will be based upon the actual quantities of work as measured upon completion. The Estimated Quantities provided in the Bid Documents are for comparative bidding only. The City does not express or imply that the actual amount of work or materials will correspond to the Estimated Quantities. The Contractor shall make no claim nor receive any compensation for anticipated profits, loss of profit, damages, or any extra payment due to any difference between the amount of work actually completed, or materials or equipment furnished, and the Estimated Quantities. See also Section 9-14, "Contract Change Order", of these General Provisions.

8-1.02 Lump Sum or Job Contracts

Progress Payments will be based on the Schedule of Values prepared by the Contractor and approved by the City prior to acceptance of the first Progress Payment request (see Section 8-5, "Progress Payment Procedures", below). If requested by the City, the Contractor shall furnish full copies of subcontracts showing actual costs. The Schedule of Values shall be consistent with the baseline progress schedule prepared by the Contractor pursuant to Section 7-5.02, "Progress Schedules", of these General Provisions.

8-1.03 Payment for Mobilization

Mobilization shall consist of preparatory work and operations, including, but not limited to, those necessary for the movement of personnel, equipment, supplies, and incidentals to the site; for the establishment of all offices, buildings, and other facilities necessary for the Work; and for all other work and operations which must be performed, or costs incurred, prior to beginning the Work.

Payment for mobilization will be as follows:

8-1.03.A Mobilization Not a Pay Item

When the Contract does not include a separate pay item for mobilization, full compensation for mobilization will be included in the Contract lump sum price or in the prices paid for the various items of work in a unit price contract, and no additional compensation will be paid.

8-1.03.B Mobilization a Pay Item

When the Contract or accepted Schedule of Values includes a separate item for mobilization, payment for mobilization will include full compensation for the furnishing of all labor, materials, tools, equipment, administrative costs, and incidentals for mobilization.

The City will pay no greater than five percent (5%) of the Total Contract Price as a separate pay item for mobilization. In the event the Contractor submits a mobilization pay item greater than five percent (5%) of the Total Contract Price, the City will pay any excess mobilization amount with the final progress payment.

Absent City approval, the City will not pay additional mobilization compensation for work under a Change Order.

Payment for mobilization shall be subject to retention per Section 8-7, "Retention", of these General Provisions.

8-2 SCOPE OF PAYMENT

8-2.01 General

Compensation under the terms of the Contract shall be full payment for the Work, including loss or damage arising from the nature of the Work, action of the elements, or unforeseen difficulties encountered during the prosecution of the Work and until its final acceptance; and all risks connected with the prosecution of the Work.

8-2.02 Unit Price Contract

Progress payments will be made based upon the unit price bid and measured quantities for work completed, plus work completed on approved Change Orders. For compensation for alterations in quantities of work, including deviations greater than twenty-five percent (25%), see Section 9-8.02, “Payment for Changes – Unit Prices”, in these General Provisions.

8-2.03 Lump Sum or Job Contract

Progress payments will be based upon the approved Schedule of Values for work completed, plus work completed on approved Change Orders.

8-2.04 Final Pay Items

An item designated as a Final Pay Item in the Contract shall be paid for as specified in Section 9-1.02C, “Final Pay Item Quantities”, of the State Specifications.

8-2.05 Allowances

Allowances may be included in the Bid Form for materials and/or work that may be added during the course of the Contract. The Allowance may be used in whole, in part, or not at all as determined by the City. Whenever costs of the Work included in the Allowance item are more or less than the specified Allowance amount, the Total Contract Price will be adjusted accordingly by Contract Change Order. The Contractor shall make no claim nor receive any compensation for anticipated profits, loss of profit, damages, or any extra payment due to any difference between the amount of work actually completed, or materials or equipment furnished, and the Estimated Quantities for the Allowance.

8-2.06 Payment for Material Not Incorporated in the Work

No Progress payments will be made for materials and equipment not incorporated in the Work, unless specifically set forth in the Special Provisions or authorized by the City.

8-3 WORK TO BE DONE WITHOUT DIRECT PAYMENT

Compensation for any portion of the Work not specifically identified in the Bid or Schedule of Values is understood to be included in the price for other items, unless specified in the Special Provisions as extra work. No additional compensation is allowed for additional shifts or premium pay necessary to ensure that the Work is completed within the time limits specified in the Contract.

8-4 PAYMENT FOR USE OF COMPLETED PORTIONS OF WORK

If the City occupies or uses a portion of the Project under Section 4-10, above, before it accepts Completion of the Work, the Contractor will only be compensated in accordance with this Chapter 8. No final payment shall occur for a limited portion of the work.

8-5 PROGRESS PAYMENT PROCEDURES

No progress payment will be made when, in the judgment of the City, the Work is not proceeding in accordance with the provisions of the Contract or when the total work done since the last progress payment amounts to less than one thousand dollars ($1,000). Unless otherwise agreed to at the preconstruction meeting or identified in the Special Provisions, the Contractor shall submit in writing monthly for City review an estimate of the total amount and value of work done, including that done under approved Change Orders, and the acceptable materials furnished and incorporated in the work completed through the last day of the previous pay period. The Bid or Schedule of Values shall be used to prepare a progress payment request for the items, or portions of items, of the Work completed during the monthly progress period.

Unless specified otherwise in the Special Provisions, any progress payment request must be accompanied by (1) an updated Progress Schedule that complies with the Contract; (2) record drawing update confirmations; (3) a conditional lien release in the form prescribed by law warranting that title to all work, labor, materials and equipment covered by the request is free

and clear of all liens, claims, security interests or encumbrances; and (4) unconditional lien releases for all work through the prior progress payment lien releases. If Contractor fails to submit these documents with the progress payment request, then City, in its sole discretion, may withhold part of the progress payment or reject the progress payment request with an explanation in writing of the reason. Contractor may resubmit the progress payment request with the required documents. City has no obligation to process the progress payment request or make a progress payment if Contractor fails to provide these required documents.

If the required documents are submitted with the progress payment request, then the City shall review any progress payment request submitted by Contractor to determine its accuracy and validity. Any payment request determined not to be a proper payment request suitable for payment shall be returned to the contractor as soon as practicable, but not later than seven days, after receipt, along with a document stating the reasons why the payment request is not proper. Once the City has an undisputed and properly submitted payment request from Contractor, the progress payment shall be made within 30 days of its submission.

Once the City agrees with Contractor as to the amount of Work completed as of the date of the progress payment request, the City shall deduct the following from the estimated total value of that amount of Work: All previous payments, the retention previously withheld pursuant to Section 8-7, “Retention”, of these General Provisions, and other withholdings as permitted by the Contract. The City will then approve the balance for payment to the Contractor, with retention being withheld from that approved payment as described in Section 8-7 of these General Provisions.

The payment of a progress payment or the acceptance thereof by the Contractor does not constitute acceptance by the City of any portion of the Work, and does not reduce the Contractor’s liability to replace unsatisfactory work, material, or equipment for any or the Work, whether or not completed. Approval by the City of a progress payment request that contains an inadvertence or error by the Contractor will not release the Contractor or the Contractor's surety from damages arising from the work covered by the approved payment request or from enforcement of every provision of the Contract. The City also has the right to correct any error made in any Progress Payment and may withhold as much payment as necessary to correct the error in later progress payments.

8-6 INSPECTION AND PROGRESS PAYMENTS NOT A WAIVER OF CONTRACT PROVISIONS

No inspection, order, measurement, approval, modification, payment, acceptance of work or material (including, but not limited to, acceptance of the entire Work), time extension, or possession of the Work or any part thereof shall be a waiver of any of the terms and conditions of the Contract, the powers reserved by the City, or any right of the City to damages or to reject the Work in whole or part. No breach of this Contract shall be construed a waiver of any other or subsequent breach. All remedies provided in the Contract shall be cumulative and shall be in addition to all other rights and remedies that may exist at law or in equity.

8-7 RETENTION

8-7.01 Retention to Ensure Performance

The City will retain five percent (5%) of each approved progress payment to ensure performance under the Contract. The parties acknowledge that some of the purposes of retention under this Contract are to encourage the Contractor to reach Completion quickly, to ensure that Contractor completes the Work in its entirety, and to provide funds from which the City may withhold for disputes, costs and claims under Section 8-8, "Withholdings/Denial of Progress Payment Request", of these General Provisions.

Retention will be held by the City until at least thirty-five (35) Calendar Days, but no more than sixty (60) Calendar Days after recording of the Notice of Completion. However, the City may continue to withhold some or all of the retention beyond 60 days to the extent that any disputed amounts or Stop Payment Notices or liquidated damages exist, in which case the City may withhold 150% of the disputed amount and 125% or more of outstanding Stop Payment Notices and full amount of liquidated damages.

8-7.02 Non-Compliance

In addition to the five percent (5%) payment retention discussed above, the City may also retain portions or all of a progress or final payment for Contractor's noncompliance with the Contract in an amount deemed appropriate by the City.

8-7.03 Substitution of Securities

At the request and expense of the Contractor, in accordance with Public Contract Code Section 22300, in lieu of the City withholding the five percent (5%) retention defined in Section 8-7.01 of these General Provisions, the Contractor may: (1) substitute a deposit of securities at least equivalent to the retention to be paid, or (2) request that the City pay the withheld retention directly to an escrow agent. If the Contractor elects either option, the Contractor and City shall enter an escrow agreement in the exact form set forth in Public Contract Code Section 22300.

8-8 WITHHOLDINGS/DENIAL OF PROGRESS PAYMENT REQUEST

The City may deny a progress payment request and/or withhold amounts from a progress payment and/or withhold a release of retention for any of the following reasons:

- Stop payment notices filed pursuant to Civil Code Sections 9350 et seq., including but not limited to a reasonable amount to provide for the City's reasonable cost (including but not limited to attorneys' fees and experts' fees) of litigation based on the stop notice;
- Fines levied against Contractor or the Work by the City or other entities;
- Third party claims against Contractor or the City arising from the acts or omissions of Contractor or its subcontractors;

- Defective Work not remedied;
- Previous overpayments to Contractor;
- Failure by the Contractor to make payments properly to employees or Subcontractors for labor, materials, or equipment;
- Any portion of the Work retained in accordance with Section 5-19 of these General Provisions;
- The Work may not be completed for the unpaid balance of the Contract sum;
- The Work may not be completed within the Contract Time and the City will incur actual and/or liquidated damages;
- Review of excessive resubmittals, and excessive inspections or tests;
- Replacement of survey stakes and excessive survey work;
- Failure by the Contractor to maintain and update Record Drawings;
- Damage to the City or another contractor;
- Failure by the Contractor to perform the Work in accordance with the Contract;
- Failure by Contractor to submit the necessary documents with a progress payment request;
- Cost of insurance purchased by City due to cancellation or reduction of coverage of Contractor's insurance;
- Failure by Contractor to make proper submissions under the Contract;
- Any violation or non-compliance with Contractor's legal responsibilities (see Chapter 6, "Legal Relations and Responsibilities" of these General Provisions), including withholds for wages adjustments in accordance with the California Labor Code and any fines incurred by the City as a result of the Contractor's actions; and/or
- Any amounts otherwise necessary to protect the City's interests and/or compensate the City for past, present and future damages.

In addition to withholding a reasonable amount based on the above grounds, the City may withhold an additional 50% of that reasonable amount from a progress payment or release of retention; except that it may withhold an additional 25% or more of the Stop Payment Notice amount to provide for its reasonable cost (including but not limited to attorneys' fees and experts' fees) of any litigation based on a Stop Notice.

If, on Completion or termination of the Contract or termination of the Contractor's control over the Work, sums withheld from the Contractor are insufficient to cover the City's charges against

the Contractor, the City has the right to recover the balance from the Contractor or the Contractor's surety.

8-9 DEDUCTIONS FOR IMPERFECT WORK

For any portion of the Work, materials or equipment retained in accordance with Section 5-20 of these General Provisions, the City will deduct from a Progress Payment a reasonable amount to represent the decreased or lost value to the City.

8-10 LIQUIDATED DAMAGES FOR DELAY

If the Work is not completed by the Contractor in the time specified in the Contract Documents, or within any period of extension authorized pursuant to this Chapter of these General Provisions, the Contractor acknowledges and admits that the City will suffer damage, and that it is impracticable and infeasible to fix the amount of actual damages. Therefore, it is agreed by and between the Contractor and the City that the Contractor shall pay to the City as fixed and liquidated damages, and not as a penalty, the sum specified in the Contract Documents for each Calendar Day of delay until the Date of Completion, and that both the Contractor and the Contractor's surety shall be liable for the total amount thereof, and that the City may deduct Liquidated Damages from any monies due or that may become due to the Contractor. If it appears during the course of construction that the Contractor is behind schedule and the imposition of liquidated damages is likely, or if liquidated damages begin to accrue prior to the time for final payment, the City may, at its discretion, withhold the amount accrued from any progress payment that would otherwise be due. This right to withhold funds is in addition to the City's other rights under the Contract Documents.

This liquidated damages provision shall apply to all delays of any nature whatsoever, save and except only delays found to be excusable or time extensions granted by the City.

Pursuant to Government Code Section 4215, the Contractor shall not pay fixed and liquidated damages for delay in completing the Project caused by the failure of the City or the owner of utility facilities located on the Project site to provide for removal or relocation of such facilities.

Payment by the City of any progress payments after liquidated damages have accrued shall not constitute a waiver by the City of its right to claim liquidated damages.

If the Contract is terminated for cause, then the Contractor shall be liable to the City for liquidated damages for all periods of time from the scheduled Contract Completion Date at the time of such termination, as that date may be adjusted by any extensions of time to which the Contractor is entitled, until the Date of Completion.

8-11 FINAL ESTIMATE AND PAYMENT

Subsequent to field acceptance as detailed in Section 7-21 of these General Provisions, and within thirty (30) Calendar Days after field acceptance the Contractor shall provide a proposed final payment request, segregated as to Contract item and Change Order work. Contractor shall submit all previously unsubmitted documents required by the Contract with the request; otherwise the City has the right to reject the request and require submission of these

documents.

The City will review the properly submitted proposed final payment request and, after withholding for all issues as permitted by Section 8-8 of these General Provisions and making other corrections as necessary, shall return its approved Final Payment request as modified, within fifteen (15) Calendar Days of receipt. All progress payments shall be subject to correction in the final payment. If the Contractor fails to file a final payment request within the time allotted, the City may create and approve one based on the best information available to it.

Within fifteen (15) Calendar Days after the approved final payment request is submitted to the Contractor, the Contractor shall submit back to the City a written approval of said request or a written statement of exceptions to be considered a "closeout" claim. The Contractor's statement of exceptions shall be in sufficient detail for the City to ascertain the basis and amount of the exceptions, and will include supporting documentation as detailed in Section 9-18.03 of these General Provisions. Failure to provide sufficient detail shall be cause for denial of the exceptions.

Any claim of the Contractor or Subcontractors or suppliers with respect to the performance or breach of the Contract or any alterations thereof (except for payment of the balance of the Contract price as set forth in the final payment request) not specifically set forth in the statement of exceptions, is waived by the Contractor. If the Contractor fails to file a statement of exceptions within the time allowed, Contractor waives its right to submit a statement of exceptions and the approved final payment request will be deemed to as accepted and approved by the Contractor.

The City shall process the final payment and a release of retention in accordance with the approved final payment request. The payment of undisputed sums due for the final payment, and excluding any sums withheld for Stop Payment Notices, shall be made within thirty-five (35) days of the Contractor's acceptance of the approved final payment request or within sixty (60) days after the recording of the Notice of Completion, whichever is later. The release of retention shall be made in accordance with Section 8-7 of these General Provisions. If the Contractor submits a timely statement of exceptions, then the City shall process these payments as a semifinal action; otherwise the payment shall be considered final.

The City shall respond in accordance with the provisions of Section 9-18 with its final decision regarding the claims and exceptions set forth by Contractor. Should the City's final decision grant some or all of Contractor's claims or exceptions, then to the extent necessary a supplemental final payment and/or supplemental final release of retention shall be processed within thirty (30) days.

Any claim or exception set forth by Contractor for which Contractor did not follow the required claim procedures in the Contract Documents shall be disallowed; by failing to follow the required claim procedures prior to Contractor's written statement of claims and exceptions, Contractor will have waived all rights to compensation (whether money or time) related to such claim or exception. If not already expired, the running of time for presenting a Government Code claim (see Government Code sections 900 et seq.) shall be tolled from the time of the Contractor's timely statement of exceptions until the City's final decision on the statement of exceptions.

8-12 FINAL PAYMENT TO TERMINATE LIABILITY OF CITY

If Contractor fails to timely submit a statement of exceptions, the Contractor's acceptance of the final payment and final release of retention shall release the City and the City's officers, officials, agents, employees, members, volunteers, affiliates, and their duly authorized representatives from all claims or liability on account of all Work performed or any alterations thereof. If Contractor timely submits a statement of exceptions, the Contractor's acceptance of the semifinal payment and semifinal release of retention shall release the City and the City's officers, officials, agents, employees, members, volunteers, affiliates, and their duly authorized representatives from all claims or liability on account of Work performed or any alterations thereof, except unresolved items set forth in the statement of exceptions.

8-13 DISPUTED PAYMENTS

The City will decide disputes regarding payments under the Contract according to the procedures set forth in Chapter 9, "Changes and Claims", of these General Provisions. The decision of the City will be final.

CHAPTER 9 - CHANGES AND CLAIMS

TABLE OF CONTENTS

Section	Page
9-1 AUTHORITY FOR CHANGES	112
9-2 ORDERING OF CHANGES	112
9-3 CONSTRUCTION INCENTIVE CHANGE PROPOSAL (CICP)	112
9-3.01 General	112
9-3.02 Description	113
9-3.03 Submittal	113
9-3.04 Acceptance	114
9-3.05 Sharing Provisions and Formula	114
9-4 DELETED	115
9-5 PROSECUTION OF CHANGES TO THE CONTRACT	115
9-6 COST AND PRICING DATA	115
9-7 ACCESS TO RECORDS	116
9-8 PAYMENT FOR CHANGES	116
9-8.01 Lump Sum Price	116
9-8.02 Unit Prices	116
9-8.03 Force Account	117
9-8.03.A Labor	117
9-8.03.A.(1) Actual Wages	117
9-8.03.A.(2) Labor Surcharge	117
9-8.03.A.(3) Subsistence and Travel	117
9-8.03.B Materials	118
9-8.03.C Equipment	118
9-8.03.D Subcontracts	118
9-9 MARKUPS FOR CHANGED WORK	119
9-10 COMPENSABLE EXCUSABLE DELAYS	119
9-10.01 Construction Equipment	119
9-10.02 Jobsite Indirect Costs	120
9-10.03 Markup for Compensable Excusable Delays	120
9-10.04 Duplicated Overhead Costs	120
9-11 LIMITATIONS ON PAYMENTS FOR CHANGED WORK	120
9-12 TIME EXTENSIONS FOR CHANGES	121
9-13 EFFECT ON SURETIES OF CHANGES TO THE WORK	121
9-14 CONTRACT CHANGE ORDER	121
9-15 ACCEPTANCE OF ORDERS FOR CHANGES	121
9-16 DISPUTE REGARDING CONTRACT REQUIREMENTS	121
9-17 NOTICE OF POTENTIAL CLAIM	122
9-18 SUBMISSION OF CLAIMS	122
9-18.01 Definitions	122
9-18.02 Claims Procedure.	123
9-18.02.01	123
9-18.02.02	123
9-18.02.03	124
9-18.02.04	124
9-18.02.05	124

9-18.02.06 124
9-18.02.07 124
9-18.02.08 125
9-18.02.09 125
9-18.02.10 125
9-18.02.11 125
9-18.03 Documentation of Claims by Contractor 126
9-19 ENGINEER'S DECISION....128
9-20 ALTERNATIVE DISPUTE RESOLUTION....128
9-21 NO ALTERNATIVE CLAIMS PROCEDURE 128
9-22 ASSIGNMENT OF CLAIMS....128

CHAPTER 9 CHANGES AND CLAIMS

9-1 AUTHORITY FOR CHANGES

The City reserves the broad right to order or direct corrections, alterations, additions, modifications, deletions or other changes as required for the proper completion of the Work. The order or directive may be issued prior to the final acceptance of the Contract without voiding the Contract, without notice to the Contractor's sureties, and in accordance with the provisions of Section 9-2, "Ordering of Changes", of these General Provisions.

The Contractor shall not perform corrections, alterations, additions, modifications, deletions, or other changes to the Work without a written directive or order from the City, in accordance with Section 9-2 of these General Provisions. Payment for changed or extra work will not be made without the City's written authorization.

9-2 ORDERING OF CHANGES

The City may order or direct, including, without limitation, through a Field Directive, a change, in writing, during the course of the Work, and the Contractor shall immediately comply with the order or directive. Changes to the Work shall in no way affect, vitiate, or make void the Contract or any part thereof, except that which is necessarily affected by such changes and is clearly the evident intention of the parties to the Contract.

Changes to the Work may be initiated as described in Section 4-5, "Field Directives or Other Written Directives", of these General Provisions. If the City and Contractor agree that compensation in the form of an adjustment to the Total Contract Price and/or the Contract Time is required, then the adjustment will be formalized in a Change Order, in accordance with Section 9-14, "Contract Change Order", of these General Provisions. Failure of the City and Contractor to agree to terms of a Change Order based on an order or directive shall not relieve the Contractor of his obligation to complete all work specified in the order or directive.

9-3 CONSTRUCTION INCENTIVE CHANGE PROPOSAL (CICP)

9-3.01 General

The Construction Incentive Change Proposal (CICP) Program provides a program for the Contractor to use its expertise to improve Contract performance to create an overall reduction in the Total Contract Price. Proposing to delete work is not a CICP. Deleted work is addressed in Section 4-8, "Deleted Items," in these General Provisions. The CICP Program shall not apply to City contracts of less than one hundred thousand dollars ($100,000). The Contractor and Subcontractors may participate in the CICP Program. Participation of Subcontractors shall be through the Contractor, and the Contractor and Subcontractors must agree upon the sharing arrangement; written evidence of such agreement must be submitted with the CICP.

The Contractor shall proceed with the Work as scheduled until the Contractor receives the City's written approval of a CICP. The City shall be the sole judge of the acceptability of a

CICP and of the net capital cost reduction from the adoption of all or any part of the CICP

9-3.02 Description

A CICP is a formally written proposal for a Contract Change Order. A CICP must be initiated, developed, and identified as such by the Contractor or Subcontractor through the Contractor as identified in Section 9-3.01. A CICP must result in a net capital cost reduction while causing no increase in the total life cycle cost of the Project and shall comply with the following conditions:

- Required function, reliability, and safety of the Project will be maintained without detracting from the life expectancy or increasing maintenance requirements.
- The proposed change shall not cause undue interruption of the Work, nor shall it extend the Contract Time.
- The proposed change shall comply with all applicable permits, regulations, and code requirements, and any other requirements as set forth in the Contract. The proposed change shall not involve payment of royalties by the City to the Contractor.

9-3.03 Submittal

The Contractor shall submit a brief description of the proposed CICP prior to preparing the detailed submittal as outlined below.

A CICP submittal must contain pertinent information in supporting documents for City evaluation. As a minimum, the following information shall be submitted:

1. Name of individuals associated with the development and preparation of the CICP.
2. A detailed description and duly signed plans and specifications showing work as presently designed and the proposed changes.
3. A clear identification of all advantages and disadvantages for each proposed change.
4. A detailed procedure and schedule for implementing the proposed change. This detailed procedure and schedule shall include all necessary Contract amendments. Also indicated must be the latest date that the CICP can be approved for implementation.
5. A summary of estimated costs, including the following:
    a. Project construction costs before and after the CICP. This shall be a detailed estimate identifying the following items for each trade involved in the CICP:
        - Quantities of material and equipment.
        - Unit prices of materials and equipment.

- Labor hours and rates for installation.
- Subcontractor and prime Contractor mark ups.
- Operation and maintenance costs before and after the CICP.
- Cost for implementing the CICP not included elsewhere.

b. Contractor's share of the savings based on the sharing provision in Section 9-3.05, "Sharing Provisions and Formula," in this Section of these Specifications.

c. Other data as required by local permits and regulations and code requirements as set forth in the Contract.

6. Time required for execution of the proposed change.

To the extent indicated herein, the Contractor may restrict the City's use of any CICP or the supporting data submitted pursuant to the CICP program. Suggested wording for inclusion in CICPs is as follows:

"This data furnished pursuant to the construction incentive clause of the Contract shall not be disclosed or duplicated in whole or in part beyond what is necessary to accomplish the review. This restriction does not limit the City's right to use the information if it is available from any source without limitations. The City has the right to duplicate, use and disclose any information if the CICP is accepted."

The City may modify, accept, or reject the CICP. However, if the CICP is modified or not acted upon within the time allotted in the proposal, or if it is withdrawn or rejected, the City will not be liable for the Contractor's cost of developing the CICP.

9-3.04 Acceptance

The City will use the processing procedure specified for Change Orders in Section 9-14, "Contract Change Order," in these General Provisions, if a CICP is accepted. The City's written approval of the CICP is required. If the CICP is rejected, the Contractor shall not appeal the decision.

9-3.05 Sharing Provisions and Formula

Upon acceptance of the CICP, the Contractor will receive 50 percent (50%) of the Net Capital Savings based upon the following formula:

Net Capital Savings = Contract Cost Prior to CICP - (Revised Contract Cost After CICP + CICP Development Cost + CICP Implementation Cost)

The Contractor's development cost is limited to that directly associated with the preparation of the CICP package. Development costs will be reimbursed after approval. However, the City will reject costs that cannot be satisfactorily substantiated.

The CICP implementation costs include, when appropriate, the City's engineering costs for reviewing and redesigning the changes. However, City costs for processing the CICP are excluded.

9-4 DELETED

9-5 PROSECUTION OF CHANGES TO THE CONTRACT

If directed by the City, within fourteen (14) Calendar Days of issuance of a Request for Proposal, the Contractor shall provide a Proposed Change Order with a cost and/or time proposal prepared in accordance with the requirements of this Section, and Sections 9-8 and 9-12 of these General Provisions. The Contractor's Proposed Change Order shall indicate the amount to be added or deducted from the Total Contract Price, supported by complete details of all Contractor, Subcontractor, vendor or supplier costs per Section 9-6, "Cost and Pricing Data", of these General Provisions.

If the Contractor does not submit a Proposed Change Order within fourteen (14) Calendar Days, and unless the City is otherwise notified within fourteen (14) Calendar Days of a potential cost impact, the Contractor agrees to perform the work described in the change request with no additional compensation.

If the change causes a change in the monetary compensation or contract time the Project Manager will issue a Change Order in accordance with Section 9-14, "Contract Change Order" of these General Provisions. If a Field Directive or other written order is issued on a force account basis, the Contractor must immediately begin keeping records in accordance with Section 9-8.03, "Force Account", of these General Provisions. When the City and Contractor cannot agree on the credit for work deleted by a written order, the City's estimate will be deducted from the Total Contract Price, unless the Contractor presents proof prior to the final payment that the City's estimate is in error.

If agreement for a change in the Work is reached regarding payment, but not a time adjustment, the City shall have the right to direct the Contractor to proceed with the change at the agreed price. The impact of the changed work on the project schedule will be considered by the City in accordance with Section 9-12, "Time Extension for Changes", of these General Provisions.

Failure of the parties to reach agreement regarding the costs and time of the performing the change in the Work and/or any pending protest shall not relieve the Contractor from performing the change in the Work promptly and expeditiously. The Project Manager may unilaterally direct the Contractor in writing to perform changes in or additions to the scope of the Contract. The Contractor shall perform such work and shall be compensated pursuant to the provisions of Section 9-8, "Payment for Changes", of these General Provisions.

9-6 COST AND PRICING DATA

Cost and pricing data submitted by the Contractor shall be true, complete, accurate, and current. The City may require a formal certification to verify Contractor-submitted cost and pricing data. Additional requirements for cost and pricing data may also be included in the

Special Provisions. The City shall have access to the records supporting such cost and pricing data in accordance with the Section 9-7, “Access to Records”, of these General Provisions.

9-7 ACCESS TO RECORDS

Upon reasonable notice and during normal business hours, the City shall have access to the Contractor’s and Subcontractors’ records for the purpose of verifying, auditing, and evaluating the accuracy of cost and pricing data submitted by the Contractor. “Records” as used in this Section shall include, but not be limited to: original estimates, subcontract agreements, purchase orders, books, documents, accounting records, papers, project correspondence, project files, and scheduling information necessary to determine the direct and indirect costs, job site, area and home office overhead, delay and impact costs. Records shall include the original Bid and all documents related to the Bid and its preparation, the as-planned construction schedule and all related documents. Such access shall include the right to examine and audit such records and make excerpts, transcriptions, and photocopies at the City’s cost.

9-8 PAYMENT FOR CHANGES

The method of payment agreed upon by the Contractor and the City, or selected by the City at its sole discretion in the absence of any other agreement, shall be set forth in the Request for Proposal or in the written order directing the change.

The three methods of payment are as follows:

9-8.01 Lump Sum Price

The Contractor shall submit a lump sum price proposal. The proposal shall include an estimate of labor, material, equipment, Subcontractor, material supplier costs, and any surcharges and/or markups as allowed in Section 9-9, “Markups for Changed Work” in these General Provisions.

In the event that the parties are unable to agree as to the reasonable costs and time to perform the change in or addition to the Work based upon the Contractor's proposal and the Project Manager and City do not elect to have the change in the Work performed on a time and material basis, the Project Manager and City shall make a unilateral determination of the reasonable cost and time to perform the change in the Work, based upon their own estimates, the Contractor's submission or combination thereof.

9-8.02 Unit Prices

If payment for Contract work is based on unit prices, payment for changed work will be made based on actual quantities of work done at the unit prices contained in the Contract or unit prices otherwise agreed upon by the City and Contractor if none are contained in the Contract. Payment for changed work based on Contract or agreed upon unit prices includes the full cost of the item of work including profit and overhead; and no additional payment or adjustment will be allowed. If the final quantity of any item of work required

under the Contract varies from the Engineer's Estimate by twenty-five percent (25%) or more, compensation will be adjusted in accordance with Section 9-1.06, "Changed Quantity Payment Adjustments", of the State Specifications.

9-8.03 Force Account

In the absence of either an agreed lump sum price or unit prices for the change, the City may direct the Contractor to proceed with the changed work on a force account basis. The Contractor shall keep and present, in a form acceptable to the City, a complete and correct accounting of all costs associated with the change, including all pay records, vouchers, invoices, etc. The Contractor will be paid for labor, materials, and equipment actually used during the performance of the changed work as specified in this Section of these General Provisions in Sections 9-8.03.A, "Labor", 9-8.03.B, "Materials", and 9-8.03.C, "Equipment"; plus the percentages stipulated in Section 9-9, "Markups for Changed Work".

To facilitate agreement on direct craft labor hours, construction equipment hours, and material quantities, the Contractor shall notify the City not less than four (4) hours prior to starting force account work. The Contractor shall submit Daily Work Reports (DWR's) for signature not later than 9:00 a.m. the day following performance of any force account work. DWR's shall list names of all Contractor's staff, the staff person's craft or trade, all craft or trade labor hours, and all material and construction equipment used. The Contractor shall use the DWRs in preparing billings for force account work.

9-8.03.A Labor

The Contractor will be paid the cost of direct labor (foreperson and below) used in the actual and direct performance of the changed work including working foreman when authorized by the City. Except as otherwise provided, the Contractor will receive no additional compensation for overtime work without prior written authorization from the City. The cost of labor will be the sum of the following:

9-8.03.A.(1) Actual Wages

Charges for labor will be the Contractor's actual payroll costs for labor of any classification, including employer payments to or on behalf of the workers for health and welfare, pension, vacation, and similar purposes.

9-8.03.A.(2) Labor Surcharge

A twenty-six percent (26%) surcharge for taxes, insurance, and all other payments made to or on the behalf of the employee shall be added to the actual wages.

9-8.03.A.(3) Subsistence and Travel

The City will pay the Contractor for actual subsistence and travel allowance costs associated with the changed work required by labor agreements or acceptable to the City. Documentation must be provided to the City.

9-8.03.B Materials

Payment will be for the purchaser's actual cost of supplier or vendor furnished materials. If the Contractor does not furnish satisfactory evidence of the cost of such materials, the cost will be the lowest current wholesale price at which such quantities of materials are available and delivered to the job site. The City reserves the right to purchase materials for the changed work; the Contractor shall have no claims for costs or profit on such materials.

9-8.03.C Equipment

The prices paid for equipment directly and solely required for performance of the changed work will be those listed in the current edition of the Caltrans publication, "Labor Surcharge and Equipment Rental Rates". If the equipment is not shown in this publication, the Contractor shall be paid such hourly rental rates as are agreed upon by the Contractor and the City prior to use of the equipment, plus thirty-three and one-third percent (33-1/3%) for the cost of fuel, oil, lubrication, and field repairs and maintenance. In no case shall the hourly rental rates exceed those of established distributors or equipment rental agencies serving the area.

The rate paid for the use of equipment constitutes full compensation to the Contractor for all costs, including fuel, power, oil, lubrication, supplies, small tools, small equipment, necessary attachments, repairs and maintenance of any kind, depreciation, storage, insurance, labor (except for equipment operators) and any and all costs to the Contractor incidental to the use of such equipment for the changed work.

Payment will not be made for the equipment while it is inoperative due to breakdowns or for time in which no changed work was performed. Payment for rentals will include time required to move equipment to the changed work from the nearest available rental source and to return it to the source. However, no moving, loading, or transportation costs will be paid if the equipment is used for any other portion of the Work.

Individual tools and pieces of equipment having replacement value of five hundred dollars ($500) or less shall be considered tools or small equipment and no payment will be made for those pieces of equipment.

9-8.03.D Subcontracts

Subcontract costs shall be the actual cost to the Contractor for work performed by a
Subcontractor. The provisions of this Section 9-8.03, "Force Account", apply to the computation of subcontract costs. Subcontractors shall compute markups per the Section 9-9, "Markups for Changed Work", of these General Provisions.

9-9 MARKUPS FOR CHANGED WORK

Only the direct costs directly attributable to the performance of the changed work shall be allowed. All other costs shall be included in the allowed markups, including, but not limited to, profit, home office and field overhead, jobsite indirect costs, extended overhead, jobsite office personnel, general field superintendence, general engineering, supervision of labor, bond and insurance premiums, and general field expense, and shall constitute full compensation for all costs not included as actual labor, materials, equipment, or Subcontractor costs. Markups for changed work shall not exceed the following:

Labor	25%
Materials	15%
Equipment Rental	15%
Bonds and Insurance	2%

The Contractor or Subcontractor, whomever actually performs the changed work, may add the markups to the total of allowable costs. When a Subcontractor performs work, the Contractor and any higher tiered Subcontractor may add as mark-up to the total of allowable costs an amount not to exceed five percent (5%), subject to the limitations of this Section.

When the City is entitled to credit for deleted work, a ten percent (10%) credit for deleted overhead of the Contractor or Subcontractor, as applicable, will be added to such credit.

9-10 COMPENSABLE EXCUSABLE DELAYS

Payments will be made as follows for compensable excusable delays, as defined in Section 7-12.02, “Excusable Delays”, of these General Provisions. Contractor waives any and all monetary compensation for excusable delays other than the items listed below.

9-10.01 Construction Equipment

Compensation will be paid for construction equipment idle as a result of a compensable excusable delay to the extent costs are incurred. The prices paid for equipment will be those in the current edition of the Caltrans publication, “Labor Surcharge and Equipment Rental Rates”, with the following modifications:

- The right-of-way delay factor for each classification of equipment will be applied to the rental rate.

- Compensation will be provided for the actual time of the delay, but not more than eight (8) hours per day.

Compensation will be provided for each day or portion of a day, excluding Saturdays, Sundays and holidays, for the duration of the delay, unless the approved current schedule identifies critical path work for these days.

9-10.02 Jobsite Indirect Costs

Indirect costs shall be limited to the following:

1. Actual payroll costs for field office staff incurred as a result of the delay, including management, supervision, safety, estimating, engineering, drafting, clerical, secretarial and accounting. A twenty-six percent (26%) surcharge for taxes, insurance, and all other payments made to or on the behalf of the employee may be added to the payroll costs.

2. Actual cost for third-party services provided for the field office, such as management, supervision, safety, estimating, engineering, drafting, clerical, secretarial, and accounting utilized in lieu of employees.

3. Applicable field office expenses for rent and utilities that are substantiated by invoices. Compensation for on-site plant, incidentals, and facilities for non-field office personnel including branch office and home office personnel will not be provided. Compensation for these items and other incidentals is included in the Section 9-10.03, “Markup for Compensable Excusable Delays”, of these General Provisions.

9-10.03 Markup for Compensable Excusable Delays

Except for compensable excusable delays associated with archeological and cultural resources as described in Section 10-12, “Archeological and Cultural Resources”, of these General Provisions and right-of-way delays, fifteen percent (15%) shall be added to job-site indirect costs for onsite plant, incidentals, overhead, home and branch office costs, bonds and profit. The Contractor shall determine the distribution of the markup among the Contractor, Subcontractors, and suppliers.

9-10.04 Duplicated Overhead Costs

If the Contractor is compensated for delays in accordance with this Chapter, and the delay is attributable to direct cost changes to which markups were added, equitable adjustments shall be made to eliminate the duplication of compensation for indirect and overhead costs and profit.

9-11 LIMITATIONS ON PAYMENTS FOR CHANGED WORK

The City will not pay the Contractor for costs in excess of prevailing market values, unless the Contractor can establish, to the satisfaction of the City, that the Contractor has investigated all possible means of providing the work and that the excess costs could not be avoided. The City will be the sole judge of the necessity of incurring costs in excess of market value and whether the excess costs are directly required for performance of changed work. The City’s determination will be final.

9-12 TIME EXTENSIONS FOR CHANGES

The Contractor is entitled to adjustment in Contract Time only if completion of the entire Work or of any milestone outlined in the Special Provisions is extended due to changes impacting the controlling item of work. Each proposal submitted by the Contractor in accordance with Section 9-5, “Prosecution of Changes to the Contract”, of these General Provisions, shall state the amount of extra time the Contractor believes the change added to the overall project schedule. Failure to request a time extension within the time allowed constitutes a waiver of the Contractor’s right to subsequently claim an adjustment in Contract Time.

9-13 EFFECT ON SURETIES OF CHANGES TO THE WORK

No alterations, time extensions, extra or additional work or other changes authorized by these conditions or any part of the Contract shall affect the sureties’ obligations under the Contract.

9-14 CONTRACT CHANGE ORDER

The City will issue a Change Order if a change to the Total Contract Price or Contract Time is necessary. The Contractor shall not be entitled to any adjustments in either Total Contract Price or Contract Time for changes performed before receipt of a written directive requiring the changes or Change Order approved by the City. Adjustments in Contract Time or Total Contract Price for changes performed will not be made until a Change Order is approved by the City. A Change Order is generally comprised of one or more Field Directives or other written orders or directives, and contains a summary of each change and changes to the Total Contract Price and Contract Time.

9-15 ACCEPTANCE OF ORDERS FOR CHANGES

A Change Order that is substantially in agreement with the Contractor’s Proposed Change Order, and/or the Contractor’s written agreement of a Change Order, Field Directive or other written directive, will constitute the Contractor’s final and binding agreement to the provisions of the Change Order, Field Directive, or other written directive, and a waiver of all claims in connection therewith, whether direct or consequential in nature, including those of any Subcontractors or suppliers. If the Contractor disagrees with any Change Order, Field Directive, or other written directive, the Contractor may submit a notice of potential claim to the City in accordance with Section 9-17, “Notice of Potential Claim”, of these General Provisions. Disagreement with the provisions of a Change Order, Field Directive, or other written order will not relieve the Contractor of the Contractor’s obligations under the Contract.

9-16 DISPUTE REGARDING CONTRACT REQUIREMENTS

If the Contractor and City fail to agree whether or not any work or other matter is within the scope of the Contract, the Contractor shall nevertheless immediately perform such work upon receipt of a written Field Directive or other written order. If Contractor disagrees with a decision by the City that any work is within the scope of the Contract, then the Contractor must follow

the claims procedures in the Contract, including but not limited to Sections 7-13, 8-11, 9-17 and 9-18 of these General Provisions.

The Contractor shall not stop performing the Work pending resolution of a dispute, unless so ordered in writing by the City.

9-17 NOTICE OF POTENTIAL CLAIM

The Contractor shall not be entitled to payment of any additional compensation (whether money or time) for any cause, including any disagreement, protest, or change, any act or failure to act by the City, or the happening of any event, thing or occurrence, unless the Contractor has given the City due advance written notice of potential claim as hereinafter specified. The written Notice of Potential Claim shall set forth the reasons for which the Contractor believes additional monetary compensation and/or time will or may be due, the nature of the costs and/or time involved, and, insofar as possible, the amount of the potential claim.

The Contractor shall promptly provide a written Notice of Potential Claim to the City upon discovery of concealed or unknown conditions or upon any disagreement, protest, situation, event, or occurrence that may result in a claim, including but not limited to changes in work and delays. The Notice shall be submitted no more than five (5) Working Days after the discovery or occurrence of any event that may be the basis for a claim for additional compensation or additional time.

Failure to timely submit the Notice waives any Claim that Contractor may otherwise have had the right to submit based on the underlying occurrence or event.

9-18 SUBMISSION OF CLAIMS

Claims shall be subject to the requirements of Public Contract Code sections 20104 *et seq.* and 9204. A summary of those provisions is set forth below. A waiver of the rights granted by the referenced statutes is void and contrary to public policy, provided, however, that (1) upon receipt of a Claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable; and (2) the City may prescribe reasonable change order, claim, and dispute resolution procedures and requirements in addition to the statutory requirements, so long as the contractual provisions do not conflict with or otherwise impair the statutory timeframes and procedures. To the extent that the summary below is inconsistent with any requirement of those statutes, the statutes shall control. The terms below are intended to be consistent with the governing statutes, and any modifications shall be understood as lawful modifications or additions to the statutory requirements if at all possible.

9-18.01 Definitions

"Claim" means a separate demand by the Contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

(A) a time extension, including, without limitation, for relief from damages or penalties for delay assessed by a public entity under a contract for a public works project.

(B) payment by the public entity of money or damages arising from work done by, or on behalf of, Contractor pursuant to the contract for a public works project and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.

(C) payment of an amount that is disputed by the City.

“Mediation” means any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation.

“Public works contract” or “public works project” means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

“Subcontractor” means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with the Contractor or is a lower tier subcontractor.

9-18.02 Claims Procedure.

All Claims under this Contract shall be resolved using the following procedure.

9-18.02.01 The Claim shall be in writing and include the documents necessary to substantiate the Claim as set forth in Section 9-18.03. Unless a different time is stated in the Contract Documents, Claims must be filed not later than thirty (30) Calendar Days after the proposed final payment request is returned to the Contractor by the City. Any Claim shall be certified under penalty of perjury and in compliance with the California False Claims Act, as set forth in Section 9-18.03 below. Failure to include these required certifications will constitute grounds for immediate rejection of the Claim and shall be deemed a waiver and absolute bar of the Claim, including any right to pursue the Claim further.

9-18.02.02 If a Subcontractor, including a lower tier Subcontractor, lacks legal standing to assert a Claim against the City because privity of contract does not exist, then the Contractor may present a Claim on behalf of such a Subcontractor. A first-tier Subcontractor may request in writing, either on its own behalf or on behalf of a lower tier Subcontractor, that the Contractor present a Claim on behalf of the Subcontractor for work that was performed by the Subcontractor. The Subcontractor requesting that the Claim be presented shall furnish reasonable documentation to support the Claim. Within 45 days of receipt of this written request, the Contractor shall notify the Subcontractor

in writing as to whether the Contractor presented the Claim and, if the Contractor did not present the Claim, provide the Subcontractor with a statement of the reasons for not having done so.

9-18.02.03 Upon receipt of a Claim, the City shall conduct a reasonable review of the Claim. Within 30 days of receipt of the Claim, the City may request, in writing, any additional documentation supporting the Claim or relating to defenses to the Claim that the City may have against the claimant. Where additional information is requested by the City, the time in which the City must respond to a Claim shall be tolled until all requested information is provided. If additional information is thereafter required, then it shall be requested and provided upon mutual agreement of the City and the Contractor.

9-18.02.04 Within 45 days of receipt of the Claim, as that time may be tolled as provided in Section 9-18.02.03 above, the City shall provide the Contractor with a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Upon receipt of a Claim, the City and the Contractor may, by mutual agreement, extend the time period for a response. Failure by the City to respond to a Claim within the time periods described herein shall result in the Claim being deemed rejected in its entirety. A Claim that is denied by failure of the City to respond shall not constitute an adverse finding with regard to the merits of the Claim or the responsibility or qualifications of the claimant.

9-18.02.05 Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after the City issues its written statement. The City shall not fail to pay money as to any portion of a Claim which is undisputed except as otherwise provided in the Contract Documents.

9-18.02.06 If the claimant disputes the City's written response, or the City fails to respond within the time prescribed, the Contractor may so notify the City, in writing, either within 15 days of receipt of the City's response or within 15 days of the City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, sent by registered mail or certified mail, return receipt requested, the City shall schedule a meet and confer conference within 30 days for settlement of the dispute.

9-18.02.07 Within 10 business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, then the City shall provide the Contractor a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Failure by the City to provide the written statement within the time periods

described herein shall result in the remaining Claim issues being deemed rejected in their entirety. Denial by failure of the City to respond shall not constitute an adverse finding with regard to the merits of the remaining Claim issues or the responsibility or qualifications of the claimant. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after the District issues its written statement.

9-18.02.08 Any remaining disputed portion of the Claim following the meet and confer conference shall be submitted to nonbinding mediation, with the City and the Contractor sharing the associated costs equally. The City and the Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the Claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. Unless otherwise agreed to by the City and the Contractor in writing, the mediation conducted pursuant to this Section shall excuse any further obligation under Public Contract Code Section 20104.4 to mediate after litigation has been commenced. This Section does not preclude arbitration if mediation under this Section does not resolve the parties' dispute.

9-18.02.09 If mediation is unsuccessful, then the Contractor may file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code with respect to the parts of the Claim remaining in dispute. For purposes of those provisions, the running of the period of time within which a Claim must be filed shall be tolled from the time the Contractor submits his or her written Claim pursuant to Section 9-18.02.01 until the time that mediation of disputed portions of that Claim is completed. This Section does not apply to tort claims, and nothing in this Section is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code.

9-18.02.10 Amounts not paid in a timely manner as required by this Section shall bear interest at seven percent (7%) per year.

9-18.02.11 Claims of $375,000 or less are subject to the following procedures for civil actions filed to resolve the claims:

(a) The case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part

3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act (Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure) shall apply to any such proceeding, consistent with the rules pertaining to judicial arbitration.

(b) The parties stipulate that the arbitrator shall be experienced in construction law and shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds.

(c) In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party who, after receiving an arbitration award, requests a trial *de novo* but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the attorneys' fees of the other party arising out of trial *de novo.*

(d) The court may, upon request by any party, order any witnesses to participate in arbitration process.

In any suit filed under Public Contract Code Section 20104.4, the City shall pay interest at the legal rate on any arbitration award or judgment. The interest shall begin to accrue on the date the suit is filed in a court of law.

9-18.03 Documentation of Claims by Contractor

For each Claim, the Contractor shall furnish claim documentation as herein specified.

Contractor shall submit three (3) certified copies of all claim documentation. All claim documentation shall be complete when submitted. The evaluation of the Contractor's claim will be based on City's records and the claim documentation submitted by Contractor.
Claim documentation shall conform to generally accepted auditing standards and shall be in the following format:

1. Introduction and background

2. Issues

   a. Index of issues

   b. For each issue:

- Background
- Chronology
- Contractor's position (reason for City's potential liability)
- Supporting documentation of merit
- Supporting documentation of damages

3. CPM schedules, as-planned versus as-built, and delay analysis

4. Productivity and damages exhibits

5. Summary of issues and damages

Supporting documentation of merit for each issue shall be cited by reference, photocopies, or explained. Supporting documentation may include, but not be limited to, General Provisions, Technical and other Specifications, Drawings, correspondence, conference notes, shop drawing logs, survey books, inspection reports, delivery schedules, test reports, daily reports, subcontracts, fragmentary CPM schedules, photographs, technical reports, RFIs, Field Directives, and other related records.

Supporting documentation of damages for each issue shall be cited, photocopied, or explained. Supporting documentation may include, but not be limited to, certified detailed labor, materials, equipment, and construction equipment and services costs; purchase orders; invoices; project as-planned and as-built costs; Subcontractor payment releases; quantity reports; other related records; general ledger and any other accounting materials.

Each submission of Claim documentation shall include the following certification, signed in the same manner as the Contract was signed:

Claim Declaration

I, [name of declarant], declare the following:

[Contractor company name] has contracted with the City of Rocklin for the [name of project] project. I am authorized by my employer ([contractor company name]) to prepare the attached claim for compensation (in other words, for money and/or time extensions) to the City of Rocklin regarding this project (dated _____, 20_, and requesting $_____ and/or ___ additional working days), and I did prepare said attached claim. I am the most knowledgeable person at [contractor company name] regarding this claim.

I am aware of all law that relates to this claim, including but not limited to California Penal Code section 72, Government Code sections 12650 et seq. (False Claims Act), and Business and Professions Code sections 17200 et seq. (Unfair Business Practices Act). I am aware that submission or certification of false claims, or other claims that violate law or the contract, may lead to fines, imprisonment, and/or other severe legal consequences for myself and/or [contractor company name].

The attached claim is prepared and submitted in good faith, does not breach the contract between [contractor company name] and the City of Rocklin for this project, does not violate

any law, satisfies all provisions of the contract, only contains truthful and accurate supporting data, and only requests an amount that accurately reflects the adjustments to money and time for which I honestly and in good faith believe that the City of Rocklin is responsible under its contract with [contractor company name].

So that I could declare that the statements in this declaration and the attached claim were true and correct, while preparing this declaration and claim I consulted with others (for example, attorneys, consultants, or others who work for [contractor company name]) when necessary to assure myself that said statements were true and correct.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed _____, 20__, at _____, California.

_____
[name of declarant]

If the Contractor is unable to support any part of a claim and it is determined that such inability is attributable to falsity of such certification or misrepresentation of fact or fraud by the Contractor**,** the Contractor shall be liable to the City for three (3) times the amount of damages which the City sustains, plus the cost of civil action, and may be liable to the City for a civil penalty of up to ten thousand dollars ($10,000) for each false claim.

9-19 ENGINEER'S DECISION

The Engineer will review the facts of any disputed Claim and may request additional information, evidence, or testimony in accordance with Section 9-18. The Engineer will render a fair, impartial decision based on the Contract, and the evidence submitted by the City and Contractor representatives.

9-20 ALTERNATIVE DISPUTE RESOLUTION

After all remedies and provisions of the Contract are exhausted, any dispute related to the Work or Contract may be resolved by mediation or arbitration if agreed upon by the parties involved and the City and the Contractor amend the Contract to agree on a form of alternative dispute resolution.

9-21 NO ALTERNATIVE CLAIMS PROCEDURE

Nothing in the Contract constitutes an agreement for an alternative claim procedure under the provisions of Government Code Section 930.2, nor relieves the Contractor of the requirements of Government Code, Part 3, Chapters 1 and 2 and Title 1, Division 3.6, Chapters 1, 2, 3, and 4, or Public Contract Code Section 20104.2(e).

9-22 ASSIGNMENT OF CLAIMS

The Contractor shall not assign any portion of the moneys due the Contractor without written City approval. No person other than the party signing the Contract has any claim under the Contract, except as provided in the Contract.

CHAPTER 10 - ENVIRONMENTAL CONTROLS AT WORK SITE

TABLE OF CONTENTS

Section **Page**

10-1 DUST CONTROL....130
10-1.01 General 130
10-1.02 Dust Palliative 130
10-1.03 Measurement and Payment.... 130
10-2 AIR POLLUTION CONTROL 130
10-3 BURNING....130
10-4 EROSION, SEDIMENT, AND WATER POLLUTION CONTROL....131
10-4.01 General 131
10-4.02 City Requirements 131
10-4.03 Regulations, Ordinances, Permits, and Specifications 132
10-4.04 Storm Water Pollution Prevention Plan 132
10-4.05 Erosion and Sediment Control Plan 132
10-4.06 Minimum City Requirements – Best Management Practices for Construction Activities.... 133
10-4.07 Compliance.... 133
10-4.08 Payment 134
10-5 CONTROL OF WATER IN THE WORK....134
10-6 NOISE CONTROL 134
10-7 CONTAMINATED AND HAZARDOUS MATERIALS OR ENVIRONMENTS....135
10-7.01 Contaminated or Hazardous Materials.... 135
10-7.02 Hazardous Environments 135
10-8 USE OF EXPLOSIVES 135
10-9 SANITARY REGULATIONS 135
10-10 CONFINED SPACES....135
10-10.01 Contractor Responsibilities and Qualifications 135
10-10.02 City Responsibilities for Permit Confined Spaces 136
10-10.03 Existing Sewers and Storm Drains.... 136
10-10.04 Joint City – Contractor Entries.... 136
10-11 CLEANING UP 136
10-12 ARCHEOLOGICAL AND CULTURAL RESOURCES....137
10-13 PROTECTION OF EXISTING TREES 137

CHAPTER 10 ENVIRONMENTAL CONTROLS AT WORK SITE

10-1 DUST CONTROL

10-1.01 General

Dust control is a year-round requirement. Dust control shall consist of applying water and/or soil binder/dust palliative to alleviate or prevent fugitive and nuisance dust resulting from the Contractor's operations, either within or outside the Work right-of-way. Dust control shall be performed by the Contractor at any time dust, resulting from the Contractor's operations, becomes a fugitive or a nuisance or visual impediment, or as directed by the City. Failure to adequately control dust will be cause for the City to direct the Contractor to suspend operations or for the City to perform such activity with all costs to be borne by the Contractor. The application of water for dust control may be performed by the Contractor for the Contractor's convenience.

10-1.02 Dust Palliative

Dust palliative shall be applied when deemed necessary by the City. Dust palliative may be used for dust control on disturbed soil areas, haul roads and staging areas. Dust palliatives are to be submitted to the City for approval prior to use and applied per manufacturer's recommendation. Costs for dust palliatives will be born solely by Contractor.

10-1.03 Measurement and Payment

Full compensation for applying water and/or dust palliatives for dust control is included in the prices paid for the various items of work involved and no additional compensation will be paid.

10-2 AIR POLLUTION CONTROL

The Contractor shall comply with all Federal, State, City, regional air district (Placer County Air Pollution Control District), and local air pollution control rules, regulations, ordinances, and statutes that apply to the Work. The Contractor shall also comply with the requirements of any permits issued to the City as noted in the Special Provisions.

10-3 BURNING

Unless otherwise provided in the Special Provisions or approved by the City in writing, material shall not be burned on site.

10-4 EROSION, SEDIMENT, AND WATER POLLUTION CONTROL

10-4.01 General

The Federal Clean Water Act requires construction sites to prevent pollutants entering storm drain systems. Storm drain systems include both constructed and natural facilities, including streams, waterways, and other bodies of water. The Contractor shall protect the local storm drain system from pollution, and shall conduct and schedule operations to avoid erosion and sediments. Where erosion may cause water pollution due to the nature of the material or the season, the Contractor's operations shall be scheduled so temporary or permanent erosion control features are installed concurrently with, or immediately following, grading operations.

The Contractor is responsible for organizing and scheduling the Work to prevent, control, and/or abate water pollution. In order to provide effective and continuous control of water pollution, it may be necessary for the Contractor to perform the Work in small or multiple units, on an out-of-phase schedule, and/or with modified construction procedures. The Contractor shall coordinate water pollution control work with all other Contract work.

10-4.02 City Requirements

Unless specified otherwise in the Contract, all construction projects in the City of Rocklin must have a water pollution control program as follows:

- Construction projects disturbing more than the threshold number of acres as defined in the State General Construction Permit [currently one (1) acre] must have a Storm Water Pollution Prevention Plan (SWPPP). (See Section 10-4.04 below.)
- Construction involving the grading, filling, excavating, storage, or disposal of fifty (50) cubic yards or more of soil, or the clearing or grubbing of one (1) acre or more must have an Erosion and Sediment Control Plan (ESCP). (See Section 10-4.05 below.)
- All other construction must comply with the City of Rocklin Municipal Code. (See Section 10-4.06 below.)

Before starting the Work, the Contractor shall develop a program for the control of water pollution during the Work. The program shall indicate how the Contractor proposes to effectively control water pollution and provide drainage during the Work. The program shall also describe how the Contractor plans to monitor the effectiveness of the program. The program shall show erosion control work and all water pollution control measures the Contractor plans to implement in connection with the Work. The Contractor shall not perform any clearing, grubbing or earthwork on the project, other than that specifically authorized in writing by the City, without a water pollution control program. When requested by the City, the Contractor shall submit the program for review.

The City is not liable to the Contractor for any portion of the water pollution control program or subsequent revisions nor for any delays to the Work due to the Contractor’s failure to prepare and implement a program nor for any delays as a result of City review.

10-4.03 Regulations, Ordinances, Permits, and Specifications

The Contractor is responsible for compliance with all Federal, State, City and local permits, rules, regulations, ordinances, statutes, and City directions that apply to erosion, sediment, and water pollution control. The Contractor, at a minimum, shall comply with the most stringent regulation, ordinance, permit, or specification of the following applicable to the Work:

- This Chapter or the Special Provisions
- Chapter 8.30 of Title 15 of the City Municipal Code
- Chapter 15.28 of Title 15 of the City Municipal Code
- State of California Construction Activities Storm Water General Permit
- Specific or general National Pollution Discharge Elimination System (NPDES) or other permits that cover the Work or are specific to the area of the Work
- The City of Rocklin Joint Municipal NPDES Permit

The Contractor's responsibility to provide water pollution control under this Chapter ends at Field Acceptance of the Work. (See Section 7-21 above.)

10-4.04 Storm Water Pollution Prevention Plan

For construction projects disturbing more than one (1) acre, the Contractor must obtain coverage under the State Water Resources Control Board (SWRCB) General Storm Water Permit to Discharge Storm Water Associated with Construction Activity (General Permit). General Permit coverage is obtained by certifying and filing a Notice of Intent (NOI) with the Regional Board. The Contractor will prepare and the City will file the NOI unless specified otherwise in the Special Provisions.

Additionally, unless specified otherwise in the Special Provisions, the Contractor shall prepare a SWPPP in accordance with the General Permit or other permit specified in the Special Provisions. The SWPPP shall be prepared by an individual qualified and certified about storm water pollution prevention methods and requirements, and shall be signed by the preparer of the SWPPP. The SWPPP shall be implemented by the Contractor before Work commences. The Contractor may not be allowed to mobilize until the plan is accepted. The SWPPP shall be kept onsite at all times, updated for the various phases of the project, and made immediately available for City and Regional Board Inspectors upon request. Updates shall be submitted to the City immediately for review. At a minimum, the SWPPP shall include all elements as specified in the State's order.

10-4.05 Erosion and Sediment Control Plan

Construction projects involving the grading, filling, excavating, storage, or disposal of fifty (50) cubic yards or more of soil, or the clearing or grubbing of one (1) acre or more, are required to comply with the provisions of Chapters 15.28 of Title 15 of the City Municipal Code.

The Erosion and Sediment Control Plan (ESCP) shall be prepared by a qualified and certified practitioner. When requested by the City, the ESCP shall be reviewed by the City before work commences. Unless otherwise approved by the City, the Contractor will not be

allowed to mobilize until the plan is prepared. If the Contractor's methods fail to prevent erosion or siltation, the Contractor shall revise and adjust the control measures to provide effective control, and shall be responsible for any damage, fine, and/or administrative civil liabilities resulting from erosion or siltation originating on the Work site and any other site the Contractor controls or passes through.

10-4.06 Minimum City Requirements – Best Management Practices for Construction **Activities.**

All construction contractors performing work in the City shall conform to adopted City standards. In addition to any adopted BMPS or other requirements for construction projects adopted by the City, the following requirements shall apply to all projects undergoing construction in the City. The requirements set forth below shall apply.

1. Sediment, construction waste and other pollutants from construction sites and parking areas, including runoff from equipment at construction sites, shall be retained on the site to the maximum extent practicable.

2. Any sediment or other materials that are not retained on the site shall be removed the same day as the projects are completed. Where determined as necessary by the director, a temporary sediment barrier shall be installed.

3. Plastic covering may be utilized prevent erosion of an otherwise unprotected area, along with runoff devices to intercept and safely convey the runoff.

4. Excavated soil or stockpiled base materials shall be located on the site in a manner that minimizes the amount of sediments running into the street or adjoining properties. Soil and materials piles shall be covered until the soil is either used or removed. Soil and materials shall not be placed on paved streets or sidewalks without specific permission of the City.

5. No washing of construction or other industrial vehicles shall be allowed on a construction site or property adjacent to a construction site.

6. Drainage controls shall be utilized as needed, depending on the extent of the proposed grading and topography of the site, including but not limited to the following: detention ponds, sediment ponds, infiltration pits, dikes, filter berms, ditches, down drains, chutes, or flumes.

Notification to the Project Manager shall be required within twenty-four (24) hours following the failure of authorized measures to prevent erosion or sediment from leaving the construction site, the deposit of debris or material on adjoining property or public rights-of-ways, or the interference with any existing watercourses or drainage facilities.

10-4.07 Compliance

Compliance with the provisions in this Chapter does not relieve the Contractor of the responsibility for compliance with other Contract provisions.

The Contractor shall perform routine inspection and maintenance of BMP's. Inspections

shall be done prior to, during, and after each rain event. The Contractor is solely responsible for preparing and maintaining inspection and monitoring records; and for including those records in the SWPPP or, in the case of Erosion and Sediment Control Plans, the site or project Maintenance Log, copies of which shall be available to the City for review upon request.

The Contractor shall immediately correct or replace any ineffective BMP. If the measures taken by the Contractor are inadequate to effectively control water pollution, the City may direct the Contractor to revise the operations and water pollution control program. The City may restrict work from being performed until the water pollution control measures are adequate and, if required, a revised water pollution control program is in place. Continued noncompliance may result in the City suspending the Work in accordance with Section 5-21, above. The City reserves the right to take corrective action and withhold City costs for corrective action from progress payments or final payment in accordance with Section 8-8, above.

Any fines, including third-party claims, levied against the City as a result of Contractor's non-compliance are the Contractor's sole responsibility and will be withheld from progress payments or final payment in accordance with Section 8-8, of the General Provisions.

10-4.08 Payment

Except as otherwise provided in the Special Provisions, full compensation for compliance with all applicable erosion and sediment control and storm water pollution and prevention requirements will be included in the prices paid for the various Contract items of work and no additional compensation will be allowed.

10-5 CONTROL OF WATER IN THE WORK

When groundwater or surface run-off water is encountered, the Contractor shall furnish, install, maintain, and operate all necessary machinery, appliances, and equipment to keep excavations and wet areas reasonably free from water. De-watering operations shall remain in effect until the Work has been completed, inspected, and approved, and all danger of flotation and other damage is eliminated. Water pumped from waterways, trenches, excavations, or low spots shall be disposed as specified in the Special Provisions or as directed by the City.

The Contractor is not allowed to dispose of any water that contains sediment or other contaminants. The Contractor is responsible for providing filtration, settlement, or disposal facilities as required to comply with the requirements of Section 10-4, above.

10-6 NOISE CONTROL

The Contractor shall comply with all local noise control and noise level rules, regulations, and ordinances that apply to the Work. The Special Provisions may contain specific or additional requirements. Internal combustion engines used for any purpose on the Work must be equipped with a muffler recommended by the manufacturer.

10-7 CONTAMINATED AND HAZARDOUS MATERIALS OR ENVIRONMENTS

10-7.01 Contaminated or Hazardous Materials

The Contractor shall comply with all Federal, State and local rules, regulations, ordinances, and statutes that apply to the handling, storage, and disposal of contaminated and hazardous materials. All work involving material containing asbestos must be performed in accordance with California Labor Code, Sections 6501.5 through 6510 and California Code of Regulations, Title 8, Section 5208 and any other pertinent regulations.

10-7.02 Hazardous Environments

Existing sewers and appurtenances exposed to sewage and industrial wastes are considered contaminated with disease-causing organisms. The Contractor shall advise all personnel (including Subcontractor personnel) in contact with contaminated facilities, debris, wastewater, or similar items of the necessary precautions to avoid disease. It is the Contractor's responsibility to urge all personnel to observe a strict regimen of proper hygienic precautions, including any inoculations recommended by the local public health officer.

10-8 USE OF EXPLOSIVES

The Contractor shall not use explosives on the Work unless the City grants permission in writing or the use of explosives is specified in the Contract Documents, and then only under such conditions as the City prescribes.

10-9 SANITARY REGULATIONS

The Contractor shall comply with all Federal, State and local rules, regulations, ordinances, and statutes with respect to sanitation. The Contractor shall obey and enforce such sanitary requirements, and shall take precautions against contagious or infectious diseases. Sanitary conveniences for the use of the workers shall be constructed or installed and maintained by the Contractor. The Contractor shall strictly enforce use of such facilities.

10-10 CONFINED SPACES

10-10.01 Contractor Responsibilities and Qualifications

When working in a confined space, the Contractor shall comply with all confined space requirements of Title 8, General Industry Safety Orders (Cal-OSHA), Article 108, Sections 5156 through 5159.

Prior to any confined space entry, the Contractor shall submit for City review a copy of the entry permit and associated documentation. The Contractor's submittal shall be made thirty (30) days prior to any confined space entry in accordance with Section 5-8, above.

The Contractor will not be allowed to make a permit-required confined space entry until the City has reviewed the Contractor's qualifications and proposed methods.

The Contractor shall conform to the procedures established by the Contractor's submittal during all confined space operations. Contractor shall provide all monitoring and safety equipment necessary to perform pre-entry checks of confined spaces. The Contractor shall also provide all monitoring, safety, and communications equipment required for confined space operations.

10-10.02 City Responsibilities for Permit Confined Spaces

The Contractor shall be provided with information regarding known hazards and known or potential permit spaces. After the City has reviewed the Contractor's submittal to perform permit-required confined space entry work, the Contractor will be provided with the following:

- Notification of the location, physical characteristics, known hazards, etc. regarding the permit-required confined space the Contractor anticipates entering.
- Information regarding safety items (e.g. nearby emergency equipment), precautions, procedures, safeguards, etc. installed or implemented and that may be available to the Contractor's employees in or near the permit-required confined space.

The City's failure to identify a confined space does not relieve the Contractor of the responsibility for compliance with the requirements of Article 108 (Cal-OSHA) and this Chapter.

10-10.03 Existing Sewers and Storm Drains

Because of the potential danger of solvents, gasoline, and other hazardous material in existing sewers and storm drain pipes, these areas shall be treated as permit-required confined spaces unless it has been proven, through appropriate testing, that no hazards exist or are expected to develop.

10-10.04 Joint City – Contractor Entries

Unless otherwise directed in writing by the City, when City employees work alongside the Contractor in a permit-required confined space, the permit procedures for both the City and the Contractor shall be used. The Entry Supervisor shall coordinate the requirements of both permit procedures prior to entry.

10-11 CLEANING UP

The Contractor shall keep the site in a neat and presentable condition. The Contractor shall dispose of surplus materials, clean out all drainage ditches and structures, and repair any fences or other property damaged during the progress of the Work. When material is disposed of outside of an easement, street, or highway right-of-way, or other City-owned properties, the Contractor shall do so in accordance with the Contract Documents.

10-12 ARCHEOLOGICAL AND CULTURAL RESOURCES

If archeological or cultural resources are discovered during the Work, the Contractor shall cease all construction operations in the vicinity of the discovery until a qualified archeologist can assess the value of these resources and make recommendations to the State Historic Preservation Officer. Archeological and cultural resources include artifacts, large amounts of bone, shell, or flaked stone, and other evidence of human activity. If the State Historic Preservation Officer or the City directs that work be temporarily ceased at the location of an archeological or cultural find, the Contractor shall temporarily suspend work at the location.

If the City or the State Historic Preservation Officer temporarily suspends a portion of the Work for cultural purposes, any associated delays are considered excusable in accordance with Section 7-12.02, “Excusable Delays”, above.

10-13 PROTECTION OF EXISTING TREES

Special attention shall be given to protection of certain native and ornamental trees or shrubs, landmark trees, and all native oak trees. Additional requirements for specific trees may be shown on the Plans, or designated in the Special Provisions or by the City. No native oak trees shall be removed or disturbed unless specifically designated for removal on the Plans or by the City. Every reasonable effort shall be made to avoid creating conditions adverse to the tree’s health. The natural ground three (3) fee outside of the drip line of protected trees shall remain as undisturbed as possible. All protected trees within the Work area that require pruning for construction clearance shall be pruned prior to commencement of construction. Native oak trees that require pruning of branches larger than two inches (2”) in diameter shall be pruned by a Certified Arborist.

CHAPTER 11 – PRECONSTRUCTION PHOTOGRAPHS AND RECORD DRAWINGS

TABLE OF CONTENTS

Section	Page
11-1 GENERAL	139
11-2 PRECONSTRUCTION PHOTOGRAPHS	139
11-3 RECORD DRAWINGS	139
11-4 MEASUREMENT AND PAYMENT	140

CHAPTER 11 PRECONSTRUCTION PHOTOGRAPHS AND RECORD DRAWINGS

11-1 GENERAL

Preconstruction photographs will only be required when specified in the Special Provisions. Record Drawings are required on all City Work, unless directed otherwise in writing by the City.

11-2 PRECONSTRUCTION PHOTOGRAPHS

Preconstruction digital photographs shall be taken by the Contractor at one-hundred foot (100') intervals along the route of the Work before any construction begins. The view in each photograph shall show the date; and include name of the Project, lateral or street, and applicable station designation in the form of a sign or legend in the record book. The views in preconstruction photographs shall include the entire construction zone and, in particular, show the interface between the right-of-way and construction zone, and abutting property features such as, but not limited to, condition of existing streets, sidewalks, driveways, fences, landscaping, buildings abutting work site, and existing surface utility facilities on and close to the Work. All essential features of the project area shall be shown accurately. The City may order additional photographs showing additional features or orientations, if the City determines that all essential features are not accurately or adequately shown.

11-3 RECORD DRAWINGS

The Contractor shall maintain a neat and accurately marked set of Record Drawings (as-builts), which shall be provided to the City for review and approval prior to final acceptance of the Work. The Record Drawings shall represent the Work as constructed and document changes to the Work shown on the Project Plans, and shall show the actual as-constructed conditions of installed or modified systems, equipment, and material.

Record Drawings shall be produced by marking a full size copy of the Project Plans as follows:
Red - Additions including notes and dimensions.
Green - Deletions (by hash marks or appropriate lines through the deletion.)
Graphite (gray) - General comments and notes used by Contractor or City and not required on the as-built.
Yellow – Work completed as shown and used by the City in field review of the as-built, during the submittal phase.
Blue – City verification and notes required to be added and noted by the City in review of the as-built, during submittal phase.

The Record Drawings shall show, by field measured dimensions, the exact locations of all underground work, including all sprinkler system piping and components, and the final elevations and locations of all improvements constructed, modified or adjusted. Record Drawings shall be available for inspection by the City at all times and shall be updated at least weekly with all changes pertinent to Field Directives, other written directives, RFI responses, and Change Orders shown thereon. Progress payments or portions thereof may be withheld if Record Drawings are not kept up to date.

Unless otherwise specified in the Special Provisions, the Contractor shall submit two (2) sets of Record Drawings to the City at the final inspection for review. Upon approval, the Contractor shall submit one paper set and electronic versions (AutoCAD, PDF, or TIF) on CD or flash drive. These Record Drawings shall include certification by the Contractor that the Record Drawings are a true representation of the Work as actually constructed. The Work will not be formally accepted until the Record Drawings are provided to and approved by the City. Final payment or a portion thereof may be withheld if final Record Drawings are not provided.

11-4 MEASUREMENT AND PAYMENT

When the Contract includes a separate item for preconstruction photographs, preconstruction photographs will be paid for at a lump sum price. The lump sum price paid for preconstruction photographs includes full compensation for furnishing all labor, materials, tools, equipment, and incidentals and for doing all the work involved in taking and submitting preconstruction photographs, or optional video tape, as specified in these Specifications and the Special Provisions, and as directed by the City. When the Contract does not include a payment item for preconstruction photographs, full compensation for preconstruction photographs is included in the prices paid for the various items of work and no separate payment will be made.

Full compensation for Record Drawings is included in the prices paid for the various items of work and no separate payment will be made.

BEAR ELECTRICAL SOLUTIONS

1252 State St, PO Box 924, Alviso, CA 95002-0924
Tel: 408-449-5178 Fax 408-449-5147

Revised

Contractors License No. 982079
A – General Engineering
C-10 Electrical
DIR # 1000002158

ESTIMATE No. **D1184**

PROPOSAL

DATE:	October 10, 2025	TO:	Andrew Lindner
FROM:	Devin Huntley	COMPANY:	City of Rocklin
PHONE:	408-483-6162	PHONE:	916-632-8520
EMAIL:	dhuntley@bear-electrical.com	EMAIL:	Andrew.Lindner@rocklin.ca.us

BID/ PROJECT: **Rocklin - Pacific St and Midas Ave Signal Pole**

ITEM	DESCRIPTION	UNIT	QTY	PRICE	TOTAL
1	**Temporary Traffic Signal System**	**LS**	**1**	**$ 41,000.00**	**$ 41,000.00**
2	**Permanent Traffic Signal System**	**LS**	**1**	**$ 130,000.00**	**$ 130,000.00**
3	**Install Traffic Signal Pole Foundation**	**LS**	**1**	**$ 18,750.00**	**$ 18,750.00**
				TOTAL:	**$ 189,750.00**

+ 1897.50
$191,647.50

INCLUSIONS:

- Per scope of work requested
- Provide temporary traffic signal solution
- Furnish and install signal pole, mast arm, and equipment
- Furnish and install conductors
- Install new foundation and demo the existing
- Restore stamped concrete and median
- Traffic control plans
- Traffic Control for our work
- Traffic Signal poles lead-time is approx. 6-7 months
- This quote is valid for 90 days

EXCLUSIONS:

- Staking and layout
- Testing and inspection fees
- Permits and bonds +$1897.50 for bonds
- Portable Changeable Message Signs
- Regulatory signs and striping
- On-site facilities for restroom/handwashing
- Handling of any hazardous materials and dust control

Please feel free to contact Devin Huntley for any questions regarding this quote.
Cell: (408) 483-6162

Kristie Martin

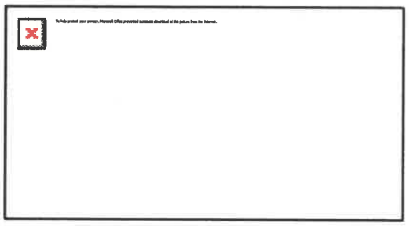
From: Daisy Galvan <dgalvan@bear-electrical.com>
Sent: Monday, October 13, 2025 3:12 PM
To: Kristie Martin
Cc: Andrew Lindner; Richard Lawrence; Karen Egyud
Subject: Re: FW: Rocklin - Pacific St and Midas Ave Signal Pole (Revised Quote)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Kristie,

It will increase a bit to $1,897.50. I appreciate you checking in on this!
Let me know if any further information is needed.

Daisy Galvan
Bear Electrical Solutions, LLC
1252 State Street
Alviso, CA 95002
Office: (408) 449-5178



On Mon, Oct 13, 2025 at 3:00 PM Kristie Martin <Kristie.Martin@rocklin.ca.us> wrote:

Hi Daisy,

Just to double check, with this price increase, is that going to increase the cost for the performance and payment bonds? I assume they would change with the overall price increase.

Thank you.

Kristie Martin | Administrative Technician
Department of Public Works | City of Rocklin
4081 Alvis Court | Rocklin, CA 95677
(916) 625-5500 | www.rocklin.ca.us

Kristie Martin

From: Kristie Martin
Sent: Tuesday, October 14, 2025 8:17 AM
To: Andrew Lindner
Subject: RE: Rocklin - Pacific St and Midas Ave Signal Pole (Revised Quote)

Perfect, thank you so much Andrew!

Kristie Martin | Administrative Technician
Department of Public Works | City of Rocklin
4081 Alvis Court | Rocklin, CA 95677
(916) 625-5500 | www.rocklin.ca.us
Direct (916) 625-5013 | kristie.martin@rocklin.ca.us

From: Andrew Lindner <Andrew.Lindner@rocklin.ca.us>
Sent: Tuesday, October 14, 2025 8:17 AM
To: Kristie Martin <Kristie.Martin@rocklin.ca.us>
Subject: RE: Rocklin - Pacific St and Midas Ave Signal Pole (Revised Quote)

Hey Kristie,

Justin and Rick were able to help me out and find the correct spec for the foundation work.

Here is the hyperlink: https://dot.ca.gov/-/media/dot-media/programs/design/documents/locked-2023-std-plans-dor-a11y.pdf

It is page 580, Sheet ES-7F.

I attached a copy of the spec also.

Thanks! Have a great day,

Andrew Lindner | Senior Traffic Control & Lighting Technician
Traffic Division | City of Rocklin
4081 Alvis Ct. | Rocklin, CA 95677
direct: (916) 705-8056 | **fax:** (916) 632-8520
Andrew.Lindner@rocklin.ca.us | **www.rocklin.ca.us**

From: Kristie Martin <Kristie.Martin@rocklin.ca.us>
Sent: Monday, October 13, 2025 3:42 PM
To: Andrew Lindner <Andrew.Lindner@rocklin.ca.us>
Subject: RE: Rocklin - Pacific St and Midas Ave Signal Pole (Revised Quote)

Sounds good, thank you Andrew!

City of Rocklin
Informal Bid Document

Department Public Works - Traffic Division **Requestor** Andrew Lindner / Rick Lawrence

Project or Job Description Pacific Street and Midas Ave Signal Pole Replacement

Account Code 525-907-6071 **Available Budget Amount** Insurance Claim Reimbursement

Quantity	Description of Goods or Services
1	Furnish and install custom signal pole, mast arm, and equipment to replace the signal pole that was
	damaged by a vehicle accident on Pacific Street and Midas Ave.
	Case # 25-230-15 DOI 08/18/2025

Informal Bids are Required for Purchases of Good & Services Between $10,000 and $75,000 and Public Works Projects up to $220,000. Written Scope of Work necessary. Minimum of three businesses shall be solicited and written quote requested.

If lowest bid is not from local vendor and the local vendor is within 5% of the lowest bid, the local vendor is given the opportunity to price match the lowest bid amount and so on. This does not apply to public works projects.

Vendor & Contact	Phone	Date Bid Received	Sole Source	Total Price (excluding tax)	Competitive Price (Local Vendor) (excluding tax)
Bear Electrical Solutions - Corey Snead	408-483-6162	09/19/25	N	$172,710.00	
M&M Electric - Audrey Daughtery	916-929-0150		N	No Bid	
Pacific Excavations - Peyton Gastelum	916-686-2800		N	No Bid	
St. Francis Electric - Monica Kint	510-639-0639		N	No Bid	
Tennyson Electric - Bid Coordinator	925-606-1038		N	No Bid	

Determining Factors Only Vendor - Lowest Bid **Price** $172,710.00

Vendor Selected: Bear Electrical Solutions, LLC. **Approved by:** Justin Martin **Date** 09/30/2025

Kristie Martin

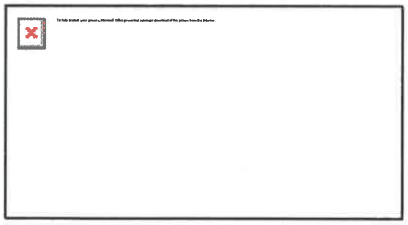
From: Daisy Galvan <dgalvan@bear-electrical.com>
Sent: Tuesday, September 30, 2025 8:27 AM
To: Kristie Martin
Cc: Andrew Lindner; Devin Huntley; Corey Snead; Jeff Gallegos; Justin Nartker; Karen Egyud; Richard Lawrence
Subject: Re: Rocklin - Pacific St and Midas Ave Signal Pole

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Kristie,

Thank you for clarifying! The estimated cost will be $1,710.00.

Thank you,
Daisy Galvan
Bear Electrical Solutions, LLC
1252 State Street
Alviso, CA 95002
Office: (408) 449-5178



On Tue, Sep 30, 2025 at 8:23 AM Kristie Martin <Kristie.Martin@rocklin.ca.us> wrote:

Hi Daisy,

I am jumping in here, we just need the amounts for the bonds as that was not included in the bid proposal. We are not at the contracting part yet, but we cannot move forward without the full amount of the project.

Thank you.

Kristie Martin | Administrative Technician
Department of Public Works | City of Rocklin
4081 Alvis Court | Rocklin, CA 95677
(916) 625-5500 | www.rocklin.ca.us

Direct (916) 625-5013 | kristie.martin@rocklin.ca.us

From: Daisy Galvan <dgalvan@bear-electrical.com>
Sent: Tuesday, September 30, 2025 7:53 AM
To: Andrew Lindner <Andrew.Lindner@rocklin.ca.us>
Cc: Devin Huntley <dhuntley@bear-electrical.com>; Corey Snead <csnead@bear-electrical.com>; Jeff Gallegos <jgallegos@bear-electrical.com>; Kristie Martin <Kristie.Martin@rocklin.ca.us>; Justin Nartker <Justin.Nartker@rocklin.ca.us>; Karen Egyud <Karen.Egyud@rocklin.ca.us>; Richard Lawrence <Richard.Lawrence@rocklin.ca.us>
Subject: Re: Rocklin - Pacific St and Midas Ave Signal Pole

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good morning Andrew,

Would the city like to use their bond forms or are surety forms okay? Also do you have a copy of the contract I can send to our broker?

Thank you,

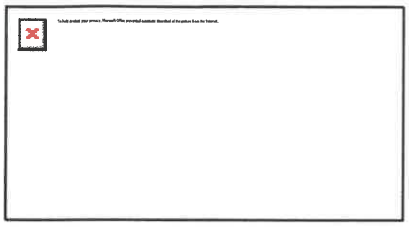
Daisy Galvan

Bear Electrical Solutions, LLC

1252 State Street

Alviso, CA 95002

Office: (408) 449-5178



On Tue, Sep 30, 2025 at 7:44 AM Devin Huntley <dhuntley@bear-electrical.com> wrote:

Good morning Daisy,

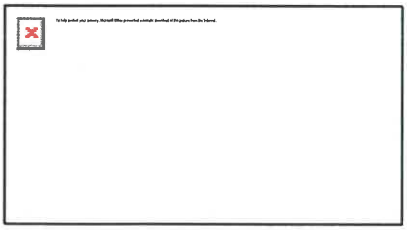
Please see below.

Thanks,

Devin Huntley
Bear Electrical Solutions, LLC.
5320 S. Watt Ave

Sacramento, CA 95826

Cell: (408) 483-6162



---------- Forwarded message ---------
From: **Andrew Lindner** <Andrew.Lindner@rocklin.ca.us>
Date: Mon, Sep 29, 2025 at 2:18 PM
Subject: RE: Rocklin - Pacific St and Midas Ave Signal Pole
To: Devin Huntley <dhuntley@bear-electrical.com>
Cc: Karen Egyud <Karen.Egyud@rocklin.ca.us>, Richard Lawrence <Richard.Lawrence@rocklin.ca.us>, Corey Snead <csnead@bear-electrical.com>, Jeff Gallegos <jgallegos@bear-electrical.com>, Kristie Martin <Kristie.Martin@rocklin.ca.us>, Justin Nartker <Justin.Nartker@rocklin.ca.us>

Hi Devin,

I am reaching out to follow up regarding the updated bid for the signal pole replacement at Pacific St and Midas Ave.

Before we can forward the proposal to the City Council, we require the inclusion of both the Performance Bond and Payment Bond amounts.

Your attention to this detail is crucial for advancing the process.

We appreciate your cooperation and patience as we navigate the procurement requirements.

Thank you for your prompt attention to this matter,

Andrew Lindner | Senior Traffic Control & Lighting Technician
Traffic Division | City of Rocklin
4081 Alvis Ct. | Rocklin, CA 95677
direct: (916) 705-8056 | **fax:** (916) 632-8520
Andrew.Lindner@rocklin.ca.us | **www.rocklin.ca.us**

From: Devin Huntley <dhuntley@bear-electrical.com>
Sent: Thursday, September 18, 2025 2:49 PM
To: Andrew Lindner <Andrew.Lindner@rocklin.ca.us>
Cc: Karen Egyud <Karen.Egyud@rocklin.ca.us>; Richard Lawrence <Richard.Lawrence@rocklin.ca.us>; Corey Snead <csnead@bear-electrical.com>; Jeff Gallegos <jgallegos@bear-electrical.com>
Subject: Rocklin - Pacific St and Midas Ave Signal Pole

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good afternoon,

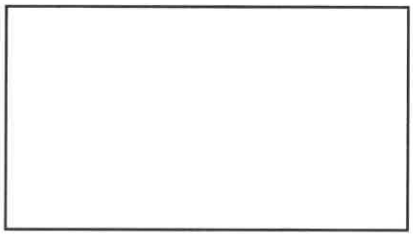
Please see the attached proposal. Should you have any questions, feel free to contact me. We appreciate the bid opportunity.

Thank you,

Devin Huntley
Bear Electrical Solutions, LLC.
5320 S. Watt Ave

Sacramento, CA 95826

Cell: (408) 483-6162



BEAR ELECTRICAL SOLUTIONS

1252 State St, PO Box 924, Alviso, CA 95002-0924
Tel: 408-449-5178 Fax 408-449-5147

Contractors License No. 982079
A – General Engineering
C-10 Electrical
DIR # 1000002158

ESTIMATE No. **D1184**

PROPOSAL

DATE:	September 19, 2025	TO:	Andrew Lindner
FROM:	Devin Huntley	COMPANY:	City of Rocklin
PHONE:	408-483-6162	PHONE:	916-632-8520
EMAIL:	dhuntley@bear-electrical.com	EMAIL:	Andrew.Lindner@rocklin.ca.us

BID/ PROJECT: **Rocklin - Pacific St and Midas Ave Signal Pole**

ITEM	DESCRIPTION	UNIT	QTY	PRICE	TOTAL
1	**Temporary Traffic Signal System**	LS	1	$ 41,000.00	$ 41,000.00
2	**Permanent Traffic Signal System**	LS	1	$ 130,000.00	$ 130,000.00
				TOTAL:	$ 171,000.00

INCLUSIONS:

- Per scope of work requested
- Provide temporary traffic signal solution
- Furnish and install signal pole, mast arm, and equipment
- Furnish and install conductors
- Restore stamped concrete and median
- Traffic control plans
- Traffic Control for our work
- Traffic Signal poles lead-time is approx. 6-7 months
- This quote is valid for 90 days

EXCLUSIONS:

- **Replacing the existing pole foundation**
- Staking and layout
- Testing and inspection fees
- Permits and bonds
- Portable Changeable Message Signs
- Regulatory signs and striping
- On-site facilities for restroom/handwashing
- Handling of any hazardous materials and dust control

Please feel free to contact Devin Huntley for any questions regarding this quote.
Cell: (408) 483-6162

Kristie Martin

From: Andrew Lindner
Sent: Monday, September 22, 2025 2:21 PM
To: Kristie Martin
Subject: FW: Informal Bid Pacific St and Midas Ave Signal Pole

Hey Kristie,

Sorry for the delay.

Here is the thread from the bidding process.

The people who were Bcc'd on this thread were:

Corey Snead – Bear Electric - csnead@bear-electrical.com

Daisy Galvan – Bear Electric - dgalvan@bear-electrical.com

Audrey Daughtery – M&M Electric - alynn@sacmmelectric.com

Jim Bolton – M&M Electric - jim@sacmmelectric.com

Peyton Gastelum - Pacific Excavations - peyton@pacificexcavation.com

Tagen Kim – Pacific Excavations - tkim@pacificexcavation.com

Monica Kint – St Francis Electric - mkint@sfe-inc.com

Ann Lanza – St Francis Electric - alanza@sfe-inc.com

Bid Coordinator – Tennyson Electric - estimating@tennysonelec.com

Bid Assistant – Tennyson Electric - bidassistant@tennysonelec.com

I was able to touch base with Bear Electric this afternoon regarding the questions we had this morning.

They are going to send me a bid update with the bonds included.
I am waiting to hear back about how many working days they will need.

I'm sure I missed something, so if you need anything else, just let me know.

Thanks,

Andrew Lindner | Senior Traffic Control & Lighting Technician
Traffic Division | City of Rocklin
4081 Alvis Ct. | Rocklin, CA 95677
direct: (916) 705-8056 | **fax:** (916) 632-8520
Andrew.Lindner@rocklin.ca.us | **www.rocklin.ca.us**

From: Andrew Lindner <Andrew.Lindner@rocklin.ca.us>
Sent: Thursday, September 4, 2025 2:49 PM
To: Andrew Lindner <Andrew.Lindner@rocklin.ca.us>
Cc: Richard Lawrence <Richard.Lawrence@rocklin.ca.us>; Karen Egyud <Karen.Egyud@rocklin.ca.us>
Subject: RE: Informal Bid Pacific St and Midas Ave Signal Pole

Good afternoon All,

Please be advised that the due date for the bid below has been extended to September 19, 2025 by 8:30 a.m.

ALL BIDS ARE DUE NO LATER THAN ~~08/29/2025 9/05/2025~~ 09/19/2025 AT 8:30 AM TO BE CONSIDERED. NO LATE BIDS.

Thank you

Andrew Lindner | Senior Traffic Control & Lighting Technician
Traffic Division | City of Rocklin
4081 Alvis Ct. | Rocklin, CA 95677
direct: (916) 705-8056 | **fax:** (916) 632-8520
Andrew.Lindner@rocklin.ca.us | **www.rocklin.ca.us**

From: Naz Lazar <Naz.Lazar@rocklin.ca.us>
Sent: Thursday, August 21, 2025 9:20 AM
To: Naz Lazar <Naz.Lazar@rocklin.ca.us>
Cc: Andrew Lindner <Andrew.Lindner@rocklin.ca.us>; Richard Lawrence <Richard.Lawrence@rocklin.ca.us>; Karen Egyud <Karen.Egyud@rocklin.ca.us>
Subject: RE: Informal Bid Pacific St and Midas Ave Signal Pole
Importance: High

Good morning,

We are making some changes to the request below, as well as extending the deadline another week. Please see changes in red below, as well as paying specific attention to the City's liability insurance requirements in the included attachment.

I apologize for the confusion and again, I appreciate your time and consideration.

Naz Lazar | Supervisor
Traffic Division | City of Rocklin
4081 Alvis Ct. | Rocklin, CA 95677
direct: (916) 625-5567 | **fax:** (916) 632-8520
naz.lazar@rocklin.ca.us | **www.rocklin.ca.us**

From: Naz Lazar
Sent: Tuesday, August 19, 2025 2:51 PM
To: Naz Lazar <Naz.Lazar@rocklin.ca.us>
Cc: Andrew Lindner <Andrew.Lindner@rocklin.ca.us>; Richard Lawrence <Richard.Lawrence@rocklin.ca.us>; Karen Egyud <Karen.Egyud@rocklin.ca.us>
Subject: Informal Bid Pacific St and Midas Ave Signal Pole
Importance: High

Good afternoon,

The City of Rocklin is seeking an informal bid to replace a traffic signal pole, mast arm, and all equipment that was attached, (signal heads, PPB's, signs, IISNS, and preemption). **This will be a Lump Sum bid** in two phases to allow progress billing.

1) Temporary Traffic Signal System = Lump Sum Price.
2) Permanent Traffic Signal System = Lump Sum Price

Total = Sum of items 1 and 2.

You will be competing with four others for this project.

Project Location:

- Southwest pole at the intersection of Pacific St and Midas Ave. Please refer to the attached PDF for details on Pole G.
- Note that the existing double mast arm and signal equipment have been removed, although the signal pole remains.

Scope of Work:

Temporary Traffic Signal System

- Develop and implement a traffic control plan, which must be approved prior to commencing work. The City allows for night work to minimize disruption.
- Provide a temporary traffic signal solution. This can be a temporary mobile signal unit, ~~or~~ a temporary pole and mast arm, with signal heads, ensuring compatibility with the current bolt circle, please note that foundation bolts are buried under concrete in the raised median, or a temporary wood pole, span wire, and signal heads.
- Remove the existing signal pole and luminaire.

Permanent Traffic Signal System

- Furnish and install the replacement pole and equipment. The new pole must match the one at the northeast corner (see attached PDF for Pole C), which is the newest at the intersection.
- Pull and splice new wire for all affected equipment.
- Restore the stamped concrete and median to its original condition.
- Removal of Temporary Traffic Signal System.

Please Note the Following Requirements:

- A performance bond is required for all informal projects.
- A payment bond is required if the project cost exceeds $25,000. Ensure to include the appropriate bonding costs in your bid.
- Meeting the City's insurance requirements.

ALL BIDS ARE DUE NO LATER THAN ~~08/29/2025~~ 09/05/2025 AT 8:30 AM TO BE CONSIDERED. NO LATE BIDS.

Thank you for considering this project, and we appreciate your time and attention.

ROCKLIN
CALIFORNIA

Naz Lazar | Supervisor
Traffic Division | City of Rocklin
4081 Alvis Ct. | Rocklin, CA 95677
direct: (916) 625-5567 | **fax:** (916) 632-8520
naz.lazar@rocklin.ca.us | **www.rocklin.ca.us**

City Council Special Staff Report

Subject: Annexation Into Community Facilities District No. 1 (College Park South (C-2 East and West))

Date: November 18, 2025

Submitted By: Megan Bressem, Management Analyst
Daniel Choe, Administrative Services Deputy Director

Department: Administrative Services - Finance

Recommendation:
Conduct a Public Hearing and Consider the Following Actions:

A. Adopt a Resolution of the City Council of the City of Rocklin of Annexation of Territory to Community Facilities District No. 1 (Annexation No. 95), Authorizing the Levy of a Special Tax, and Submitting Levy of Tax to Qualified Electors (College Park South (C-2 East and West), APNs 045-131-015-000 and 045-131-016-000).
B. Adopt a Resolution of the City Council of the City of Rocklin Declaring Results of Special Annexation Election, Determining Validity of Prior Proceedings, and Directing Recording of Amended Notice of Special Tax Lien Pertaining to Community Facilities District No. 1 (Annexation No. 95) (College Park South (C-2 East and West), APNs 045-131-015-000 and 045-131-016-000).

Background:
On October 14, 2025, the City Council adopted Resolution No. 2025-215, a Resolution of Intention to Annex Territory to Rocklin Community Facilities District (CFD) No. 1 (Annexation No. 95) and to Authorize the Levy of Special Taxes Therein regarding College Park South (C-2 East and West). College Park South (C-2 East and West) includes both commercial and residential development and is located on the southerly side of Rocklin Road, east of El Don Drive (Assessor's Parcel Numbers 045-131-015-000 and 045-131-016-000). A map of the annexation area is included as Attachment 3. A Notice of Public Hearing was published in the Placer Herald on October 24, 2025.

The development of College Park South (C-2 East and West) is conditioned on, among other things, annexation into CFD No. 1. CFD No. 1 provides financing for the operation and maintenance of fire protection and suppression services and paramedic services.

There are two resolutions for City Council consideration. Resolution A (Attachment 1) finds that no majority protest exists, orders the annexation, and authorizes the levy of the special tax, subject to approval by a two-thirds vote of the landowners.

In anticipation of approval of the annexation, the election has already occurred, and Resolution B (Attachment 2) approves the canvass of the election, declares the results of the election, and orders the recording of the amended notice of special tax lien, which gives notice that the land within the project area is now subject to the special tax.

Fiscal Impact:
There is no direct fiscal impact to the General Fund from the staff recommendation. Adoption of the attached resolutions will allow special taxes to be levied and collected for CFD No. 1 to pay for services provided to the annexation territory.

ATTACHMENTS:
1. Resolution A - Levy of Special Taxes
2. Resolution B - Annexation Election
3. Annexation Map

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN
OF ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 1
(ANNEXATION NO. 95), AUTHORIZING THE LEVY OF A SPECIAL TAX, AND
SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS
(College Park South (C-2 East and West),
APNs 045-131-015-000 and 045-131-016-000)

BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The City Council of the City of Rocklin hereby finds as follows:

1. The City Council on October 14, 2025 adopted Resolution No. 2025-215 (the "Resolution of Intention") stating its intention to annex the territory to the City's Community Facilities District No. 1 (Annexation No. 95) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act");

2. 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 facilities and/or services to be provided and the rate and method of apportionment of the special tax to be levied within the CFD to pay for fire prevention and suppression services and ambulance and paramedic services, is on file with the City Clerk and the provisions thereof are fully incorporated herein by this reference as if fully set forth herein;

3. On the date hereof, this City 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;

4. 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;

5. 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;

6. Annexation Map No. 95 to the CFD, has been filed with the County Recorder of the County of Placer, which map shows the territory to be annexed in these proceedings, and a copy thereof is on file with the City Clerk; and

7. All prior proceedings taken by this City 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.

Section 2. The description and map of the boundaries of the territory to be annexed to the CFD, as described in said Annexation Map No. 95 to the CFD on file with the City 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.

Section 3. The provisions of the Resolution of Intention as heretofore adopted by this City Council are by this reference incorporated herein, as if fully set forth herein.

Section 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.

Section 5. This City 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 City Council for the purposes of these annexation proceedings. Accordingly, and pursuant to Section 53326 of the Act, this City 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.

Section 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 City Council hereby determines that paragraphs (a), (b), (c)(1) and (2) of said Section 4000 are applicable to this election.

Section 7. The City 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 November 18, 2025, in the meeting place of this City Council, City Council Chambers, 3970 Rocklin Road, Rocklin, California.

Section 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.

Section 9. The City Clerk shall accept the ballots of the qualified electors received prior to 5:00 p.m. on November 18, 2025 whether received by mail or by personal delivery.

Section 10. This City 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 herein above specified is established accordingly.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

EXHIBIT A

City of Rocklin
Community Facilities District No. 1 (Annexation No. 95)
College Park South (C-2 East and West)

OFFICIAL BALLOT
SPECIAL TAX ANNEXATION ELECTION

This ballot is for the special landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Rocklin no later than 5:00 p.m. on November 18, 2025, either by mail or in person. The City Clerk's office is located at 3970 Rocklin Road, Rocklin, California 95677.

To Vote, mark a cross (X) in the voting square 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 of the City of Rocklin and obtain another.

BALLOT MEASURE: Shall the City of Rocklin, by and for its Community Facilities District No. 1 (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in Resolution No. 2025-215 of the City of Rocklin, adopted by its Council on October 14, 2025?	YES:_____
	NO:_____

By execution in the space provided below, you also confirm your waiver of the time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Sections 53326(a) and 53327(b) of the California Government Code.

Number of Votes: 8
Property Owner: Sierra Holding 703, L. P.

Name: Sierra Holding 703, L. P.
Address: 3200 Douglas Blvd, Suite 200
Roseville, CA 95661

By:_____
Print Name

_____
Signature
Title:_____

City of Rocklin
Community Facilities District No. 1 (Annexation No. 95)
College Park South (C-2 East and West)

OFFICIAL BALLOT
SPECIAL TAX ANNEXATION ELECTION

This ballot is for the special landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Rocklin no later than 5:00 p.m. on November 18, 2025, either by mail or in person. The City Clerk's office is located at 3970 Rocklin Road, Rocklin, California 95677.

To Vote, mark a cross (X) in the voting square 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 of the City of Rocklin and obtain another.

BALLOT MEASURE: Shall the City of Rocklin, by and for its Community Facilities District No. 1 (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in Resolution No. 2025-215 of the City of Rocklin, adopted by its Council on October 14, 2025?	YES:_____
	NO:_____

By execution in the space provided below, you also confirm your waiver of the time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Sections 53326(a) and 53327(b) of the California Government Code.

Number of Votes: 9
Property Owner: Sierra College Enterprise Services

Name: Sierra College Enterprise Services
Address: 5100 Sierra College Blvd
Rocklin, CA 95677

By:_____
Print Name

_____
Signature

Title:_____

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN PERTAINING TO COMMUNITY FACILITIES DISTRICT NO. 1 (ANNEXATION NO. 95)
(College Park South (C-2 East and West),
APNs 045-131-015-000 and 045-131-016-000)

BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The City Council of the City of Rocklin finds as follows:

1. In proceedings heretofore conducted by the City Council pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), this City 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. 1 (Annexation No. 95) (the "CFD");

2. 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,

3. This City Council has reviewed the Canvass and hereby approves it.

Section 2. 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 City Council as described in Resolution No. 2025-215, the Resolution of Intention.

Section 3. Pursuant to the Canvass on file with the City Clerk, the issue presented at the special election was approved by the landowner-voter being the qualified electors of the territory annexed to the CFD by more than two-thirds of the qualified electors voting at the special election.

Section 4. Pursuant to the voter approval, the annexed territory to the CFD is hereby declared to be fully annexed to and part of the CFD and this City Council may levy special taxes therein as heretofore provided in these proceedings.

Section 5. It is hereby found that all prior proceedings and actions taken by this City Council pursuant to the CFD and the territory annexed thereto were valid and in conformity with the Act.

Section 6. 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.

PASSED AND ADOPTED this 18th day of November, 2025 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

EXHIBIT A

City of Rocklin
Community Facilities District No. 1 (Annexation No. 95)
College Park South (C-2 East and West)

CANVASS AND STATEMENT OF RESULT OF ELECTION

I hereby certify that on this date, I canvassed the returns of the election held on this date in the territory annexed to Community Facilities District No. 1 (Annexation No. 95) of the City of Rocklin, 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 Rocklin Community Facilities District No. 1 Annexation No. 95 Special Tax Annexation Election, November 18, 2025	17	_____	_____	_____

BALLOT MEASURE: Shall the City of Rocklin, by and for its Community Facilities District No. 1 (Annexation No. 95) (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in Resolution No. 2025-215 of the City of Rocklin, adopted by its Council on October 14, 2025?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 18th day of November, 2025.

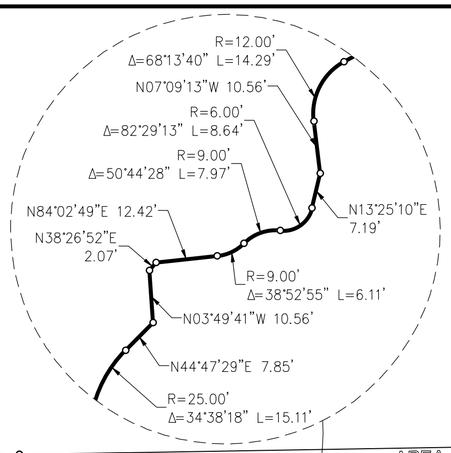
CITY OF ROCKLIN

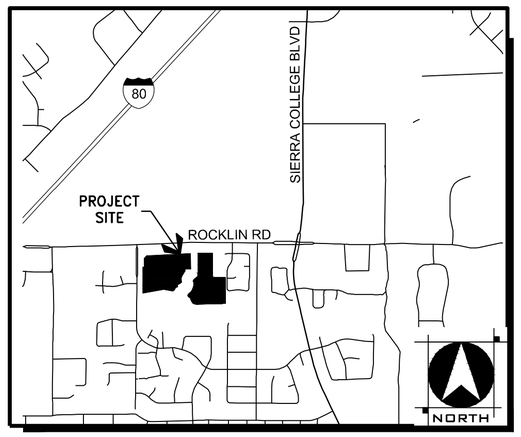
By:_____
Avinta Singh, City Clerk

COLLEGE PARK SOUTH C-2 EAST AND WEST ANNEXATION MAP NO. 95 OF COMMUNITY FACILITIES DISTRICT NO. 1

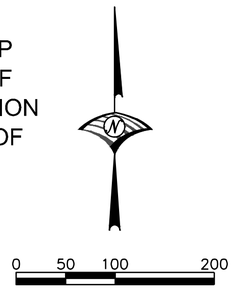
BEING A PORTION OF PARCELS 3 AND 4 OF THAT CERTAIN PARCEL MAP ENTITLED "COLLEGE PARK SOUTH", FILED FOR RECORD IN BOOK 36 OF PARCEL MAPS, AT PAGE 107, PLACER COUNTY RECORDS, BEING A PORTION OF SECTION 20, TOWNSHIP 11 NORTH, RANGE 7 EAST, M.D.B.&M., CITY OF ROCKLIN , COUNTY OF PLACER, STATE OF CALIFORNIA

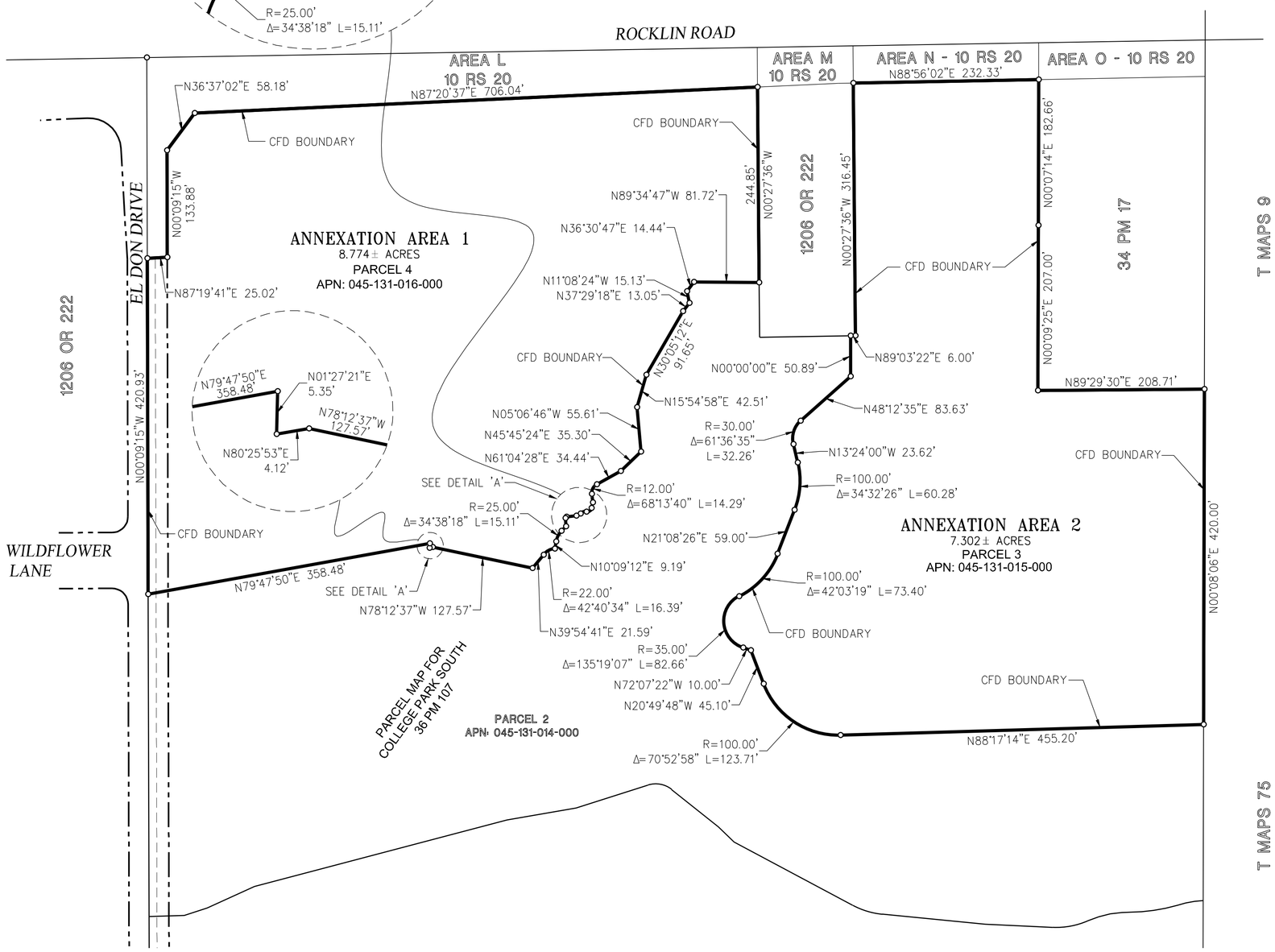
OCTOBER, 2025





NOT TO SCALE VICINITY MAP





NOTES:

REFERENCE IS HEREBY MADE TO THAT CERTAIN MAP ENTITLED "PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 1, CITY OF ROCKLIN, COUNTY OF PLACER, STATE OF CALIFORNIA," FILED THE 3RD DAY OF APRIL, 1987, AT THE HOUR OF 9:12 A.M. IN BOOK 1 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT, AT PAGE 2, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, WHICH THIS ANNEXATION MAP AFFECTS.

CITY CLERKS STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROCKLIN, COUNTY OF PLACER, STATE OF CALIFORNIA, THIS _____ DAY OF _____, 2025.

_____ _____
AVINTA SINGH DATE
CITY CLERK OF THE CITY OF ROCKLIN

CITY COUNCIL'S STATEMENT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 95 TO COMMUNITY FACILITIES DISTRICT NO.1 CITY OF ROCKLIN, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF CITY OF ROCKLIN, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2025, BY ITS RESOLUTION NO. _____

_____ _____
AVINTA SINGH DATE
CITY CLERK OF THE CITY OF ROCKLIN

RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 2025, AT THE HOUR OF _____O'CLOCK ___M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF PLACER, STATE OF CALIFORNIA

RYAN RONCO
COUNTY RECORDER OF PLACER COUNTY

BY:_____
DEPUTY

FILE NO._____ FEE:_____

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

OCTOBER 2025 SHEET 1 OF 1

City Council Special Staff Report

Subject: Annexation Into Community Facilities District No. 5 (College Park South (C-2 East and West))

Date: November 18, 2025

Submitted By: Megan Bressem, Management Analyst
Daniel Choe, Administrative Services Deputy Director

Department: Administrative Services - Finance

Recommendation:
Conduct a Public Hearing and Consider the Following Actions:

A. Adopt a Resolution of the City Council of the City of Rocklin of Annexation of Territory to Community Facilities District No. 5 (Annexation No. 81), Authorizing the Levy of a Special Tax, and Submitting Levy of Tax to Qualified Electors (College Park South (C-2 East and West), APNs 045-131-015-000 and 045-131-016-000).
B. Adopt a Resolution of the City Council of the City of Rocklin Declaring Results of Special Annexation Election, Determining Validity of Prior Proceedings, and Directing Recording of Amended Notice of Special Tax Lien Pertaining to Community Facilities District No. 5 (Annexation No. 81) (College Park South (C-2 East and West), APNs 045-131-015-000 and 045-131-016-000).

Background:
On October 14, 2025, the City Council adopted Resolution No. 2025-216, a Resolution of Intention to Annex Territory to Rocklin Community Facilities District (CFD) No. 5 (Annexation No. 81) and to Authorize the Levy of Special Taxes Therein regarding College Park South (C-2 East and West). College Park South (C-2 East and West) includes both commercial and residential development and is located on the southerly side of Rocklin Road, east of El Don Drive (Assessor's Parcel Numbers 045-131- 015-000 and 045-131-016-000). A map of the annexation area is included as Attachment 3. A Notice of Public Hearing was published in the Placer Herald on October 24, 2025.

The development of College Park South (C -2 East and West) is conditioned on, among other things, annexation into CFD No. 5. CFD No. 5 finances the operation and maintenance of publicly owned parks, parkways, landscaping and street/parkway lighting.

There are two resolutions for City Council consideration. Resolution A (Attachment 1) finds that no majority protest exists, orders the annexation, and authorizes the levy of the special tax, subject to approval by a two-thirds vote of the landowners.

In anticipation of approval of the annexation, the election has already occurred, and Resolution B (Attachment 2) approves the canvass of the election, declares the results of the election, and orders the recording of the amended notice of special tax lien, which gives notice that the land within the project area is now subject to the special tax.

Fiscal Impact:
There is no direct fiscal impact to the General Fund from the staff recommendation. Annexation into CFD No. 5 would allow special taxes to be levied and collected to pay for services provided to the annexation territory.

ATTACHMENTS:
1. Resolution A - Levy of Special Taxes
2. Resolution B - Annexation Election
3. Annexation Map

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN
OF ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 5
(ANNEXATION NO. 81), AUTHORIZING THE LEVY OF A SPECIAL TAX, AND
SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS
(College Park South (C-2 East and West),
APNs 045-131-015-000 and 045-131-016-000)

BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The City Council of the City of Rocklin hereby finds as follows:

1. The City Council on October 14, 2025, adopted Resolution No. 2025-216 (the "Resolution of Intention") stating its intention to annex the territory to the City's Community Facilities District No. 5 (Annexation No. 81) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act");

2. 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 facilities and/or services to be provided and the rate and method of apportionment of the special tax to be levied within the CFD to pay for operation and maintenance of publicly owned parks, parkways, landscaping and street/parkway lighting, is on file with the City Clerk and the provisions thereof are fully incorporated herein by this reference as if fully set forth herein;

3. On the date hereof, this City 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;

4. 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;

5. 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;

6. Annexation Map No. 81 to the CFD, has been filed with the County Recorder of the County of Placer, which map shows the territory to be annexed in these proceedings, and a copy thereof is on file with the City Clerk; and

7. All prior proceedings taken by this City 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.

Section 2. The description and map of the boundaries of the territory to be annexed to CFD, as described in said Annexation Map No. 81 to the CFD on file with the City 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.

Section 3. The provisions of the Resolution of Intention as heretofore adopted by this City Council are by this reference incorporated herein, as if fully set forth herein.

Section 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.

Section 5. This City 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 City Council for the purposes of these annexation proceedings. Accordingly, and pursuant to Section 53326 of the Act, this City 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.

Section 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 City Council hereby determines that paragraphs (a), (b), (c)(1) and (2) of said Section 4000 are applicable to this election.

Section 7. The City 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 November 18, 2025, in the regular meeting place of this City Council, City Council Chambers, 3970 Rocklin Road, Rocklin, California.

Section 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.

Section 9. The City Clerk shall accept the ballots of the qualified electors received prior to 5:00 p.m. on November 18, 2025, whether received by mail or by personal delivery.

Section 10. This City 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 herein above specified is established accordingly.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

EXHIBIT A

City of Rocklin
Community Facilities District No. 5 (Annexation No. 81)
College Park South (C-2 East and West)

OFFICIAL BALLOT
SPECIAL TAX ANNEXATION ELECTION

This ballot is for the special landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Rocklin no later than 5:00 p.m. on November 18, 2025, either by mail or in person. The City Clerk's office is located at 3970 Rocklin Road, Rocklin, California 95677.

To Vote, mark a cross (X) in the voting square 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 of the City of Rocklin and obtain another.

BALLOT MEASURE: Shall the City of Rocklin, by and for its Community Facilities District No. 5 (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in Resolution No. 2025-216 of the City of Rocklin, adopted by its Council on October 14, 2025?	YES:_____
	NO:_____

By execution in the space provided below, you also confirm your waiver of the time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Sections 53326(a) and 53327(b) of the California Government Code.

Number of Votes: 8
Property Owner: Sierra Holding 703, L. P.

Name: Sierra Holding 703, L. P.
Address: 3200 Douglas Blvd, Suite 200
Roseville, CA 95661

By:_____
Print Name

_____
Signature
Title:_____

City of Rocklin
Community Facilities District No. 5 (Annexation No. 81)
College Park South (C-2 East and West)

OFFICIAL BALLOT
SPECIAL TAX ANNEXATION ELECTION

This ballot is for the special landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Rocklin no later than 5:00 p.m. on November 18, 2025, either by mail or in person. The City Clerk's office is located at 3970 Rocklin Road, Rocklin, California 95677.

To Vote, mark a cross (X) in the voting square 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 of the City of Rocklin and obtain another.

BALLOT MEASURE: Shall the City of Rocklin, by and for its Community Facilities District No. 5 (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in Resolution No. 2025-216 of the City of Rocklin, adopted by its Council on October 14, 2025?	YES:_____
	NO:_____

By execution in the space provided below, you also confirm your waiver of the time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Sections 53326(a) and 53327(b) of the California Government Code.

Number of Votes: 9
Property Owner: Sierra College Enterprise Services

Name: Sierra College Enterprise Services
Address: 5100 Sierra College Blvd
Rocklin, CA 95677

By:_____
Print Name

_____
Signature

Title:_____

RESOLUTION NO. 2025-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN PERTAINING TO COMMUNITY FACILITIES DISTRICT NO. 5 (ANNEXATION NO. 81)
(College Park South (C-2 East and West),
APNs 045-131-015-000 and 045-131-016-000)

BE IT RESOLVED by the City Council of the City of Rocklin as follows:

Section 1. The City Council of the City of Rocklin finds as follows:

1. In proceedings heretofore conducted by the City Council pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), this City 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. 5 (Annexation No. 81) (the "CFD");

2. 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,

3. This City Council has reviewed the Canvass and hereby approves it.

Section 2. 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 City Council as described in Resolution No. 2025-216, the Resolution of Intention.

Section 3. Pursuant to the Canvass on file with the City Clerk, the issue presented at the special election was approved by the landowner-voter being the qualified electors of the territory annexed to the CFD by more than two-thirds of the qualified electors voting at the special election.

Section 4. Pursuant to the voter approval, the annexed territory to the CFD is hereby declared to be fully annexed to and part of the CFD and this City Council may levy special taxes therein as heretofore provided in these proceedings.

Section 5. It is hereby found that all prior proceedings and actions taken by this City Council pursuant to the CFD and the territory annexed thereto were valid and in conformity with the Act.

Section 6. 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.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

EXHIBIT A

City of Rocklin
Community Facilities District No. 5 (Annexation No. 81)
College Park South (C-2 East and West)

CANVASS AND STATEMENT OF RESULT OF ELECTION

I hereby certify that on this date, I canvassed the returns of the election held on this date in the territory annexed to Community Facilities District No. 5 (Annexation No. 81) of the City of Rocklin, 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 Rocklin Community Facilities District No. 5 Annexation No. 81 Special Tax Annexation Election, November 18, 2025	17	_____	_____	_____

BALLOT MEASURE: Shall the City of Rocklin, by and for its Community Facilities District No. 5 (Annexation No. 81) (the "CFD"), be authorized to levy special taxes within the territory annexed to the CFD pursuant to and as described in Resolution No. 2025-216 of the City of Rocklin, adopted by its Council on October 14, 2025?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 18th day of November, 2025.

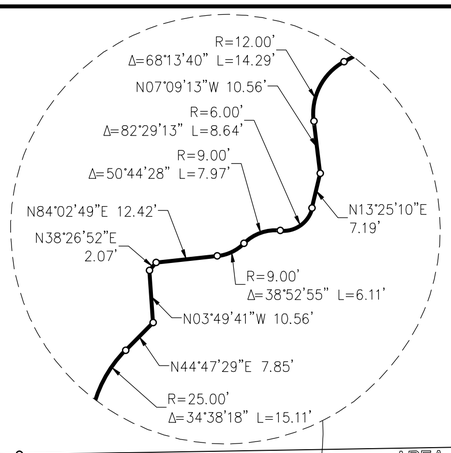
CITY OF ROCKLIN

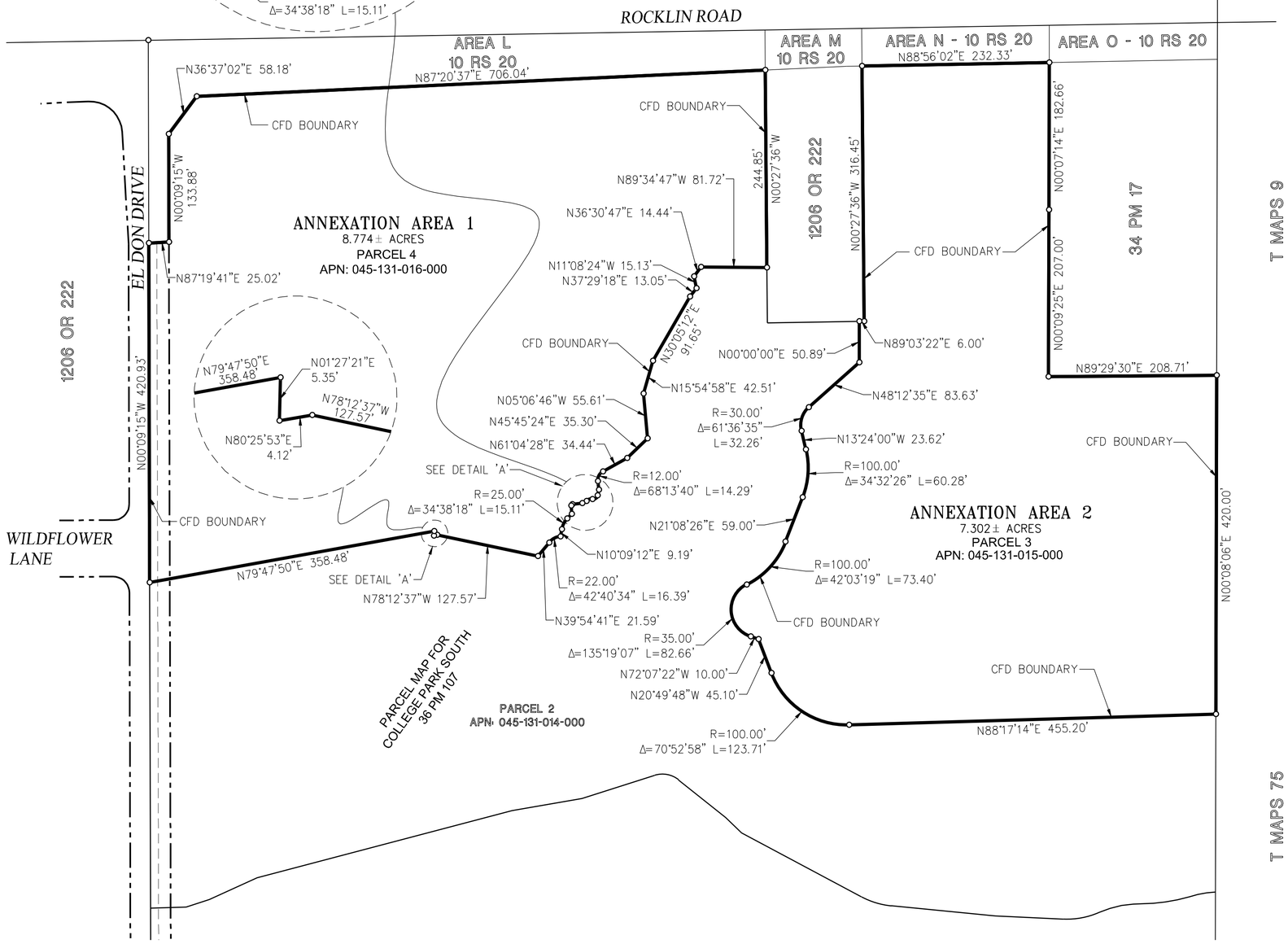
By:_____
Avinta Singh, City Clerk

COLLEGE PARK SOUTH C-2 EAST AND WEST ANNEXATION MAP NO. 81 OF COMMUNITY FACILITIES DISTRICT NO. 5

BEING A PORTION OF PARCELS 3 AND 4 OF THAT CERTAIN PARCEL MAP ENTITLED "COLLEGE PARK SOUTH", FILED FOR RECORD IN BOOK 36 OF PARCEL MAPS, AT PAGE 107, PLACER COUNTY RECORDS, BEING A PORTION OF SECTION 20, TOWNSHIP 11 NORTH, RANGE 7 EAST, M.D.B.&M., CITY OF ROCKLIN , COUNTY OF PLACER, STATE OF CALIFORNIA

OCTOBER, 2025

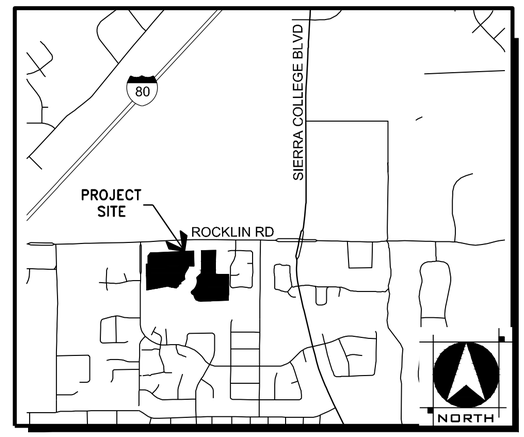






0 50 100 200

SCALE:1"= 100'



NOT TO SCALE VICINITY MAP

NOTES:

REFERENCE IS HEREBY MADE TO THAT CERTAIN MAP ENTITLED "PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 5, CITY OF ROCKLIN, COUNTY OF PLACER, STATE OF CALIFORNIA," FILED THE 13TH DAY OF SEPTEMBER, 1996, AT THE HOUR OF 2:06 P.M. IN BOOK 3 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT, AT PAGE 4, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, WHICH THIS ANNEXATION MAP AFFECTS.

CITY CLERKS STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROCKLIN, COUNTY OF PLACER, STATE OF CALIFORNIA, THIS _____ DAY OF _____, 2025.

_____ _____
AVINTA SINGH DATE
CITY CLERK OF THE CITY OF ROCKLIN

CITY COUNCIL'S STATEMENT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 81 TO COMMUNITY FACILITIES DISTRICT NO.5 CITY OF ROCKLIN, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF CITY OF ROCKLIN, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2025, BY ITS RESOLUTION NO. _____

_____ _____
AVINTA SINGH DATE
CITY CLERK OF THE CITY OF ROCKLIN

RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 2025, AT THE HOUR OF _____O'CLOCK ___M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF PLACER, STATE OF CALIFORNIA

RYAN RONCO
COUNTY RECORDER OF PLACER COUNTY

BY:_____
DEPUTY

FILE NO._____ FEE:_____

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

OCTOBER 2025 SHEET 1 OF 1

City Council Special Staff Report

Subject: Affordable Housing Agreements with Community HousingWorks for the Development of an Affordable Housing Project at Oak, Pine and Pacific Streets

Date: November 18, 2025

Submitted By: Elizabeth Sorg, Assistant to the City Manager
Andrew Keys, Assistant City Manager
Aly Zimmermann, City Manager

Department: City Manager's Office

Recommendation:
Conduct a Public Hearing and Consider the Following Actions:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving an Amended and Restated Affordable Housing Agreement By and Between the City and Pacific Street Housing Associates Four, L.P., a California Limited Partnership.
B. Adopt a Resolution of the City Council of the City of Rocklin Approving an Affordable Housing Agreement By and Between the City and Pacific Street Housing Associates Nine, L.P., a California Limited Partnership.

Background:
Project Background Information - Original Site and Original Affordable Housing Agreement
The City of Rocklin owns multiple properties bounded by Railroad Avenue on the west, Pine Street on the north, Pacific Street on the east and Oak Street on the south. A site map is included for reference as Attachment 8. The approximately 2.8-acre site is comprised of Assessor's Parcel Numbers 010-121-001, -002, -004, -005, -006, and 010-040-039. These parcels are referred to in this staff report as the Original Site. The Original Site has previously been designated as surplus to be disposed in accordance with the requirements of the Surplus Land Act (Sections 54220-54234 of the California Government Code; herein, together with the implementing Guidelines as referenced below, the Surplus Land Act). The intention of the City has been to use the Original Site, by means of a sale or ground lease, for the development of affordable rental housing.

The City completed the Surplus Land Act process to solicit proposal from firms interested in constructing affordable housing on the Original Site. Several proposals were received. As a result of that process, Community HousingWorks (CHW) was selected to develop the subject property.

At the September 27, 2022 City Council meeting, the City Council authorized and approved issuance of a Preliminary Commitment Letter with CHW with respect to the development of the Original Site for affordable rental housing. The Preliminary Commitment Letter committed Two Million Six Hundred Thousand Dollars ($2,600,000) of Low- and Moderate-Income Housing Asset Funds maintained by the City, subject to the parties entering into a binding agreement containing conditions to disbursement customary in affordable housing agreements. The Preliminary Commitment Letter indicated that the City intended to further negotiate a comprehensive transactional agreement with CHW under which the disposition of a leasehold interest for development of affordable rental housing (the Affordable Housing Agreement, as described below) would be carried out.

At the November 8, 2022 City Council meeting, the City Council approved an Affordable Housing Agreement (the Original AHA) between the City and CHW for the development of 109 units of affordable rental housing, plus one manager's unit, on the Original Site. The Original AHA contemplated that the City would ground lease the Original Site to CHW or a subsidiary(s) formed by CHW to implement parts of the development of the Original Site.

Project Review and Approvals

In November 2023, CHW submitted its first design set to the City for review. On March 7, 2024 the project was considered by the Architectural Review Committee (ARC). Prior to the meeting, a sign was posted on the site to notify the public of the meeting. The ARC recommended the project architecture for approval, subject to feedback provided by the ARC. Following the recommendation, CHW worked with staff to finalize the design. After several rounds of comments and changes, the Design Review was approved by the Community Development Director on May 8, 2025.

The site is located in the Business Attraction, Retention, and Revitalization Overlay (BARRO) Zone. The intent of the BARRO Zone is to provide a process for revitalization of older commercial areas enabling flexible development standards, streamlined approval processes, and reduced application fees. Section 17.59.050 of the Rocklin Municipal Code (RMC) authorizes the Community Development Director to approve applications for entitlements within the BARRO Zone, including Design Reviews and Conditional Use Permits (CUP). While Design Reviews are completely ministerial, pursuant to State Law and the RMC, consideration of a CUP requires a noticed public hearing. For this project, a CUP was necessary to address several conditions, including resident parking on public streets and lots and the inclusion of a previously non-City-owned parcel in the project.

Consistent with the BARRO Zone requirements, staff held a publicly noticed hearing for the CUP on February 4, 2025. Prior to the CUP hearing, notice of the proposed development and the CUP hearing was mailed to the 111 individual addresses within a 600-foot radius of the property. A sign noticing the CUP hearing was also placed on the site in excess of the 10 days prior to the hearing required on site notice.

On November 18, 2025 at 10:00 a.m., staff from CHW and the City will be holding a community workshop discuss the project. Notice of this meeting was provided in the City newsletter and direct mailers were sent to adjacent property owners.

Current Project

Since the approval of the Original AHA in November, 2022, there have been changes to the project that require an updated AHA. These include:

- The purchase and subsequent conveyance of a small parcel (which, when combined with the Original Site, is referred to herein as the "Site"); and
- The splitting of the project into two distinct legal entities for financing purposes, with each portion of the Site to be separately developed and financed. The separation of the Original Site into more than one piece was contemplated under the Original AHA.

Combined Site

On February 21, 2023 CHW purchased a parcel that was adjacent to the Original Site. This parcel, APN 010-121-006-000, was the only non-City-owned parcel that now comprises the Project Site. By purchasing the parcel, CHW was able to expand the proposed development to the entire Site, "squaring off" the Site. On September 19, 2025, CHW conveyed the parcel to the City at no cost with the intent that it be included in the overall site plan. On February 25, 2025, the City Council adopted Resolution No. 2025-038, which granted the City Manager the authority to adjust the lot lines to incorporate the new parcel into the City's existing parcels as part of what comprises the Project Site. At the same meeting, the City Council also abandoned an alleyway which had bisected the Site and made it infeasible to construct the project. At the October 28, 2025 City Council meeting, the City Council approved the declaration of the parcel at APN 010-121-006 as exempt surplus so it could be incorporated into the project Site. Subsequent to this declaration, the lot lines were adjusted to include the newly acquired parcel, resulting in two parcels (which together comprise the Project Site) that correspond to each of the two developments.

Formation of Single-Asset Entities

The formation of single-asset entities to develop affordable rental projects is common and customary. Consistent with this approach, CHW has created and will be general partner of two entities. Each entity will develop one of the two parcels, with the primary differences being (1) the financing used on the project (4% vs. 9% tax credits) and (2) the required affordability levels as a result of that financing with higher value tax credits requiring greater levels of affordability. CHW applied to the California Tax Credit Allocation Committee for tax credits for each portion of the Site and was awarded both 4% and 9% tax credits. That portion of the Project Site that will be financed in part with 4% tax credits will be developed by Pacific Street Housing Four, LLP (Housing Four). Subject to the satisfaction of conditions precedent showing readiness to proceed, the City will lease a portion of the Project Site to Housing Four. That portion of the Site that will be financed in part with 9% tax credits will be developed by Pacific Street Housing Nine, LLP (Housing Nine). Subject to the satisfaction of conditions precedent showing readiness to proceed, the City will lease a portion of the Site to Housing Nine. Each separate LLP will be responsible for the financing, development, and operation of rental housing on its respective project independent of the other LLP. The City's original $2,600,000 loan commitment is carried forward to the Housing Four tax credit project; there is no City loan on the other project.

Separate Affordable Housing Agreements

As a result of the single-asset entity structure, a separate agreement is presented for each proposed development: an Amended and Restated Affordable Housing Agreement with respect to Pacific Street Housing Four, LLP 4% tax credit project, and a (new) Affordable Housing Agreement with respect to the Pacific Street Housing Nine, LLP 9% tax credit project. The two agreements, as proposed, do not change in the aggregate the unit count, the amount

of City funds invested (as a loan), or the unit income and affordability levels. The result of the two agreements, if both are implemented, will be the development and operation of two projects which as combined will provide 109 units of affordable housing at the following Area Median Income (AMI) levels:

Unit Type	Number of Units	Size of Unit (Square Feet)	Affordability Level
1 Bedroom	12	636	30% AMI
1 Bedroom	20	636	50% AMI
1 Bedroom	18	636	60% AMI
2 Bedroom	4	858	30% AMI
2 Bedroom	9	858	50% AMI
2 Bedroom	22	858	60% AMI
3 Bedroom	12	1,075	30% AMI
3 Bedroom	2	1,075	50% AMI
3 Bedroom	10	1,075	60% AMI

For reference, the 2025 AMI in Placer County for a family of 4 is $120,000. Units in this development will be available to housings at the following income levels:

% of Area Median Income	Annual Household Income
30%	$36,240
50%	$60,400
60%	$72,480

The project is fully financed and it is anticipated that construction will begin in early 2026. Staff recommends the City Council approve the two Affordable Housing Agreements.

Fiscal Impact:
There is no direct fiscal impact to the staff recommendation. The $2.6 million loan from the Low- and Moderate-Income Housing Asset Fund (Fund 270) has been appropriated in the Fiscal Years 2025-2027 Operating Budget.

ATTACHMENTS:
1. Resolution A - 4% Project
2. Amended and Restated Affordable Housing Agreement (4% Project)
3. Ground Lease for 4% Project
4. Resolution B - 9% Project
5. Affordable Housing Agreement (9% Project)
6. Ground Lease for 9% Project
7. California Health and Safety Code 33433 Report
8. Site Plan

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN APPROVING AN AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE CITY AND PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., A CALIFORNIA LIMITED PARTNERSHIP

WHEREAS, the City of Rocklin ("City") previously established a redevelopment agency within the corporate limits of the City, which redevelopment agency was known as the "Rocklin Redevelopment Agency" (the "Former Agency"); and

WHEREAS, in connection with the exercise of its public functions, including utilizing certain revenues of the Former Agency to promote affordable housing, the Former Agency established and maintained a low and moderate income housing fund (the "LMIHF"); and

WHEREAS, the State of California eliminated all redevelopment agencies within the State, including without limitation the Former Agency. In connection with activities related to the dissolution of the Former Agency, the City was designated as the housing successor entity to the Former Agency related to affordable housing; the City received the LMIHF moneys as well as certain land which had been acquired by the Fonner Agency, including without limitation certain land located generally at Pacific, Oak and Pine, and is more particularly described in the "Affordable Housing Agreement" as defined below; that property is referred to herein as the "Original Property"; and

WHEREAS, the City has desired to attract an experienced developer and operator of affordable rental housing to accomplish the development of the Original Property for affordable rental housing; and

WHEREAS, as part of the efforts of the City with regard to the Original Property, the City issued a notice of availability as to the Original Property and conducted further efforts in furtherance of California laws and regulations pertaining to the disposition of surplus property; and

WHEREAS, after various proposals were evaluated, the City identified Community HousingWorks, a California nonprofit public benefit corporation ("CHW") as the respondent with the highest number of proposed units and deepest levels of affordability, and staff entered into negotiations toward an agreement providing for the disposition of the Original Property and its operation for affordable rental housing purposes; and

WHEREAS, the City and CHW entered into an agreement entitled “Affordable Housing Agreement”, dated as of November 8, 2022 (the “Original Agreement”) under which it was contemplated that the City would ground lease the Original Property to CHW or one or more subsidiaries of CHW upon which the construction of improvements dedicated to affordable rental housing to households of limited income will be accomplished on the Original Property. The Original Agreement included a commitment of certain moneys previously committed by the City as such commitment was made by

letter in May of 2022 (the “Original Funding Commitment”); and

WHEREAS, subsequent to entering into the Original Agreement, CHW provided a proposal under which property generally conforming to the Original Property would be divided into two portions, an approximately 0.42 acre parcel (the “Portion A Site”) and a second area comprised of approximately 2.51 acres (the “Portion B Area”). CHW created two separate entities, with the first (Pacific Street Housing Associates Four, L.P., a California limited partnership [herein the “4% Developer”]) to develop an affordable housing project on the Portion A Site, and a second entity (Pacific Street Housing Associates Nine, L.P., a California limited partnership [herein, the “9% Developer”]) to develop the Portion B Area; and

WHEREAS, under the Original Agreement, it was contemplated that CHW would apply for and secure a commitment of federal low income housing tax credits (“Tax Credits”) for each of the Portion A Site and the Portion B Area; and

WHEREAS, the 4% Developer has proposed to City to enter into an agreement with City entitled “Amended and Restated Affordable Housing Agreement” (the “Amended Agreement”) in the form submitted herewith; and

WHEREAS, under the Amended Agreement, the 4% Developer would construct improvements referenced in the Amended Agreement (including without limitation all requirements under land use approvals by City (whether made heretofore or hereafter) and to construct fifty (50) rental housing units thereon, all of which would be restricted to households of limited income as more particularly set forth in the Amended Agreement; and

WHEREAS, the Original Agreement shall be superseded by the Amended Agreement; and

WHEREAS, the Amended Agreement provides for City to make a loan to the 4% Developer (the “City Loan”) as more particularly set forth in the Amended Agreement; the City Loan would be repayable from "Residual Receipts" as more fully set forth in the Amended Agreement; and

WHEREAS, the Amended Agreement furthers the affordable housing goals of the Former Agency as well as the affordable housing goals of the City as it will facilitate the creation of affordable rental housing; and

WHEREAS, the Legislature declares in Health and Safety Code Section 36000, et seq., that new forms of cooperation with the private sector, such as leased housing, disposition of real property acquired through redevelopment, development approvals, and other forms of housing assistance may involve close participation with the private sector in meeting housing needs, without amounting to development, construction or acquisition of low rent housing projects as contemplated under Article XXXIV of the State Constitution; and

WHEREAS, Health and Safety Code Section 37001.5 provides that a public body

does not develop, construct or acquire a low rent housing project under Article XXXIV of the State Constitution when the public body provides assistance to a low rent housing project and monitors construction or rehabilitation of the project to the extent of carrying out routine governmental functions, performing conventional activities of a lender, and imposing constitutionally mandated or statutorily authorized conditions accepted by a grantee of assistance; and

WHEREAS, under the Amended Agreement, the City would provide limited financing for the Project, would act as the local land use authority, and would impose restrictions on incomes and rents consistent with the requirements of the sources of the funding that will be utilized by the City; and

WHEREAS, the Amended Agreement provides for assistance by the City to the Project, and the City's monitoring of construction of the Project to the extent of carrying out routine governmental functions, performing conventional activities of a lender, and imposing constitutionally mandated or statutorily authorized conditions accepted by a grantee of assistance; and

WHEREAS, subsequent to the approval of the Original Agreement, State law has been amended to the effect that affordable housing projects funded in whole or in part using Tax Credits are exempt from the requirement of obtaining Article XXXIV approval; and

WHEREAS, under the Amended Agreement, the 4% Developer shall lease the Project A Site from the City at rent described in a report to the City and City Council concerning the Amended Agreement (the "Report"); the Report, which has been on file with the City Clerk prior to the meeting at which the Amended Agreement is to be considered, contains information similar to that described in Section 33433 of the California Health and Safety Code. The financial participation by the City under the Amended Agreement is in consideration of the particular uses required by the Amended Agreement to be conducted by the 4% Developer on the Project A Site as well as the 4% Developer's undertakings concerning the development and operation of improvements for affordable rental housing; and

WHEREAS, the City, as a municipal corporation and as a housing successor entity, 1s authorized to ground lease the Project A Site on the basis described herein; and

WHEREAS, a public hearing of the City Council on the proposed Agreement was duly noticed substantially in the manner described at Health and Safety Code Sections 33431 and 33433; and

WHEREAS, the proposed Amended Agreement, and a summary report were available for public inspection prior to the public hearing; and

WHEREAS, on November 18, 2025, the City Council held a public hearing on the proposed Amended Agreement, at which time the City Council reviewed and evaluated

all of the information, testimony, and evidence presented during the public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereafter "CEQA") requires analysis of agency approvals of discretionary "projects". Under Section 15378 of the California Code of Regulations, Title 14, Division 6, Chapter 3 (“CEQA Guidelines"), a "project" may include "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment"; and

WHEREAS, City staff has reviewed the proposed Amended Agreement in relation to the provisions of the California Environmental Quality Act (CEQA) and has determined that the approval of the Amended Agreement is exempt from additional environmental processing at this time in view of the rationale provided below; and

WHEREAS, the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the development of the Project A Site pursuant to the Amended Agreement is in the best interests of the City of Rocklin and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROCKLIN DOES RESOLVE AS FOLLOWS:

Section 1. The proposed Amended Agreement is not subject to review under CEQA pursuant to CEQA Guidelines Sections 15060(c)(2) and 15061 (b)(3) of the California Does of Regulations, Title 14, Division 6, Chapter 3 ("CEQA Guidelines") as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and there is no possibility the activity in question may have a significant effect on the environment.

Section 2. The City Council hereby determines that the assistance to be provided pursuant to the Amended Agreement does not constitute development, construction or acquisition of a low-rent housing project within the meaning of Article XXXIV of the State Constitution. This Resolution is hereby deemed to constitute a final approval of a proposal which may result in housing assistance benefiting persons of low income, within the meaning of Health and Safety Code Section 36005 in the event an exemption based upon use of Tax Credits in funding a housing project is for any reason inapplicable.

The City Council hereby determines, in the alternative, that the proposed project is exempt from the application of Article XXXIV based upon the circumstances that the proposed project is to be funded in whole or in part utilizing Tax Credits.

Section 3. The City Council finds and determines that the commitment of City funding to the extent provided under the Amended Agreement is a continuation of the

moneys committed by the Original Funding Commitment, which Original Funding Commitment has remained in effect since it was first made.

Section 4. The City Council finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the City's disposition of the Project A Site by lease pursuant to the terms and conditions of the Amended Agreement is not less than the fair reuse (lease) value at the use and with the covenants and conditions and development costs authorized by the Amended Agreement.

Section 4. The City Council finds and determines that the statements set forth in the preceding Recitals hereof are true and correct.

Section 5. The City Council approves the Amended Agreement in substantially the form presented to the City Council, subject to such revisions as may be made by the City Manager of the City or the City Manager's designee. A copy of the Amended Agreement when executed by the City shall be placed on file in the office of the City Clerk.

Section 6. The City Manager, or the City Manager's designee, is hereby authorized to execute the Amended Agreement as well as instruments necessary or convenient to implement its terms, and to approve all financial transactions, budgets, and appropriations needed to carry out the financing in connection with the Amended Agreement in accordance with the law and City policy is hereby authorized to approve all financial transactions, budgets, and appropriations needed to carry out the financing in connection with the Amended Agreement in accordance with the law and City policy.

PASSED AND ADOPTED this 18th day of November, 2025, by the following vote:

AYES: Councilmembers
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Singh, City Clerk

STATE OF CALIFORNIA)
COUNTY OF PLACER)
CITY OF ROCKLIN)

I, Avinta Singh, City Clerk of the City of Rocklin, do hereby certify that the foregoing Resolution No. 2025-___ was introduced and adopted at a regular meeting provided by law of the City Council of the City of Rocklin held on the 18th day of November, 2025, by the following vote of the members thereof:

AYES:
NOES:
ABSENT: ::
ABSTAIN:

AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT

by and between the

CITY OF ROCKLIN

and

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership

(Site A: 4% Tax Credits)

TABLE OF CONTENTS

Page

1. DEFINITIONS AND INTERPRETATION 2
   - 1.1 Defined Terms. 2
   - 1.2 Singular and Plural Terms. 15
   - 1.3 References and Other Terms 15
   - 1.4 Exhibits Incorporated 15
   - 1.5 Representations and Warranties 15
   - 1.6 Condition of the Portion A Site 17

2. THE PORTION A SITE, SCOPE OF DEVELOPMENT AND SCHEDULE OF PERFORMANCE 20
   - 2.1 The Portion A Site 20
   - 2.2 Scope of Development 20

3. DISPOSITION OF THE PORTION A SITE 20
   - 3.1 Tentative Map and Final Map 20
   - 3.2 Lease of the Portion A Site 20
   - 3.3 Escrow 21
   - 3.4 Review of Title 23
   - 3.5 Title Insurance 24
   - 3.6 Financing Package 24

4. CONDITIONS TO DEVELOPER POSSESSION OF THE PORTION A SITE 24
   - 4.1 City Conditions Precedent 24
   - 4.2 Developer Conditions Precedent 26

5. CITY LOAN PROVISIONS 27
   - 5.1 Loan Amounts 27
   - 5.2 Interest 27
   - 5.3 Use of City Loan 27
   - 5.4 Security; Subordination 28
   - 5.5 Repayment 29
   - 5.6 Conditions Precedent to Disbursement of City Loan 29
   - 5.7 Non-Recourse Obligation 30

6. SCOPE OF DEVELOPMENT; INSURANCE AND INDEMNITY, FINANCING 30
   - 6.1 Scope of Development 30
   - 6.2 Time of Performance; Progress Reports 32
   - 6.3 Cost of Development 32
   - 6.4 City Loan 32
   - 6.5 Insurance Requirements 33
   - 6.6 Obligation to Repair and Restore Damage Due to Casualty 33
   - 6.7 Indemnity 33
   - 6.8 Rights of Access 34
   - 6.9 Compliance With Laws 35
   - 6.10 Nondiscrimination in Employment 36

6.11 Taxes and Assessments 36
6.12 Liens and Stop Notices 36
6.13 Certificate of Completion 36
6.14 Further Assurances 37
6.15 Financing of the Improvements 37
6.16 Holder Not Obligated to Construct Improvements 42
6.17 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure 42
6.18 Failure of Holder to Complete Improvements 42
6.19 Right of City to Cure Mortgage or Deed of Trust Default 43
6.20 Mechanics of Disbursement of the City Loan Amount 44
6.21 Cost Savings Obligation; Excess Tax Credits Obligation 45

7. COVENANTS AND RESTRICTIONS 46
7.1 Use Covenants 46
7.2 Affordable Housing Requirements 46
7.3 Verifications 48
7.4 [Reserved] 50
7.5 Maintenance of the Portion A Site 50
7.6 Nondiscrimination Covenants 50
7.7 Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction 51

8. DEVELOPER'S GENERAL REPRESENTATIONS AND WARRANTIES 51
8.1 Formation, Qualification and Compliance 51
8.2 Execution and Performance of Project Documents 52
8.3 Covenant Not to Transfer Except in Conformity 52

9. DEFAULTS, REMEDIES, AND TERMINATION 52
9.1 Default Remedies 52
9.2 Institution of Legal Actions 53
9.3 Termination by Developer 53
9.4 Termination by City 53
9.5 Acceptance of Service of Process 54
9.6 Rights and Remedies Are Cumulative 54
9.7 Inaction Not a Waiver of Default 54
9.8 Applicable Law 54
9.9 Covenant Provisions; Certain Amendments 54
9.10 Enforced Delay; Extension of Times of Performance 55
9.11 Transfers of Interest in Agreement or of the Portion A Site 55
9.12 Non-Liability of Officials and Employees of City 57
9.13 Relationship Between City and Developer 57
9.14 City Approvals and Actions 57
9.15 Real Estate Brokers 57
9.16 Attorneys' Fees 57
9.17 Non-recourse Liability of Developer 58

10. MISCELLANEOUS 58
10.1 Obligations Unconditional and Independent 58
10.2 Notices 58

10.3 Survival of Representations and Warranties 59
10.4 No Third Parties Benefited Except for City; AB 987 59
10.5 Binding Effect; Assignment of Obligations 60
10.6 Option 60
10.7 Mandatory Assignment 62
10.8 Counterparts 62
10.9 Prior Agreements; Amendments; Consents 62
10.10 Governing Law 62
10.11 Severability of Provisions 63
10.12 Headings 63
10.13 Conflicts 63
10.14 Time of the Essence 63
10.15 Conflict of Interest 63
10.16 Cure by Limited Partner 63
10.17 Warranty Against Payment of Consideration 63

ATTACHMENTS

ATTACHMENT NO. 1	PORTION A SITE MAP
ATTACHMENT NO. 2	LEGAL DESCRIPTION OF THE PORTION A SITE
ATTACHMENT NO. 3	SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 4	CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE
ATTACHMENT NO. 5	NOTICE OF AFFORDABILITY RESTRICTIONS
ATTACHMENT NO. 6	CITY LEASE
ATTACHMENT NO. 7	CALCULATION OF AFFORDABLE RENTS
ATTACHMENT NO. 8	REQUEST FOR NOTICE OF DEFAULT
ATTACHMENT NO. 9	SCOPE OF DEVELOPMENT
ATTACHMENT NO. 10	CERTIFICATE OF COMPLETION
ATTACHMENT NO. 11	CITY REGULATORY AGREEMENT
ATTACHMENT NO. 12	INCOME VERIFICATION
ATTACHMENT NO. 13	CITY PROMISSORY NOTE
ATTACHMENT NO. 14	CITY DEED OF TRUST
ATTACHMENT NO. 15	INSURANCE DURING REMAINDER OF LEASE TERM
ATTACHMENT NO. 16	INSURANCE DURING CONSTRUCTION
ATTACHMENT NO. 17	MAP OF THE PORTION B AREA
ATTACHMENT NO. 18	MAP OF THE ADJACENT CITY PARKING AREA

AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT

This **AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT** (the "Agreement"), dated, for identification purposes only, as of _____ __, 2025 (the "Date of Agreement"), is entered into by and between the **CITY OF ROCKLIN**, a municipal corporation ("City"), and **PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P.**, a California limited partnership ("Developer").

R E C I T A L S

A. City, as part of its functions as a general law city duly organized and existing under and by virtue of the laws of the State of California and in connection with its municipal code (the "City Code"), is authorized to promote the provision of affordable housing for all income segments of the community. Pursuant to the City Code and resolutions adopted pursuant thereto, City is authorized to defer receipt of all or a portion of its development impact fees chargeable in relation to various projects. City is authorized to enter into agreements in connection therewith.

B. City previously activated the Rocklin Redevelopment Agency, a public body, corporate and politic (the "Redevelopment Agency"); the Redevelopment Agency operated under the California Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code (the "Redevelopment Law").

C. City is the housing successor entity to the Redevelopment Agency and in such capacity acquired the "Portion A Site" (as defined below) in connection with the dissolution of the Redevelopment Agency.

D. The Redevelopment Plan for the Rocklin Redevelopment Project (herein, the "Redevelopment Project") was adopted by Ordinance No. 549 by the City Council of the City of Rocklin on June 10, 1986, and was subsequently amended (as amended, the "Redevelopment Plan"). The Redevelopment Plan, as amended, is on file with City as a public record.

E. Prior to the Date of Agreement (as defined herein), City acquired certain real property consisting of approximately 0.42 acres (the "Portion A Site") and an additional approximately 2.51 acres (defined hereinbelow as the "Portion B Area") located within the Project Area and within the corporate limits of City. The Portion A Site is depicted on the " Portion A Site Map" (Attachment No. 1 hereto). The legal description of the Portion A Site is attached hereto as Attachment No. 2. The Portion B Area is depicted on the "Map of the Portion B Area", Attachment No. 17 hereto.

F. Developer is experienced in the development and operation of affordable multi-family housing.

G. City and Community HousingWorks, a California nonprofit public benefit corporation ("CHW", as also defined below) and City previously entered into an unrecorded agreement entitled "Affordable Housing Agreement" dated as of October 17, 2022 (the "Original Agreement"). A copy of the Original Agreement is on file with City as a public record. Under the Original Agreement, City committed the sum of Two Million Six Hundred Thousand Dollars ($2,600,000.00) in funding which was to be a loan in support of construction of improvements contemplated under the Original Agreement.

H. Under the Original Agreement, CHW proposed that City would transfer a ground leasehold interest in each of the Portion A Site the Portion B Area to CHW or one or more single asset entities to be formed by CHW and thereafter approved by City, with the City ground leasing either the Portion A Site and the Portion B Area as a whole or in two parts, whereupon CHW or such single asset entities as shall have been approved in writing by City would be required to develop a designated number of those dwelling units, as more particularly set forth herein, to be rented at "Affordable Rent" and in conformity with the "Prescribed Income Levels" throughout the "Required Covenant Period" (as those terms were defined in the Original Agreement).

I. Subsequent to the Original Agreement, CHW applied for a preliminary reservation of 4% federal low income housing tax credits as generally provided for under Section 42 of the Internal Revenue Code with respect to the development of the Portion A Site; CHW additionally applied for a preliminary reservation of 9% federal low income housing tax credits with respect to the development of the Portion B Area. As contemplated under the Original Agreement and as continues to be the case, CHW intends (and Developer concurs) that the Portion A Site and the Portion B Area, respectively, shall be developed by different development entities, each an affiliate (including single asset entities) of Developer. It is contemplated that the financing for each of the development of the Portion A Site and the Portion B Area will be separate and without cross defaults.

J. By its approval of this Agreement, City approves the Developer as a single asset entity having been formed by CHW and which will develop the Portion A Site as provided under this Agreement.

K. Subject to the satisfaction of the applicable conditions in this Agreement, City will make available the aggregate amount of the City Loan (as defined below) to Developer in order to defray a portion of the cost of improvements to the Portion A Site as provided for by this Agreement.

L. In the event the financing plan hereafter submitted by Developer with respect to some or all of the Improvements includes the use of new multifamily housing bonds, which is anticipated to be the case, the issuer shall be the City or another governmental entity designated for such purpose by City acting at its sole discretion. Any issuance of bonds by City shall be accomplished in conformity with the City's practices and procedures for conduit financings and in strict conformity with this Agreement.

M. This Agreement is in the vital and best interest of the City of Rocklin, California, and the health, safety and welfare of its residents and furthers the public policies of City.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms. As used in this Agreement (and in all other Project Documents, unless otherwise defined), the following capitalized terms shall have the following meanings:

"**Adjacent City Parking Area**" means that certain area referenced in the Scope of Development and more fully described in the Map of the Adjacent City Parking Area.

"**Affiliated Person**" means, when used in reference to a specific person, any person that directly or indirectly controls or is controlled by or under common control with the specified person, any person that is an officer or director of a trustee of, or a general partner, managing member or operator in, the specified person or of which the specified person is an officer, director, trustee, general partner or managing member, or any person that directly or indirectly is the beneficial owner of ten percent (10%) or more of any class of the outstanding voting securities of the specified person.

"**Affordable Rent**" has the following meaning: For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the Unit. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the Unit. For a Lower Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of the Median Income for the Area for a household size appropriate to the Unit. The maximum monthly rental amount of the Units shall be adjusted annually by the formula set forth above upon the promulgation of revised Placer County median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent a cost not in excess of the lesser of (i) that rent which may be charged the applicable Eligible Person or Family pursuant to Section 50053 of the California Health and Safety Code and (ii) the limits as set forth in this Agreement. Notwithstanding the foregoing, in the event a reservation of Tax Credits is obtained for the Project, affordable rents, including a reasonable utility allowance, shall not exceed the rent prescribed by deed restrictions or regulatory agreements imposed by TCAC.

"**Allowable Closing Costs**" means actual, reasonable costs of escrow for the Closing, including but not limited to any payable transfer taxes, recording fees, notary fees, the premium for the City Loan Policy, and all other charges paid which are customarily paid for similar transactions in the County.

"**Applicable Federal Rate**" means the interest rate set by the United States Treasury from time to time for the purpose of determining applicable Low Income Housing Tax Credit interest rates. The Applicable Federal Rate is published by the Internal Revenue Service in monthly revenue rulings.

"**Applicable Interest Rate**" means the following rates: (a) as to amounts paid when due, three percent (3%) simple interest per annum, and (b) as to amounts not paid when due, the lesser of (i) ten percent (10%) per annum, compounded annually, and (ii) the maximum rate permitted by applicable law.

"**Applicable Percentage of Residual Receipts**" means fifty percent (50%) of Residual Receipts; provided that if public agencies other than the City infuse moneys into the Project on a residual receipts loan basis, the percentage payable to the City will be subject to adjustment by City to reflect the ratable contribution by such other entities.

"**Approved Assignee**" means such entity, if any, as approved by City (at its discretion) as to any assignment of any interest in Developer (or constituent entity thereof).

"**Approved Construction and/or Permanent Lender**" means Cedar Rapids Bank and Trust Company, an Iowa state-chartered banking corporation ("CRBI") or one or more entities included under the definition of Approved Construction Lender, an Institutional Lender, or any other lender

approved by the City Manager. Each of California Community Reinvestment Corporation and the County of Placer acting through the Health and Human Services Agency is an Approved Permanent Lender.

"**Area**" means Placer County, or such area including Placer County as may be periodically defined by HUD.

"**Audit**" is defined in Section 6.21 hereof.

"**Audited Financial Statement**" means an audited financial statement, including without limitation a profit and loss statement, generated by Leaf & Cole, LLP, or another third party certified public accountant acceptable to City in its reasonable discretion, showing, for the previous Lease Year, on a monthly basis and in an easily readable format, Gross Revenues, Operating Expenses, Debt Service, Operating Reserve, Capital Replacement Reserve, General Partner Fee, Limited Partner Fee and Residual Receipts.

"**Bank Deed of Trust**" means a deed of trust, among one or more Approved Construction and/or Permanent Lender, as beneficiary and Developer as trustor and a trustee, which may be an affiliate of the holder of the Bank Deed of Trust, in connection with the construction loan provided by an Approved Construction Lender, and upon the take out of the construction loan, a deed of trust by an Approved Permanent Lender to Developer, as well as any swap deed of trust entered into in connection with the Primary Permanent Loan which does not include cross-collateralization or a change in the security.

"**Base Pro Forma**" means a pro forma dated as October 30, 2025 concerning the Development. The Base Pro Forma is on file with the City.

"**Basic Concept Drawings**" is described in Section 6.1 hereof.

"**Bond Counsel**" means such counsel as shall be selected by City at its discretion for all purposes associated with this Agreement and the implementation hereof.

"**Bond Regulatory Agreement**" means the regulatory agreement, as prepared by Bond Counsel, which it is contemplated may be required to be recorded against the Portion A Site with respect to the issuance of new multifamily housing bonds in the event an allocation is obtained for the Improvements on the Portion A Site from CDLAC and Bonds are used in connection with the financing of such improvements. The Bond Regulatory Agreement shall include affordability restrictions not less restrictive than those set forth in the City Regulatory Agreement.

"**Bond Rules**" means Section 103(b) of the Internal Revenue Code, the rules and regulations applied by CDLAC in connection with the private activity bond allocation or the issuance of bonds thereunder and as set forth in the indenture of trust (or similar instrument approved for such purpose by City) in connection with the issuance of the Bonds.

"**Bonds**" means new multifamily conduit revenue bonds issued in connection with the Improvements (or portions thereof) by City.

"**Building Permit**" means the building permit(s) issued by City and required for the Improvements.

"**Calculation of Affordable Rents**" means Attachment No. 7 to this Agreement.

"**CDLAC**" means the California Debt Limit Allocation Committee.

"**Capital Replacement Reserve**" means a reserve fund to be established by the Lessee under the City Lease as a capital reserve for the Improvements in the amount established therefor by the Lease. To the extent Developer is required to maintain a Capital Replacement Reserve by any Approved Construction and/or Permanent Lender or Investor, Developer shall receive a credit hereunder for such amounts maintained by it in compliance with such Approved Construction and/or Permanent Lender capital replacement reserve requirement.

"**Certificate of Completion**" means Attachment No. 10 to this Agreement.

"**Certificate of Continuing Program Compliance**" means the Certificate to be filed by Developer or its property manager on behalf of Developer with City, which Certificate shall be substantially in the form attached hereto as Attachment No. 4.

"**Chargeable Reserves**" means each of the following, within the respective parameters therefor set forth in the City Lease: (i) Capital Replacement Reserve; and (ii) Operating Reserve.

"**CHW**", as defined above, means Community HousingWorks, a California nonprofit public benefit corporation.

"**City**," as defined in the first paragraph hereof, means the City of Rocklin, a municipal corporation.

"**City Code**," as defined in the Recitals hereto, is the Municipal Code of the City of Rocklin as may be amended from time to time and includes, without limitation, the Uniform Codes.

"**City Conditions Precedent**" is set forth in Section 4.1 hereof.

"**City Deed of Trust**" means the deed of trust that will encumber Developer's leasehold interest in the Portion A Site and fee interest in the Improvements to secure repayment of the City Loan as evidenced by the City Promissory Note, substantially in the form attached hereto as Attachment No. 14.

"**City Documents**" means, collectively, this Agreement, the City Promissory Note, the City Deed of Trust, the City Lease, the City Regulatory Agreement, and all other documents required to be executed by Developer in connection with the transaction contemplated by this Agreement.

"**City Escrow**" is described in Section 3.3 hereof.

"**City Fees**" means fees charged by the City in connection with the construction of the Improvements where such fees are not collected by City on behalf of another governmental agency. City Fees includes, without limitation, City Impact Fees, building permit fees and inspection fees.

"**City Impact Fees**" means those facility fees, road improvement fees, and other fees identified by City as development impact fees, including street improvements and/or street improvement fees, required by City and retained by City in connection with the development of the Project.

"**City Lease**" means a ground lease in the form of Attachment No. 6 to this Agreement, which shall grant Developer a leasehold interest in the Portion A Site and a fee interest in the Improvements.

"**City Loan**" means a loan in the original principal amount of the City Loan Amount to be made from City to Developer pursuant to the terms of this Agreement.

"**City Loan Amount**" means Two Million Six Hundred Thousand Dollars ($2,600,000.00). In addition, and as a condition to the disbursement of any portion of the City Loan Amount, City (upon consultation with a qualified land economist of its choosing) shall have first concluded that the entirety of the City Loan Amount is supportable as going toward the financing of units for Extremely Low Income Households.

"**City Loan Policy**" is defined in Section 3.5(b) hereof.

"**City Manager**" means the City Manager of City or his or her designee or delegate.

"**City Promissory Note**" means the promissory note that will evidence Developer's obligation to repay the City Loan as set forth in this Agreement, substantially in the form attached hereto Attachment No. 13.

"**City Regulatory Agreement**" means Attachment No. 11 to this Agreement.

"**Closing**" is defined in Section 3.3.4 of this Agreement.

"**Commencement Date of the City Lease**" shall have the meaning established therefor in the City Lease.

"**Cost Overrun Amounts**" means amounts incurred and expended by Developer in connection with construction under this Agreement to the extent that: (i) total construction and demolition costs exceed the amounts set forth therefor in the Base Pro Forma; (ii) such amounts have not been defrayed by moneys provided by City; and (iii) the City Manager, acting in good faith and upon consultation with Developer, confirms that such amounts were reasonably incurred and were not unreasonable as to amount.

"**Cost Savings**" is defined in Section 6.21 hereof.

"**County**" means the County of Placer, California.

"**Date of Agreement**" means _____ __, 2025.

"**Debt Service**" means required debt service payments for the Primary Construction Loan and/or the Primary Permanent Loan including the funding obligations in respect of all reserves or escrows required thereunder and scheduled payments as approved as part of the Final Financing Package.

"**Default**" is defined in Section 7.1 hereof.

"**Deferred Developer Fee**" means that portion of the Developer Fee for which payment to CHW is deferred. The amount of the Deferred Developer Fee shall be finally determined in connection with the Final Financing Plan.

"**Developer**" means Pacific Street Housing Associates Four, L.P., a California limited partnership.

"**Developer Area**" means that certain area conveyed by CHW to City during 2025.

"**Developer Conditions Precedent**" is defined in Section 4.2 hereof.

"**Developer Contracting Parties**" is defined in Section 1.6.1 hereof.

"**Developer Fee(s)**" means the sum of such amounts delineated as developer fees in the Base Pro Forma, but not to exceed those amounts designated by TCAC as developer fees.

"**Developer Percentage**" means fifty percent (50%) of Residual Receipts.

"**Development**" or "**Project**" means the new apartment complex and associated improvements as required by this Agreement to be: (i) constructed by Developer upon the Portion A Site, with related offsite improvements, as more particularly described in the Scope of Development and (ii) operated as an affordable housing complex in conformity with the City Lease(s), and the City Regulatory Agreement.

"**Entitlements**" means all development rights as determined under Administrative Determination AD-2025-0004 as approved May 8, 2025 by the Community Development Director of the City of Rocklin (including without limitation all conditions contained therein), and additional and use approvals for the development of the Portion A Site, if any, as may hereafter be approved by the City acting in the exercise of its police power.

"**Environmental Laws**" means all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq.*; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 9601, *et seq.*; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601, *et seq.*; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 *et seq.*; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 *et seq.*; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 *et seq.*; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f *et seq.*; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, City, or any other political subdivision in which the Portion A Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Developer, or the Portion A Site.

"**Escrow Holder**" means Stewart Title Guaranty Company or another mutually acceptable escrow holder.

"**Event of Default**" has the meaning set forth in Section 9.1 hereof.

"**Excess Amount**" is defined in Section 6.15 hereof.

"**Extremely Low Income Households**" means households earning not greater than thirty percent (30%) of Median Income for the Area pursuant to the Health and Safety Code Section 50106.

"**Extremely Low Income Unit**" means a Unit occupied at Affordable Rent by an Extremely Low Income Household.

"**Final Development Budget**" means a detailed enumeration of all projected costs of construction of the Development, including all costs and off-site improvements required to be constructed under this Agreement.

"**Final Financing Package**" is defined in Section 6.15 hereof.

"**General Partner**" means the general partner of Developer.

"**General Partner Fee**" or "**Asset Management Fee**" means a fee if charged by the general partner not to exceed the amounts so delineated therefor in the Base Pro Forma; provided that the initial annual amount of such fee shall be limited to increases of three percent (3.0%) annually; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Lease Year exceed the amount permitted under the City Lease for the Partnership Fees (as such fees are aggregated). The foregoing shall not limit the amounts which Developer may pay to its General Partner from the Developer Percentage.

"**Gross Revenues**" shall have the meaning set forth therefor in the City Lease.

"**Hazardous Material**" or "**Hazardous Materials**" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.* (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq.* (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in Paragraph (c) of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community

Development Act, 42 U.S.C. § 4800, *et seq.*, specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those products and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

"**Hazardous Materials Contamination**" means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or under the Portion A Site by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Date of Agreement) emanating from the Portion A Site.

"**HCD**" means the Housing and Community Development Department of the State of California.

"**Housing Rent**" means the total of monthly payments by the tenants of a Unit for (a) use and occupancy for the Unit and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants of the Units, other than security deposits, (c) a reasonable allowance for utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity and gas, as determined by regulation of Housing Authority of the County of Placer pursuant to 24 C.F.R. Section 5.600 *et seq.* or by the California Utility Allowance Calculator as permitted by TCAC, and (d) possessory interest, taxes or other fees or charges assessed for the use of the Units and facilities associated therewith by a public or private entity other than Developer; provided that the rent charged as to any Required Affordable Unit shall not exceed Affordable Rent.

"**Improvements**" means all of the improvements described in the Scope of Development.

"**Income Verification**" means Attachment No. 12 to this Agreement.

"**Indemnitees**" is defined in Section 1.6.3.

"**Investor**" means the Developer's investor limited partner.

"**Lease Rider**" means a lease rider agreement provided by TCAC in a form customarily used by TCAC.

"**Lease Year**" means the period commencing as of the Commencement Date of the City Lease and ending as of December 31 of that calendar year, then each succeeding calendar year thereafter during the Term of the City Lease; provided that the final Lease Year may be a portion of a calendar year.

"**Leasehold Transfer**" means the transfer of a leasehold interest in the Portion A Site and fee interest in the Improvements to Developer by the terms of the City Lease upon commencement of the Term of the City Lease.

"**Legal Description of the Portion A Site**" means Attachment No. 2 to this Agreement.

"**Lessee**" means Developer or other lessee under the City Lease.

"**Lessee's Title Policy**" is defined in Section 3.5 hereof.

"**Limited Partner**" means NEF Assignment Corporation or its affiliate.

"**Limited Partner Fee**" or "**Partnership Management Fee**" means fees as so denominated in the Base Pro Forma; provided that such fees may not increase by more than by three percent (3.0%) annually so long as the Partnership Agreement is in effect; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Lease Year exceed the amount permitted under this Lease for the Partnership Fees (as such fees are aggregated). The foregoing shall not limit the amounts which Developer may pay as Limited Partner Fee or Partnership Management Fee from the Developer Percentage.

"**Low and Moderate Income Housing Funds**" means moneys which were required under the Redevelopment Law to be deposited into a fund created under Health and Safety Code Section 33334.2 and 33334.3.

"**Low Income Households"** or "**Lower Income Households**" means households earning not greater than sixty percent (60%) of Median Income.

"**Low Income Unit**" or "**Lower Income Unit**" means a Unit occupied at Affordable Rent by a Low Income Household.

"**Map of the Adjacent City Parking Area**" means Attachment No. 18.

"**Map of the Portion B Area**" means Attachment No. 17.

"**Materially Adverse Conditions**" are surface or subsurface conditions of the Portion A Site which: (i) are not apparent from a visual inspection of the surface of the Portion A Site; and (ii) (a) include the presence of Hazardous Materials at the Portion A Site in excess of currently applicable levels permitted under federal or state law or regulations, or (b) include the presence of conditions not typically found in properties within City and which a mutually acceptable independent third party geotechnical and/or environmental assessment and remediation firm retained by Developer estimates will increase development costs by over One Hundred Thousand Dollars ($100,000.00).

"**Maturity Date**" has the meaning established therefor in the City Promissory Note.

"**Median Income**" means Median Income for the Area (namely, Placer County), as set forth by regulation of the California Department of Housing and Community Development pursuant to Health and Safety Code Sections 50079.5 and 50105.

"**Notice**" means a notice in the form prescribed by Section 10.2 hereof.

"**Notice of Affordability Restrictions**" means Attachment No. 5.

"**Official Records**" means, unless the context otherwise requires, the official land records of the County Recorder of the County of Placer.

"**Operating Expenses**" has the meaning established therefor in the City Lease.

"**Operating Reserve**" has the meaning set forth therefor in the City Lease.

"**Partnership Agreement**" has the meaning set forth therefor in the City Lease.

"**Partnership Fees**" means the General Partner Fee and the Limited Partner Fee.

"**Permitted Senior Lien**" means collectively, the deeds of trust securing the Primary Construction Loan and the Primary Permanent Loan.

"**Portion A Site**" means that real property depicted on the Portion A Site Map and described with greater particularity by the Legal Description of the Portion A Site.

"**Portion A Site Map**" means Attachment No. 1 to this Agreement. The Portion A Site Map depicts the Portion A Site (which is to be developed under this Agreement).

"**Portion B Area**" means that real property depicted on the Map of the Project B Area.

"**Prescribed Income Levels**" means: (i) for six (6) one-bedroom Units, thirty percent (30%) of Median Income; (ii) for two (2) two-bedroom Units, thirty percent (30%) of Median Income; (iii) for six (6) three-bedroom Units, thirty percent (30%) of Median Income; (iv) for seven (7) one-bedroom Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Units, fifty percent (50%) of Median Income; (vi) for two (2) three-bedroom Units, fifty percent (50%) of Median Income; (vii) for thirteen (13) one-bedroom Units, sixty percent (60%) of Median Income; (viii) for eight (8) two-bedroom Units, sixty percent (60%) of Median Income; and (ix) for two (2) three-bedroom Units, sixty percent (60%) of Median Income.

"**Primary Construction Loan**" means, collectively, the mortgage loans and letters of credit obtained by Developer from an Approved Construction Lender.

"**Primary Permanent Loan**" means, collectively, the mortgage loans obtained by Developer from an Approved Permanent Lender in an amount limited to satisfaction of the outstanding balance of the Primary Construction Loan or in an amount in excess of such outstanding balance so long as such excess proceeds are used to pay (or prepay) the Developer Fee, Cost Overrun Amounts and outstanding development costs.

"**Principals**" means CHW.

"**Project Documents**" means, collectively, this Agreement, the City Regulatory Agreement, the City Lease, all other Attachments to this Agreement, and any other agreement, document, or instrument that City requires in connection with the execution of this Agreement or from time to time to effectuate the purposes of this Agreement.

"**Reciprocal Easement and Joint Use Agreement**" means an agreement to be entered into among the Developer, Pacific Street Housing Associates Nine, L.P., a California limited partnership (the "Portion B Entity"), and the City, which shall include provisions satisfactory to City concerning: (i) ingress, egress, and access as to the Portion A Site for residents of the Portion B Area; (ii) ingress, egress, and access as to the Portion B Area for the residents of the Portion A Site; (iii) access of residents of each of the Portion B Area and the Portion A Site to common area facilities including joint use facilities; (iv) access to the manager to be on site at the Portion B Area for residents of the Portion A Site; (v) access to parking for residents of the Portion A Site and residents of the Portion B Area; (vi) an agreement by City that if the developer of the Portion A Site defaults and the ground lease as to the Portion A Site is terminated, City will make diligent efforts to provide access to residents of the Portion B Area to the Portion A Site; and (vii) a provision that the Reciprocal Easement and Joint Use Agreement may not be amended without the prior written approval of City, which City may grant, conditionally grant, or withhold in its sole discretion.

"**Recordable Documents**" means the following: (i) the City Lease (or a Memorandum thereof prepared by City); (ii) the City Regulatory Agreement; (iii) the Bank Deed(s) of Trust; (iv) 1-UCC Financing Statement by Developer in favor of an Approved Construction and/or Permanent Lender (as construction lender) for filing as a fixture filing among Official Records; (v) the Notice of Affordability Restrictions; (vi) the City Deed of Trust; and (vii) such other instruments, if any, as shall be approved by City Manager (upon consultation with City's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent.

"**Redevelopment Plan**" means the Redevelopment Plan for the Rocklin Redevelopment Project (the "Redevelopment Project") first approved by Ordinance No. 549 adopted by the City Council of the City on June 10, 1986, as subsequently amended. The Redevelopment Plan, as amended, is on file with City as a public record.

"**Refinancing Net Proceeds**" means the proceeds of any refinancing of any of the Primary Construction Loan or the Primary Permanent Loan or other approved financing secured by interest of Developer in the Portion A Site, net of: (i) the amount of the existing financing which is satisfied out of such proceeds; (ii) reasonable and customary costs and expenses incurred in connection with the refinancing; (iii) the funding of reasonable reserves and costs of improvements to the Portion A Site which constitute the Development, including hard and soft costs to the extent approved in writing by the City Manager prior to the closing of the refinancing; (iv) the balance of loans to the Development made by the Limited Partner(s) of Developer for development or operating deficits, amounts expended to maintain compliance with the Tax Credit Rules, or contributions for capital expenditures in excess of available Project revenues, if any, including interest at the Applicable Federal Rate; (v) the balance, if any, of operating loans or development loans made by the general partners of Developer to the Development, including interest at the Applicable Federal Rate; (vi) payment of unpaid Tax Credit adjustment amounts or reimbursement of Tax Credit adjustment amounts paid by the general partner and/or the guarantors to the Development pursuant to the approved Partnership Agreement, if any; and (vii) the payment to the general partner of Developer of a refinancing fee, which fee is and shall be subject to the approval of the City Manager at the time of each refinancing and which shall not exceed five percent (5%) of the amount of the approved refinancing.

"**Related Entity**" means CHW, a Principal or an entity in which any interest is held by Developer or one or more of the Principals.

"**Relocation**" or "**Relocation Laws**" means all applicable federal and state relocation laws and regulations, including without limitation, (i) the relocation obligations of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), 42 U.S.C. 4201–4655, and the implementing regulations thereto set forth in 49 C.F.R. Part 24, (ii) the California Relocation Assistance Act, Government Code Section 7260, *et seq.* and the implementing regulations thereto set forth in Title 25, Section 6000, *et seq.* of the California Code of Regulations, and (iii) any other applicable federal, state or local enactment, regulation or practice providing for relocation assistance, benefits, or compensation for moving and for property interests (including without limitation goodwill and furnishings, fixtures and equipment, and moving expenses), and (iv) any federal law or regulation prohibiting payment of relocation benefits or assistance to persons ineligible for relocation benefits or assistance. City shall be responsible for any costs or expenses as a result of the application of the Relocation Laws to the Development or this Agreement.

"**Reporting Amounts**" means the sum of Two Hundred Fifty Dollars ($250.00) per unit per year for each dwelling unit as to which Lessee fails to deliver to City, during any Lease Year, a full and adequate report that conforms to Section 33418 of the California Health and Safety Code.

"**Request for Notice of Default**" means an instrument substantially in the form of Attachment No. 8.

"**Required Affordable Units**" means all of the Units required to be developed on the Portion A Site under this Agreement other than one manager's unit. The final delineation of affordable units shall be accomplished in connection with approval of the Final Financing Plan (provided that the number of units generated and income levels shall in no event be less beneficial to City than that set forth herein as the Prescribed Income Levels).

"**Required Covenant Period**" means that eighty-seven (87) year period that is the same as the Term.

"**Residual Receipts**" for a particular Lease Year means Gross Revenues for the corresponding Lease Year less (i) Debt Service payments made during such Lease Year on the Primary Construction Loan or the Primary Permanent Loan, including payments under escrow and reserve provisions thereunder in amounts not in excess of the amounts due and payable during such month (and not including prepayments), and (ii) the sum of Operating Expenses and, to the extent funded, payments made to Chargeable Reserves as made during the corresponding Lease Year, and payments of Deferred Developer Fee as made to CHW and any approved Assignee during the corresponding Lease Year. All calculations of Residual Receipts shall be made annually, on or before May 15 for the preceding Lease Year, on a cash (and not accrual) basis and the components thereof shall be subject to verification and approval, on an annual basis, based upon conformity with the terms of this AHA and the City Lease, by the City Manager on behalf of the City.

"**Schedule of Performance**" means Attachment No. 3 to this Agreement. The Schedule of Performance sets forth the dates by which City and Developer are to perform certain obligations under this Agreement.

"**Scope of Development**" means Attachment No. 9 to this Agreement. The Scope of Development is subject to modification as provided in Section 2.2.

"**Tax Credit Amount(s)**" means the amounts so delineated therefor in the Base Pro Forma, namely: not less than $10,470,758.00 in federal tax credits and not less than $5,989,858.00 in federal tax credits; this amount represents the projected yield from the market of the Tax Credits under the Base Pro Forma and may not correspond to the amount of tax credits ultimately available.

"**Tax Credit Applications**" means that application for Tax Credits previously submitted by CHW to TCAC to obtain an allocation of 4% Tax Credits for the Development or such other financing as may be applied for pursuant to Section 6.15.

"**Tax Credit Deadline**" means December 30, 2025.

"**Tax Credit Rent**" means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this agreement (such as 50% of Median Income) under the Tax Credit Rules.

"**Tax Credit Rules**" means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, including without limitation the program regulations promulgated by TCAC.

"**Tax Credits**" means 4% Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

"**TCAC**" means the Tax Credit Allocation Committee of the State of California.

"**Tenant Selection and Tenant Services Plan**" has the meaning established therefor in Section 7.2.3 of this Agreement.

"**Term of the City Lease**" means a period of eighty-seven (87) years, as more particularly set forth in the City Lease.

"**Title Company**" shall be Stewart Title Guaranty Company or another title insurer mutually acceptable to City and Developer.

"**Uniform Codes**" means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for the Abatement of Dangerous Buildings.

"**Unit**" means each of the dwelling units required to be developed by Developer under this Agreement.

"**Universal Application Package**" means a packet so designated by City staff which includes comprehensive plans for the development of the Portion A Site; Universal Application Package is further described in Section 6.1 of this Agreement.

"**Very Low Income Households**" means households earning not greater than fifty percent (50%) of Median Income for the Area pursuant to the Health and Safety Code Section 50105.

"**Very Low Income Unit**" means a Unit occupied at Affordable Rent by an Extremely Low Income Household.

"**Year**" means the period commencing as of the Leasehold Transfer and ending as of December 31 of that calendar year, then each succeeding calendar year thereafter during the Required Covenant Period terminating as of the last day of the Required Affordable Period.

1.2 Singular and Plural Terms. Any defined term used in the plural in this Agreement or any Project Document shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 References and Other Terms. Any reference to this Agreement or any Project Document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections and Exhibits shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" mean "including (include) without limitation."

1.4 Exhibits Incorporated. All attachments and exhibits to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

1.5 Representations and Warranties.

1.5.1 City Representations. City represents and warrants to Developer as follows:

(a) City. City is a municipal corporation, acting as a housing authority existing pursuant to the Housing Authorities Law, which has been authorized to transact business pursuant to action of City. City has full right, power and lawful authority to lease the Portion A Site as provided herein and the execution, performance, and delivery of this Agreement by City has been fully authorized by all requisite actions on the part of City. The parties who have executed this Agreement on behalf of City are authorized to bind City by their signatures hereto.

(b) Litigation. To the best of City's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings including the City affecting the Portion A Site or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. City's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which it is bound.

(d) Condition of the Portion A Site as of the Leasehold Transfer. The condition of the Portion A Site as of the Leasehold Transfer (including but not limited to the condition of title and the physical condition, excepting to the extent, if any, that these are modified due to activities of Developer) will not be materially different from that existing as of the Date of Agreement.

(e) No City Bankruptcy. City is not the subject of a bankruptcy proceeding.

Until the Leasehold Transfer, City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.5.1 not to be true as of the Leasehold Transfer, immediately give written notice of such fact or condition to Developer. Such exception(s) to a representation shall not be deemed a breach by City hereunder, but shall constitute an exception which Developer shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the Portion A Site. If Developer elects to accept the Leasehold Transfer and possession of the Portion A Site following disclosure of such information, City's representations and warranties contained herein shall be deemed to have been made as of the Leasehold Transfer, subject to such exception(s). If, following the disclosure of such information, Developer elects to not accept the Leasehold Transfer of and possession of the Portion A Site, then this Agreement shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.5.1 shall survive the Leasehold Transfer.

1.5.2 Developer Representations. Developer represents and warrants to City as follows:

(a) Authority. Developer is a duly organized California nonprofit public benefit corporation organized within and in good standing under the laws of the State of California. Developer has full right, power and lawful authority to lease and accept title to and possession of the Portion A Site and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by Developer has been fully authorized by all requisite actions on the part of Developer. The parties who have executed this Agreement on behalf of Developer are authorized to bind Developer by their signatures hereto.

(b) Litigation. To the best of Developer's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting Developer, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. Developer's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound.

(d) No Developer Bankruptcy. Developer is not the subject of a bankruptcy proceeding.

(e) Developer Experience; Sophisticated Party. Developer and each of the Principals of Developer are sophisticated parties, with substantial experience in the acquisition, rehabilitation, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, including rental projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. Developer is familiar with and has reviewed all laws and regulations pertaining to the development and operation of the Development, including without limitation the Tax Credit Rules, and has obtained advice from any advisers of its own choosing in connection with this Agreement.

(f) Due Authorization and Execution; Studies Completed. Developer has duly authorized the execution of this Agreement, and prior to the Leasehold Transfer (in the event Developer proceeds with the Leasehold Transfer) will duly authorize the City Regulatory Agreement and the City Lease. Prior to the Leasehold Transfer, Developer shall execute and deposit with City (to

be held pending satisfaction of the City Conditions Precedent as set forth in Section 3.1 hereunder) the City Regulatory Agreement and all documents necessary to effectuate the Leasehold Transfer hereunder.

Until the Leasehold Transfer, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.5.2 not to be true as of the Leasehold Transfer, immediately give written notice of such fact or condition to City. Such exception(s) to a representation shall not be deemed a breach by Developer hereunder, but shall constitute an exception which City shall have a right to approve or disapprove if such exception would have an effect on the development and/or operation of the Portion A Site. If City elects to proceed with the Leasehold Transfer following disclosure of such information, Developer's representations and warranties contained herein shall be deemed to have been made as of the Leasehold Transfer, subject to such exception(s). If, following the disclosure of such information, City elects to not close Escrow, then this Agreement and the Escrow shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.5.2 shall survive the Leasehold Transfer.

1.6 Condition of the Portion A Site.

1.6.1 Studies and Reports. Prior to the Closing, Developer and its employees, agents, contractors and consultants (collectively, the "Developer Contracting Parties") may enter the Portion A Site as necessary during regular business hours to obtain data and make any other or additional surveys, tests, studies, and reports necessary to evaluate the suitability of the Portion A Site for the Development, including but not limited to invasive testing and the investigation of the environmental and physical condition of the Portion A Site (collectively, the "Studies"). Any studies undertaken on the Portion A Site by any of the Developer Contracting Parties prior to the Closing shall be done at the sole expense of Developer, and Developer shall make arrangements with City staff prior to undertaking such work and entering the Portion A Site. Any studies shall be undertaken only after Developer has secured the consent of the City and any necessary permits therefor from the appropriate governmental agencies, including without limitation City. Developer hereby agrees to promptly provide City with any and all Studies relating to the environmental condition of the Portion A Site upon Developer's acquisition thereof but without any representation as to the accuracy of such Studies or City's or City's rights to rely thereon. Following the completion of the tests and investigations described in this section, Developer shall restore the surface of the Property to substantially the condition existing prior to the performance of any such tests or investigations. Developer shall also indemnify, defend and hold City and its board members, council members, officers, and employees harmless against any claims for damage to person or property arising from entry on or activities of any of Developer Contracting Parties pursuant to this section, except and to the extent resulting from the gross negligence or willful misconduct of City. This obligation to indemnify shall survive termination of this Agreement.

1.6.2 Approval of Condition of the Site. Developer shall notify City on or before the thirtieth day after the Day of Agreement and prior to commencement of the term of the City Lease to the following effect: (i) that Developer has determined that there are not Materially Adverse Conditions on the Portion A Site, or (ii) that there are Materially Adverse Conditions on the Portion A Site but Developer has located funding sources to remediate, remove or otherwise satisfy such Conditions and that Developer elects to proceed to accept the Leasehold Transfer and proceed with performance, (iii) that there are Materially Adverse Conditions on the Portion A Site and Developer elects to terminate pursuant to Section 7.3(a) hereof unless City and Developer agree, within (15) days

following the date such notice is received by City to otherwise resolve such conditions to Developer's satisfaction, in Developer's sole and absolute discretion.

1.6.3 Indemnification. Developer shall save, protect, pay for, defend (with counsel acceptable to each of City), indemnify and hold harmless City and its elected and appointed officials, officers, employees, attorneys, representatives, volunteers, contractors and agents (collectively, "Indemnitees") from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs and third-party claims or costs) (the foregoing are hereinafter collectively referred to as "Liabilities") that may now or in the future be incurred or suffered by Indemnitees by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of: (i) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, the Portion A Site occurring after the Closing or caused or contributed to by Developer; (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, the Portion A Site by Developer or occurring after the Closing; (iii) the physical and environmental condition of the Portion A Site caused or contributed to by Developer or occurring after the Closing, and (iv) any Liabilities caused or contributed to by acts or omissions of Developer relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Portion A Site. The foregoing indemnification shall continue in full force and effect regardless of whether such condition, liability, loss, damage, cost, penalty, fine, and/or expense shall accrue or be discovered before or after the termination of the Required Covenant Period. This indemnification supplements and in no way limits the indemnification set forth in Article 6.

1.6.4 Duty to Prevent Hazardous Material Contamination. During the construction, development, operation and management of the Development, Developer shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Portion A Site. Such precautions shall include, but not be limited to, compliance with all Environmental Laws and other Governmental Requirements. Developer shall notify City, and provide to City a copy or copies of any notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to all Environmental Laws and other Governmental Requirements, and Developer shall report to City, as soon as possible after each incident, any unusual or potentially important incidents in the event of a release of any Hazardous Materials into the environment.

1.6.5 Release of Indemnitees by Developer. Developer hereby waives, releases and discharges forever the Indemnitees from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, including attorneys' fees, court and litigation costs and fees of expert witnesses, present and future, arising out of or in any way connected with Developer's possession or use of the Portion A Site, improvement of the Portion A Site in accordance with this Agreement, the Scope of Development, and the land use entitlements obtained by Developer for the Development, and for the operation of the Development at the Portion A Site, of any Hazardous Materials on the Portion A Site from the activities of Developer or arising from and after the Closing, or the existence of Hazardous Materials

contamination in any state on, under, or about the Portion A Site, from the activities of Developer or arising from and after the Closing. The foregoing indemnity shall not apply to the condition or use of the Portion A Site prior to the Closing, except and to the extent caused by any conditions which have been caused or exacerbated by any of the Developer Contracting Parties.

In connection with the foregoing, Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code that provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."**

As such relates to this Section 1.6.5, Developer hereby waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code.

Notwithstanding the foregoing, this waiver, discharge, and release shall not be effective in the event the presence or release of Hazardous Materials on the Portion A Site (i) occurs prior to the Closing and which is not caused or contributed to by Developer or (ii) as a result of the gross negligence or willful misconduct of City or their respective officers, employees, representatives and agents.

1.6.6 Environmental Inquiries. Developer shall notify City upon receipt, and provide to City a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to the Portion A Site and the Development: notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws and other applicable Governmental Requirements relating to Hazardous Materials and underground tanks, and Developer shall report to City, as soon as possible after each incident, all material information relating to or arising from such incident, including, but not limited to, the following**:**

(a) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;

(b) All notices of suspension of any permits relating to Hazardous Materials;

(c) All notices of violation from federal, state or local environmental authorities relating to Hazardous Materials;

(d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;

(e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;

(f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;

(g) All complaints and other pleadings filed against Developer relating to Developer's storage, use, transportation, handling or disposal of Hazardous Materials on or about the Portion A Site; and

(h) Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a materially adverse effect on the Portion A Site or City's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Developer shall, as soon as possible after obtaining knowledge of the release, furnish to City a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of City and/or City, but subject to any limitations imposed by law or by court order, Developer shall furnish to City a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Portion A Site in Developer's possession and/or shall notify City of any environmental entitlements or inquiries relating to or affecting the Portion A Site within Developer's actual or constructive knowledge if Developer is not in possession of same, including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

2. THE PORTION A SITE, SCOPE OF DEVELOPMENT AND SCHEDULE OF PERFORMANCE

2.1 The Portion A Site. The Portion A Site is described in Attachments No. 1 and No. 2. The Adjacent City Parking Area is not part of the Portion A Site.

2.2 Scope of Development. Developer shall develop the Portion A Site in conformity with the Scope of Development. The Scope of Development is subject to modification from time to time based upon the mutual written agreement of City and Developer; the City Manager is authorized by City to modify the Scope of Development to the extent such modifications are not material at the discretion of the City Manager without the need for further action by the City. Subsequent to the Date of Agreement, Developer will be applying to City for zoning action, environmental review associated with the development contemplated by this Agreement, any applicable mapping, and associated land use review. Land use review shall be subject to the customary City public hearing process.

3. DISPOSITION OF THE PORTION A SITE

3.1 Tentative Map and Final Map. City hereby agrees that Developer may file an application for a tentative parcel map and a final parcel map in order to reconfigure the Portion A Site. Developer shall proceed with such activities at its cost; any costs in connection with processing mapping shall be borne by Developer. Developer's ability to obtain a final parcel map reasonably acceptable to Developer, and the expiration of any applicable appeal periods without a successful appeal, are conditions precedent to the Closing. Developer's inability to obtain such a final parcel map shall not, to the extent the failure is not attributable to the acts or omissions of Developer, constitute a Default by Developer hereunder.

3.2 Lease of the Portion A Site. All references in this Agreement to acreage are approximate; payments by Developer (including without limitation those payments required under the City Lease) will not change regardless of whether the actual acreage of the Portion A Site differs from the acreage figures set forth in this Agreement. Subject to the conditions and limitations set forth in

the foregoing part of this Section 3.2 and further subject to the prior satisfaction of the City Conditions Precedent, the Leasehold Transfer of the Portion A Site is to be accomplished as set forth in Sections 3.2 to 3.5 hereof.

In consideration of City entering into the City Lease, Developer shall pay rent under the City Lease, and shall comply with and cause the use of the Portion A Site to conform to the City Lease and the City Regulatory Agreement throughout the Required Covenant Period.

3.3 Escrow. The parties shall open an escrow (the "City Escrow") with the Escrow Holder, by the time established therefor in the Schedule of Performance for the Leasehold Transfer, and the recordation and delivery of documents described in Article 3. City and Developer agree to execute such escrow instructions as may be reasonably required to implement this Section 3.3. The obligation of City to deliver the Memorandum of Lease (and a copy of the City Lease), as well as the Notice of Affordability Restrictions and, if not previously recorded, the City Regulatory Agreement, to escrow or to proceed with the Leasehold Transfer is contingent upon the satisfaction of the "City Conditions Precedent," as set forth in Section 4.1 of this Agreement.

3.3.1 Costs of Escrow. City and Developer shall pay their respective portions of the premium for the Title Policy as set forth in Section 3.5 hereof, City shall pay for the documentary transfer taxes, if any, due with respect to the Leasehold Transfer, and Developer and City each agree to pay one-half of all other usual fees, charges, and costs which arise from Escrow.

3.3.2 Escrow Instructions. The parties hereto agree to do all acts reasonably necessary to close this Escrow in the shortest possible time. Insurance policies for fire or casualty are not to be transferred, and City will cancel its own policies after the Leasehold Transfer. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account.

If in the opinion of any of Developer, City it is necessary or convenient in order to accomplish the Leasehold Transfer, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Leasehold Transfer shall take place when the City Conditions Precedent have been satisfied. Escrow Holder is instructed to release City's escrow closing and Developer's escrow closing statements to the respective parties.

3.3.3 Authority of Escrow Holder. Escrow Holder is authorized to, and shall:

(a) Pay and charge Developer and City for their respective shares of the premium of the Lessee's Title Policy as set forth in Section 3.5 and any amount necessary to place title in the condition necessary to satisfy Section 3.4 of this Agreement.

(b) Pay and charge Developer and City for their respective shares of any escrow fees, charges, and costs payable under Section 3.3.1 of this Agreement.

(c) Pay and charge Developer for any endorsements to the Lessee's Title Policy which are requested by Developer.

(d) Disburse funds, record and deliver the Recordable Documents in the order set forth in Section 3.3.6 and deliver such documents.

(e) Do such other actions as necessary to fulfill its obligations under this Agreement.

(f) Deliver to City the City Note duly executed by Developer and those instruments referenced in Section 3.3.6 upon recordation of the City Deed of Trust.

(g) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

3.3.4 Closing. The Leasehold Transfer and delivery of documents related shall close ("Closing") as soon as feasible following the parties' satisfaction of all of the City Conditions Precedent, but in no event later than the last day established therefor in the Schedule of Performance. The Schedule of Performance is subject to modification from time to time at the mutual concurrence of City and Developer, each acting at its sole discretion. The "Closing" means the time and day that all of the City Regulatory Agreement, the Notice of Affordability Restrictions, the Memorandum of Lease, the City Deed of Trust have been recorded among Official Records and Escrow Holder holds each of the City Promissory Note for delivery to City. The "Closing Date" means the day on which the Closing occurs. Escrow Holder shall also cause to be recorded among the Official Records a Request for Notice of Default as to each deed of trust hereafter designated by the City Manager to Escrow Holder; provided that the recording of such Notice(s) of Default shall not be a condition precedent to Closing.

3.3.5 Termination. If Escrow is not in condition to close by the time established therefor in the Schedule of Performance, then a party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate this Agreement. If either party makes a written demand for return of documents or properties, this Agreement shall not terminate until five (5) days after Escrow Holder shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, Escrow Holder is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Developer, however, shall have the sole option to withdraw any money deposited by it with respect to the Closing less Developer's share of costs of Escrow. Termination of the Escrow shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no timely demands for termination are made, the Escrow Holder shall proceed with the Closing as soon as possible.

3.3.6 Closing Procedure. Escrow Holder shall close Escrow for the Leasehold Transfer as follows:

Record the following documents in this order: (i) the Memorandum of Lease; (ii) the City Regulatory Agreement; (iii) the Approved Construction and/or Permanent Lender's deed(s) of trust (including any swap deed(s) of trust which do not provide for cross-collateralization or a change in security); (vi) the City Deed of Trust; (vi) the Notice of Affordability Restrictions; and (vii) such other instruments, if any, as shall be approved by City Manager (upon consultation with City's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing thereof), including any mutually approved subordination

agreements (provided that the City Regulatory Agreement shall not be subordinated), with instructions for the Recorder of Placer County, California to deliver to City the City Regulatory Agreement, the Memorandum of Lease, the City Deed of Trust, and the Notice of Affordability Restrictions and to deliver a certified copy of each to Developer. The order of recordation shall be subject to revision upon approval of the City Manager;

(a) Instruct the Title Company to deliver the Lessee's Title Policy to Developer, with a copy to City;

(b) Instruct the Title Company to deliver to City the City Loan Policy;

(c) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;

(d) Deliver the FIRPTA Certificate, if any, to Developer;

(e) Deliver documents as set forth in Section 3.3.3 hereof; and

(f) Forward to both Developer and City a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

3.4 Review of Title. City shall cause the Title Company to deliver to Developer a standard preliminary title report (the "Report") with respect to the leasehold interest in the Portion A Site under the City Lease within thirty (30) business days following the Date of Agreement, and City will endeavor to cause the Title Company to provide to Developer legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Report at such time. Developer shall have the right to reasonably approve or disapprove the Exceptions; provided, however, that Developer hereby approves the following Exceptions:

(a) The Redevelopment Plan.

(b) The lien of any non-delinquent property taxes and assessments (to be prorated at close of Escrow).

(c) The provisions of the City Regulatory Agreement, the City Lease (and the Memorandum of Lease), the City Deed of Trust, the Notice of Affordability Restrictions.

(d) Any incidental easements or other matters affecting title which do not materially impact Developer's use of the Portion A Site as described in the Scope of Development.

Developer shall have thirty (30) business days from the date of its receipt of the Report to give written notice to City and Escrow Holder of Developer's approval or disapproval of any of such Exceptions. If Developer notifies City of its disapproval of any Exceptions in the Report, City shall have ten (10) business days from the receipt of written notice of disapproval by Developer to determine whether or not it will undertake the removal of any disapproved Exceptions. If City elects to remove such Exceptions, it shall diligently proceed to effect the removal of such Exceptions, provided that any such Exceptions shall be removed no later than the Closing as a condition precedent to Developer's obligation to enter into the Lease. If City cannot or does not elect to remove any of the disapproved Exceptions within that period, Developer shall have ten (10) business days after the expiration of such

ten (10) business day period to either give City written notice that Developer elects to proceed with the ground leasing of the Portion A Site subject to the disapproved Exceptions or to give City written notice that Developer elects to terminate this Agreement. The Exceptions to title approved by Developer as provided herein shall hereinafter be referred to as the "Condition of Title." City shall promptly notify Developer of any additional and/or previously unreported Exceptions reported by the Title Company (which are not created by Developer) after Developer has approved the Condition of Title for the Portion A Site, and Developer shall have the right to approve or disapprove any such additional Exceptions pursuant to the process described in this paragraph as a condition precedent to Developer's obligation to enter into the City Lease.

3.5 Title Insurance.

(a) Lessee's Policy of Title Insurance. Concurrently with recordation of the Memorandum of Lease, there shall be issued to Developer an ALTA leasehold owner's policy (extended coverage) of title insurance (the "Lessee's Title Policy"), based upon the City's or Redevelopment Agency's original cost to acquire the Portion A Site (or, if different, then-appraised value of the Portion A Site as of the Leasehold Transfer, or, at Developer's option, an amount equal to the total development costs of the Portion A Site), together with such endorsements as are reasonably requested by Developer, issued by the Title Company insuring that the title to a leasehold interest in the Portion A Site and fee interest in the Improvements are vested in Developer in the condition required by Section 2.4 of this Agreement. The Title Company shall provide City with a copy of the Lessee's Title Policy. The Lessee's Title Policy shall be based upon value described in this section. City shall pay that portion of the premium for the Lessee's Title Policy equal to the cost of a CLTA standard coverage title policy insuring a leasehold in the amount based upon the City's or Redevelopment Agency's original cost to acquire the Portion A Site without regard to any improvements thereto. Any additional costs, including the cost of an ALTA policy or any endorsements requested by Developer, shall be borne by Developer.

(b) City Lender Policy of Title Insurance. Concurrently with recordation of the City Memorandum of Lease, there shall be issued to City a lender's policy of title insurance as to City's beneficial interest under the City Deed of Trust (the "City Loan Policy"). The City Loan Policy will be to cover the original principal amount of the City Loan. Such policy will include those endorsements as are requested by City and shall insure that the beneficial interests of City under each of the City Deed of Trust is insured in the condition required by Section 3.4 of this Agreement. Developer shall pay the premiums for the City Loan Policy and endorsements.

3.6 Financing Package. As required herein and as a City Condition Precedent to the Leasehold Transfer, as further set forth in Section 4.1 hereof, Developer shall submit to City evidence that Developer has obtained sufficient equity capital or has arranged for and obtained a binding commitment for construction financing necessary to undertake the development of the Portion A Site and the construction of the Improvements in accordance with this Agreement.

4. CONDITIONS TO DEVELOPER POSSESSION OF THE PORTION A SITE

4.1 City Conditions Precedent. City shall not effect the Leasehold Transfer or disburse any portion of the City Loan, as provided pursuant to this Agreement, and Developer shall not take possession of a leasehold interest in the Portion A Site under the Leasehold Transfer (notwithstanding any provision of this Agreement to contrary effect) unless all of the following conditions precedent (the "City Conditions Precedent") has been fully satisfied, as determined in good faith by the City

Manager (which condition, if it requires action by Developer, shall also be a covenant of Developer). City agrees to use diligent, good faith efforts to satisfy those City Conditions Precedent under the control of City.

(a) Recording of Certain Documents. Each of the City Regulatory Agreement, the City Lease or a memorandum of lease in form approved by the City Manager, the City Deed of Trust and the Notice of Affordability Restrictions has been delivered to the Title Company for recording; any documents determined in connection with the Final Financing Package to be executed and delivered in connection with the acquisition of the Portion A Site have been so executed and delivered and, where required to be recorded, have been recorded; and the Title Company is committed to issue the Lessee's Title Policy to Developer and the City Loan Policy to City.

(b) Evidence of Financing. Developer shall have provided written proof acceptable to City that Developer has sufficient internal funds and/or has obtained one or more loans or financing (including the City Loan), subject to customary conditions, for construction of the Development, and City has approved such evidence of financing, in accordance with all of Section 6.15 hereof, including that a preliminary reservation of Tax Credits has been obtained for an amount of not less than the Tax Credit Amount and the City shall have approved a Final Financing Package reflecting a high level of assurance that financing has been secured which is sufficient for the development of the Portion A Site and use at the rent levels and income levels required from all sources of financing as referenced in the last paragraph of Section 7.2. In the event Developer obtains a loan or financing for the construction of the Development, such construction loan or financing for the Development shall be ready to close, and shall close, and a portion of proceeds from the sale of Tax Credits, as provided for in this Agreement and under the Final Financing Package, shall be immediately available for use in constructing the Improvements.

(c) Construction Contract. Developer shall have provided to City a signed copy of a stipulated sum or guaranteed maximum price contract between Developer and the general contractor for the construction of the Development, certified by Developer to be a true and correct copy thereof, and City Manager shall have approved such contractor or contractors, and the construction contract or contracts, pursuant to Section 6.15 hereof. City hereby approves Sun Country Builders as the general contractor for the Project; any other contractor shall be subject to approval under Section 6.15.

(d) Payment, Performance and Completion Bonds. Developer or its general contractor shall have obtained payment bonds and performance and completion bonds for the Development, in an amount and from a surety company reasonably acceptable to the City Manager. All bonds shall be issued by good and solvent sureties qualified to do business in California and shall have a rating of A or better in the most recent edition of Best's Key Rating Guide.

(e) TCAC Approval. All TCAC approvals required in connection with the preliminary reservation of Tax Credits have been obtained in an amount not less than the Tax Credit Amount and remain in full force and effect.

(f) Insurance. City shall have received evidence, satisfactory to City Manager, that all of the insurance policies required by Section 6.5 below as well as coverages required by the City Lease, are in full force and effect.

(g) Parking Plan. Developer shall have submitted and shall have obtained City approval of a plan for parking for the Project. In the event any parking is provided at the Adjacent City Parking Area, no interest will be conveyed, no liens or restrictions may be imposed as to the Adjacent City Parking Area by Developer or any party providing financing for the Project (excepting therefrom City) and parking spaces would be available only on a non-exclusive basis to residents of the Project under a license agreement or other instrument acceptable to City. The parking plan shall include provisions for parking for each of residents and visitors to the Portion A Site, the Portion B Area, and members of the general public, as well as a plan for maintenance and operation of the Adjacent City Parking Area.

(h) Reciprocal Easement and Joint Use Agreement. Developer shall have presented and obtained the prior written approval of each of Pacific Street Housing Associates Nine, L.P., a California limited partnership and the City to a Reciprocal Easement and Joint Use Agreement that meets all criteria set forth in the definition of Reciprocal Easement and Joint Use Agreement in this Agreement.

(i) Zoning and Land Use Entitlements. Developer shall have zoning and other land use entitlements, as well as mapping approval and environmental clearance, that would authorize the development of the Portion A Site consistent with this Agreement.

(j) Representations and Warranties. The representations and warranties of Developer contained in this Agreement shall be correct as of the Leasehold Transfer as though made on and as of that date, and City Manager shall have received a certificate to that effect signed by an officer of Developer.

(k) No Default. No Default by Developer shall have occurred under this Agreement or any other agreement between City and Developer and/or its officers or employees, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute a Default by Developer under this Agreement, and City Manager shall have received a certificate to that effect signed by an officer of Developer.

All conditions set forth in this Section 4.1, or to City's obligations hereunder, are for City's benefit only and City Manager may waive all or any part of such rights by written notice to Developer. If City Manager shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to City's approval, or if any of the conditions set forth in this Agreement are not met within the times called for, City may thereafter terminate this Agreement without any further liability on the part of City by giving written notice of termination to Developer.

4.2 Developer Conditions Precedent. Developer shall not be obligated to accept the Leasehold Transfer or take possession of a leasehold interest in the Portion A Site under the Leasehold Transfer (notwithstanding any provision of this Agreement to contrary effect) unless all of the following conditions precedent (the "Developer Conditions Precedent") has been fully satisfied, as determined in good faith by the Developer (which condition, if it requires action by City, shall also be a covenant of City); and the Developer agrees to use diligent, good faith efforts to attempt to satisfy the Developer Conditions Precedent:

(a) Financing Commitments. Developer shall have obtained binding commitments for one or more loans or financing (including the City Loan), subject to customary conditions, for construction of the Development, and City has approved such evidence of financing, in

accordance with all of Section 6.15 hereof, including that a preliminary reservation of Tax Credits has been obtained for an amount of not less than the Tax Credit Amount and the City shall have approved a Final Financing Package.

(b) TCAC Approval. All TCAC approvals required in connection with the preliminary reservation of Tax Credits have been obtained in an amount not less than the Tax Credit Amount and remain in full force and effect.

(c) Representations and Warranties. The representations and warranties of City contained in this Agreement shall be correct as of the Leasehold Transfer as though made on and as of that date, and Developer shall have received a certificate to that effect signed by an officer of the City.

(d) No Default. No Default by City shall have occurred under this Agreement or any other agreement between City and Developer and/or its officers or employees, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute a Default by City under this Agreement, and Developer shall have received a certificate to that effect signed by an officer of City.

(e) Condition of the Property. The condition of the Property, including but not limited to the physical condition and the condition of title, shall not be materially different than that existing as of the Date of Agreement, subject only to matters caused by the activities of the Developer or any of the Developer Contracting Parties.

All conditions set forth in this Section 4.2, or to Developer's obligations hereunder, are for Developer's benefit only and Developer may waive all or any part of such rights by written notice to City. If Developer shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to Developer's approval, or if any of the conditions set forth in this Agreement are not met within the times called for, Developer may thereafter terminate this Agreement without any further liability on the part of Developer by giving written notice of termination to City.

5. CITY LOAN PROVISIONS

5.1 Loan Amounts. Subject to the terms and conditions set forth in the City Documents, City hereby agrees to make a loan to Developer in the amount of the City Loan Amount (the "City Loan") to fund the shortfall of development and permanent financing costs as shown in the Final Financing Package. Developer's obligation to repay the City Loan shall be evidenced by the City Promissory Note and secured by the City Deed of Trust. The close of the City Loan shall occur concurrently with the Closing.

5.2 Interest. The City Loan shall bear simple interest at the Applicable Interest Rate.

5.3 Use of City Loan. The City Loan shall be used solely for construction and permanent financing in accordance with the Final Financing Package. Developer may not use any proceeds of the City Loan for any other purpose without the prior written consent of City, which consent may be granted, conditionally granted or refused at the sole and absolute discretion of City.

5.4 Security; Subordination. City agrees to subordinate the City Deed of Trust to liens securing one Primary Construction Loan and subsequently one Primary Permanent Loan (each a "Senior Loan"), but only on condition that all of the following conditions are satisfied:

(a) All the proceeds of the proposed Senior Loan(s), less any transaction costs, must be used to provide acquisition, construction or permanent financing for the Project, or any combination thereof.

(b) Developer is not in breach of any provision of this Agreement.

(c) The proposed lender must be an Approved Construction and/or Permanent Lender.

(d) Developer must demonstrate to City's reasonable satisfaction that subordination of the City Deed of Trust is necessary to secure adequate construction, rehabilitation and/or permanent financing to ensure the viability of the Development, including the operation of the Development as affordable housing, as required by this Agreement. To satisfy this requirement, Developer must provide to City, in addition to any other information reasonably required by City, evidence demonstrating that the amount of the proposed Senior Loan(s) is necessary to provide adequate construction, rehabilitation and/or permanent financing to ensure the viability of the Development, and adequate financing for the Development would not be available without the proposed subordination.

(e) The subordination agreement(s) must be structured to minimize the risk that the City Deed of Trust would be extinguished as a result of a foreclosure by the Approved Construction and/or Permanent Lender. To satisfy this requirement, the subordination agreement must provide City with adequate written notice and rights to cure any defaults by Developer, including: (i) providing City or its successor with copies of any notices of default at the same time and in the same manner as provided to Developer; and (ii) providing City with a cure period of at least thirty (30) days to cure any default.

(f) The subordination(s) described in this Section may be effective only during the original term of the Senior Loan(s) and any extension of its term or refinancing approved in writing by City, and to any refinancing of the Senior Loan(s) as approved by City under this Agreement under which there is no cash out to Developer that is not used for Project related expenses as approved by the City Manager at his or her discretion upon application by Developer.

(g) No subordination may limit the effect of the City Deed of Trust before a foreclosure of the Permitted Senior Lien, nor require consent of the holder of the Senior Loan to exercise any remedies by City under the City Documents.

(h) Upon a determination by the City Manager that the conditions in this Section have been satisfied, the City Manager or his/her designee will be authorized to execute the approved subordination agreement without the necessity of any further action or approval.

5.4.2 No Subordination of Regulatory Agreements. It is mutually contemplated that the City Regulatory Agreement shall not be subordinated at any time during or with respect to the Term. The City Manager, on behalf of City, and the City Manager, on behalf of City, are each delegated the authority to and shall have the right to consider subordination as to periods of time other

than the first fifty-five (55) years of the Term upon a compelling showing that: (i) such subordination is necessary to accomplish the financing of the Improvements; (ii) the party or parties requesting such subordination are acting reasonably; (iii) Developer has exhausted all reasonable efforts to successfully accomplish the financing of the Improvements; (iv) the provision of reasonable countervailing consideration to City has been considered and is made available to the extent feasible, such as expansions of the rights of City as set forth under Section 10.6(b) of this Agreement; (v) the resulting terms and conditions reasonably protect the interests of City (as determined by the City Manager and the City Manager, respectively); and (vi) without limitation as to other rights or remedies of City, City shall have those rights described in Section 10.6(b) of this Agreement. In addition to the foregoing portion of this Section 5.4.2, each of the City Manager and the City Manager is delegated authority to consider, at his or her respective discretion, such requests in connection with the provision of financing for the Development, as may be received to approve (at the discretion of each) accommodations similar to those which have previously been approved by City in connection with other affordable housing transactions within the five (5) years preceding the Date of Agreement.

5.5 Repayment.

5.5.1 Repayment of the City Loan. The City Loan shall be repaid as follows:

(a) Term of the City Loan. The City Loan shall have a term that expires on the date fifty-seven (57) years from the Close of Escrow.

(b) Payments. Commencing on the May 1 first occurring after the Year in which the permanent loan closes for the Project but not later than six (6) months after the completion of the Improvements pursuant to this Agreement, and on each May 1 thereafter throughout the term of the City Loan, Developer shall make repayments of the City Loan equal to the Applicable Percentage of Residual Receipts, if any (which pro-rata share shall be calculated based on the original principal amount of other financing which is to be paid from Residual Receipts). Payments made shall be credited first against accrued interest and then against outstanding principal of the City Loan.

(c) Interest on City Loan. Subject to the provisions of subsection (d) below, all principal and interest on the City Loan shall, at the option of City, be due and payable upon the earliest of: (1) a transfer other than a transfer permitted or approved by City as provided in Section 8.3 below; (2) the occurrence of an uncured Default by Developer for which City elects to exercise its right to cause the City Loan to become immediately due and payable; or (3) the expiration of the term of the City Loan.

(d) Prepayment. Developer shall have the right to prepay the City Loan at any time. However, this Agreement, the City Lease, and the City Regulatory Agreement shall remain in effect for their entire respective terms, regardless of any prepayment or timely payment of the City Loan.

5.6 Conditions Precedent to Disbursement of City Loan. City will disburse the City Loan subject to the conditions precedent set forth below. City shall not be obligated to make any disbursements of the City Loan proceeds unless the following conditions precedent are satisfied:

(a) There exists no Default by Developer nor any act, failure, omission or condition that would constitute a Default by Developer under this Agreement;

(b) The conditions precedent described in Section 4.1 have been satisfied or expressly waived in writing by City; and

(c) The undisbursed proceeds of the City Loan, together with other funds or firm commitments for funds that Developer has obtained in connection with the construction of the Development are not less than the amount that City determines is necessary to pay for development costs and to satisfy all of the covenants contained in this Agreement.

(d) With respect to disbursements for construction costs, City has received a written draw request from Developer, setting forth the proposed uses of funds consistent with the Final Financing Package, the number of funds needed, and, where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred; and lien releases from Developer's general contractor and/or mechanics lien title insurance endorsements reasonably acceptable to City.

5.7 Non-Recourse Obligation.

5.7.1 Limitation of Liability. Except as provided below, Developer shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the City Loan or the performance of the covenants of Developer under the City Deed of Trust.

The sole recourse of City with respect to the principal of, or interest on, the City Promissory Note and defaults by Developer in the performance of its covenants under the City Deed of Trust shall be to the property described in the City Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall: (1) limit or impair the enforcement against all such security for the City Promissory Note of all the rights and remedies of City thereunder; or (2) be deemed in any way to impair the right of City to assert the unpaid principal amount of the City Promissory Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

5.7.2 Exceptions. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the City Promissory Note and the performance of Developer's obligations under the City Deed of Trust, except as hereafter set forth; nothing contained herein is intended to relieve Developer of its s indemnification obligations under this Agreement, or liability for: (1) fraud or willful misrepresentation; (2) the failure to pay taxes, assessments or other charges which may create liens on Developer's interest in the Property that are payable or applicable prior to any foreclosure under the City Deed of Trust (to the full extent of such taxes, assessments or other charges); and (3) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Development.

6. SCOPE OF DEVELOPMENT; INSURANCE AND INDEMNITY, FINANCING

6.1 Scope of Development. Developer shall develop the Improvements in accordance with the Entitlements as well as the Scope of Development, as the Scope of Development may be amended under Section 2.2, and the approved plans, drawings and documents for the Improvements. Plans shall be subject to the City's development entitlement process, which may include, but is not limited to: design review, consideration of conditional use permit, lot line adjustment/parcel map, and CEQA compliance. In the event of any inconsistency between the Scope of Development and the plans for the Improvements which have been approved by City, the approved Development plans shall

control. In connection with seeking land use approvals for development of the Portion A Site, Developer shall submit a packet commonly referred to by City as a "Universal Application Package" which will include basic concept drawings ("Basic Concept Drawings") for development of the Improvements. City will review the Basic Concept Drawings and the remainder of the Universal Application Package as submitted in accordance with the City's customary process, including design review consistent with the architectural guidelines for that area designated by City as the "Quarry District."

6.1.1 Existing Approvals. Prior to the Date of Agreement, Developer has obtained the Entitlements; Developer may construct in conformity with the Entitlements. If any changes are proposed, then, before commencement of construction of the Improvements or other works of improvement upon the Portion A Site (to the extent such construction would rely upon changes after the Entitlements were given in 2025), Developer shall submit to City a Universal Application Package that will include any plans and drawings (collectively, the "Design Development Drawings") which may be required by City with respect to any permits and entitlements which are required to be obtained to develop the Improvements, which City shall comment on and return to Developer within thirty (30) days from the date of receipt thereof, or sixty (60) days in the case of design review; if the City takes longer to review plans, times for performance by Developer will be deemed extended by the time in excess of the foregoing time limits. Developer, on or prior to the date set forth in the Schedule of Performance, shall submit to City such plans for the Improvements as required by City in order for Developer to obtain building permits for the Improvements. Within thirty (30) days after City's disapproval or conditional approval of such plans (or sixty (60) days in the case of design review), Developer shall revise the portions of such plans identified by City as requiring revisions and resubmit the revised plans to City. Developer shall include in its plans a description of any joint or reciprocal use as between the Portion A Site and the Portion B Area, including without limitation ingress, egress, parking, and the use of common area facilities.

6.1.2 City Review and Approval. City shall have all rights to review and approve or disapprove all Design Development Drawings and other required submittals in accordance with the City Code, and nothing set forth in this Agreement shall be construed to constitute City's approval of any or all of the Design Development Drawings or other entitlements or to limit or affect City's review and right to approve, approve subject to conditions, or disapprove Design Development Drawings, plans, drawings, applications, or submittals.

6.1.3 Revisions. Any and all change orders or revisions required by City and its inspectors under the City Code and including without limitation all applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations shall be included by Developer in its Design Development Drawings and other required submittals and shall be completed during the construction of the Improvements.

6.1.4 Defects in Plans. City shall not be responsible either to Developer or to third parties in any way for any defects in the Design Development Drawings, nor for any structural or other defects in any work done according to the approved Design Development Drawings, nor for any delays reasonably caused by the review and approval processes established by this Section 6.1.4.

6.1.5 Land Use Approvals. Developer has obtained the Entitlements. If any changes are proposed, then before commencement of construction of the Improvements or other works of improvement upon the Portion A Site, Developer shall, at its own expense, secure or cause to be secured any and all land use and other entitlements, permits, and approvals which may be required for

the Improvements by City or any other governmental agency affected by or having jurisdiction over such construction or work, except for those which are the responsibility of City to the extent, if any, as set forth herein, including without limitation a license agreement between Developer and City allowing entry onto the Portion A Site which indemnifies the Indemnitees from any claims made in connection with the activities of Developer. Developer shall, without limitation, apply for and secure, and pay all costs, charges and fees associated therewith, all permits and fees required by City, the County of Placer, and other governmental agencies with jurisdiction over the Improvements.

6.2 Time of Performance; Progress Reports. Developer shall submit all Design Development Drawings, commence and complete all construction of the Improvements, and satisfy all other obligations and conditions of this Agreement within the times established therefor in this Agreement. Construction of the Improvements shall be commenced on or before the time established therefor in the Schedule of Performance. Once construction is commenced, it shall continuously and diligently be pursued to completion and shall not be abandoned for more than thirty (30) days except when due to causes beyond the control and without the fault of Developer as set forth in Section 9.10. During the course of construction and prior to issuance of the Certificate of Completion, Developer shall provide timely reports of the progress of construction when requested by the City Manager. Developer shall complete construction of all of the Improvements on the Portion A Site within twenty (20) months after the first to occur of (i) commencement of construction or (ii) the time established by this Agreement for commencement of construction.

6.3 Cost of Development. The cost of planning, designing, developing, and constructing the Improvements and the cost of any mapping the Portion A Site shall be borne solely by Developer (however the City Loan shall be used to pay a portion of such costs). All fees imposed by any governmental entity in connection with the acquisition of the Portion A Site or the development of the Improvements shall be borne by Developer and shall be paid when due by Developer. City shall be responsible for and bear the costs, if any, associated with the application of Relocation Laws to the Development to the extent described above within the definition of "Relocation". In addition, in the event City desires to rent all or a portion of the Portion A Site for a period commencing after the Date of Agreement ("Post-Agreement Rentals"), any Post-Agreement Rental shall not interfere with Developer's rights under this Agreement, and City shall be responsible for compliance with Relocation Laws with respect to any such Post-Agreement Rentals in a manner which will not delay or otherwise interfere with the Closing or Developer's development of the Improvements, including but not limited to a requirement that the Portion A Site shall be free of all rights of occupancy or possession in any third parties no later than the Closing.

6.3.1 Impact Fees. Developer shall pay to City, or cause to be disbursed by the lender making the Primary Construction Loan to City, all of the City Impact Fees not later than concurrently with the closing of the Primary Construction Loan.

6.4 City Loan. The City Loan shall be deemed to be a loan for the benefit of (and payable by) Developer and shall be repaid as set forth in the City Promissory Note. Interest shall accrue on the amounts disbursed as set forth in the City Promissory Note. The City Promissory Note shall be secured by the City Deed of Trust. The obligation of Developer to repay the City Loan is set forth in the City Promissory Note. The City Deed of Trust is to be recorded against Developer's interest in the Portion A Site (which deed of trust shall be subordinate to liens securing repayment of the Primary Construction Loan and, subsequently, the Primary Permanent Loan). The Initial Financing Plan as well as the Final Financing Plan shall provide for payments to be made to the City under the City Loan from an amount of not less than the Applicable Percentage of Residual Receipts.

6.5 Insurance Requirements. Commencing as of Leasehold Transfer and continuing throughout the Required Covenant Period, and, in addition at all times during which Developer is conducting work on the Portion A Site or any portion thereof, including times prior to the Leasehold Transfer, Developer shall maintain at Developer's sole expense, with insurers reasonably approved by City, the following policies of insurance in form and substance reasonably satisfactory to City: (i) at all times commencing with the Leasehold Transfer and continuing throughout the Required Covenant Period, Developer shall provide those coverages described in the Insurance During the Remainder of Lease Term; and (ii) at all times during the period commencing with the Leasehold Transfer and ending as of end of the Required Covenant Period when construction is taking place on the Portion A Site, the Developer shall additionally provide those coverages set forth in the Insurance During Construction.

6.6 Obligation to Repair and Restore Damage Due to Casualty. If during the period of construction the Improvements shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against and recoverable by insurance proceeds held by such policy(ies) maintained by Developer, Developer shall proceed to obtain insurance proceeds as soon as practicable and take all steps necessary to begin reconstruction and, as soon as practicable upon receipt of insurance proceeds, to commence the repair or replacement of the Improvements to substantially the same condition as the Improvements are required to be constructed pursuant to this Agreement, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Developer shall complete the same as soon as practicable thereafter so that the Improvements can be occupied as an affordable housing project in accordance with this Agreement. City acknowledges that the availability of insurance proceeds is subject to rights of the Investor and the Approved Construction Lender. In no event shall the repair, replacement, or restoration period exceed thirty (30) months from the date Developer obtains insurance proceeds unless the City Manager, in his or her sole and absolute discretion, approves a longer period of time. City shall cooperate with Developer, at no expense to City, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, then-existing laws of any other governmental agencies with jurisdiction over the Portion A Site do not permit the repair, replacement, or restoration, Developer may elect not to repair, replace, or restore the Improvements by giving notice to City (in which event Developer will be entitled to all insurance proceeds after paying to City from such proceeds an amount equal to any assistance expended by City but Developer shall be required to remove all debris from the Portion A Site) or Developer may reconstruct such other improvements on the Portion A Site as are consistent with applicable land use regulations and approved by City and the other governmental agency or agencies with jurisdiction, and City may pursue remedies of its choosing under this Agreement, including without limitation termination.

6.7 Indemnity. Developer shall defend (by counsel satisfactory to City), indemnify and save and hold harmless City and their officers, contractors, agents and employees (collectively, the "Indemnitees") from and against all claims, damages, demands, actions, losses, liabilities, costs and expenses (including, without limitation, attorneys' fees and court costs) arising from or relating to: (i) Developer's performance of its obligations under this Agreement; (ii) a claim, demand or cause of action that any person has or asserts against Developer; (iii) any act or omission of Developer, any contractor, subcontractor or material supplier, engineer, architect or other person under Developer's control or under contract with Developer with respect to the Portion A Site; (iv) the conditions, use, condition of title, or any claims associated with the acquisition by CHW or Developer of the Developer Area, the transfer of the Developer Area to City, or the transfer by City of a leasehold interest in the Developer Area under this Agreement; or (v) Developer's ownership, occupancy or use of the Portion A Site, including without limitation tenant selection. Notwithstanding the foregoing, Developer shall not be obligated to indemnify the Indemnitees with respect to the consequences of any act of gross

negligence or willful misconduct of any of the Indemnitees. Developer's obligations under this Section 6.7 shall survive the issuance of the Certificate of Completion and termination of this Agreement; the requirements under this Section 6.7 are in addition to and do not limit the obligations of Developer under the City Lease.

Developer shall reimburse City immediately upon written demand for all costs reasonably incurred by City (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants, whether the same are independent contractors or employees of City) in connection with the enforcement of the Project Documents and all related matters including the following: (a) City's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Document, and (b) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which City is indemnified under the Project Documents. Such reimbursement obligations shall bear interest based upon the amounts and times of disbursement by City, provided that City gives written demand to Developer at the Applicable Interest Rate. Such reimbursement obligations shall survive the issuance of the Certificate of Completion and termination of this Agreement and are in addition to and do not limit the obligations of Developer under the City Lease.

Developer shall indemnify City from any real estate commissions or brokerage fees which may arise from this Agreement or the Portion A Site, including without limitation the acquisition of the Portion A Site by Developer, or the leasing of dwelling units on the Portion A Site; in addition, Developer shall indemnity City from any real estate commissions or brokerage fees which may arise from the acquisition by CHW (or Developer) of the Developer Area or the conveyance by CHW (or Developer) of the Developer Area to City.

In addition, and without limitation to the foregoing, Developer agrees to indemnify, defend and hold City harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Portion A Site caused or contributed to by Developer or which occurs after the Closing, or (ii) the violation, or alleged violation, by Developer or anyone acting by or through Developer, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Portion A Site which is caused or contributed to by Developer or which occurs after the Closing. This indemnity shall include, without limitation, any damage, liability, fine, penalty, parallel indemnity after closing cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. At the request of Developer, City shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that City shall not be obligated to incur any expense in connection with such cooperation or assistance. Notwithstanding anything contained herein to the contrary, Developer shall not indemnify City for any claims arising from City's gross and active negligence or City's willful misconduct.

6.8 Rights of Access. Prior to the issuance of the Certificate of Completion, for purposes of assuring compliance with this Agreement, representatives of City shall have the right of access to

the Portion A Site, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Improvements so long as City representatives comply with all safety rules. City representatives shall, except in emergency situations, notify Developer prior to exercising its rights pursuant to this Section 6.8. In addition, representatives of City shall have access to the Portion A Site in connection with the enforcement of laws, including without limitation the City Code to the extent used in connection with the exercise of police powers of City without regard to any limitations otherwise set forth in this Section 6.8.

6.9 Compliance With Laws. Developer shall carry out the design, construction and operation of the Improvements in conformity with all applicable laws, including all applicable state labor standards and federal prevailing wage laws (including without limitation provisions for payment of prevailing wages in connection with all construction of the Improvements to the extent applicable), the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Code, and the Fair Housing Act, 42 U.S.C. Section 3601 *et seq.* (and 24 C.F.R. Part 100), the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, and the California Building Standards Code, Health and Safety Code Section 18900, *et seq.* Developer, including but not limited to its contractors and subcontractors, shall comply with Labor Code Section 1720, *et seq.*, and its implementing regulations, regarding the payment of prevailing wages (the "State Prevailing Wage Law") and, if applicable, federal prevailing wage law ("Federal Prevailing Wage Law" and, together with State Prevailing Wage Law, "Prevailing Wage Laws") with regard to the construction of the Improvements, but only if and to the extent such sections are applicable to the development of the Improvements. Developer shall be solely responsible for determining and effectuating compliance with any applicable Prevailing Wage Laws, and City makes no final representation as to the applicability or non-applicability of the Prevailing Wage Laws to the Improvements, or any part thereof. Developer hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold each of City, and their respective officers, employees, agents and representatives, harmless from any and all claims, demands, actions, suits, proceedings, fines, penalties, damages, expenses resulting from, arising out of, or based upon Developer's acts or omissions pertaining to the compliance with the Prevailing Wage Laws for the Improvements.

Without limitation as to Section 6.7 of this Agreement, Developer shall indemnify, protect, defend and hold harmless City and its officers, employees, contractors and agents, with counsel reasonably acceptable to City, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages and/or federal prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Improvements, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the

same may be amended from time to time, and/or any other similar law. "Increased costs," as used in this Section 6.9, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Improvements by Developer.

6.10 Nondiscrimination in Employment. Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, sexual orientation, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability.

6.11 Taxes and Assessments. Subject to Developer's right to contest taxes and assessments as provided in Section 7.2(c) of the City Lease, Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Portion A Site. Developer shall remove or have removed any levy or attachment made on any of the Portion A Site or any part thereof which is owned or leased by Developer, or assure the satisfaction thereof within a reasonable time, but in no event to exceed sixty (60) days. Developer shall additionally defend, indemnify, and hold harmless City from and against any taxes, assessments, mechanic's liens, claims of materialmen and suppliers, or other claims by private parties in connection with (a) activities undertaken by Developer or (b) the Portion A Site.

6.12 Liens and Stop Notices. Developer shall not allow to be placed on the Portion A Site or any part thereof any lien or stop notice. If a claim of a lien or stop notice is given or recorded affecting the Improvements Developer shall within thirty (30) days of such recording or service or within five (5) days of City's demand whichever last occurs:

(a) pay and discharge the same; or

(b) affect the release thereof by recording and delivering to City a surety bond in sufficient form and amount, or otherwise; or

(c) provide City with indemnification from the Title Company against such lien or other assurance which City deems, in its sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of City from the effect of such lien or bonded stop notice.

6.13 Certificate of Completion. Within fifteen (15) days after receipt of written request by Developer after completion of the Improvements in conformity with this Agreement, City shall furnish Developer with a "Certificate of Completion," substantially in the form of attached hereto. City shall not unreasonably withhold such Certificate of Completion. The Certificate of Completion shall be a conclusive determination of satisfactory completion of the Improvements and the Certificate of Completion shall so state. If City refuses or fails to timely furnish a Certificate of Completion after written request from Developer, the Certificate of Completion shall be deemed to have been issued unless City shall, within fifteen (15) days of receipt of written request therefor, provide Developer with a written statement of the reasons City refused or failed to furnish the Certificate of Completion. The statement shall also contain City's opinion of the actions Developer must take to obtain the Certificate of Completion. The Certificate of Completion is not a notice of completion as referred to in Section 3093 of the California Civil Code.

6.14 Further Assurances. Developer shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to City all documents, and take all actions, reasonably required by City from time to time to confirm the rights created or now or hereafter intended to be created under the Project Documents or otherwise to carry out the purposes of the Project Documents.

6.15 Financing of the Improvements. Financing shall be provided consistent with the Proof of Financing Commitments.

6.15.1 Approval of Financing. As required herein and as an City Condition Precedent to the Leasehold Transfer, Developer shall submit to City evidence reasonably satisfactory to the City Manager that Developer has obtained sufficient equity capital or has arranged for and obtained a binding commitment for construction financing which, inclusive of proceeds of the City Loan, is necessary to undertake the development of the Portion A Site and the construction of the Improvements in accordance with this Agreement ("Proof of Financing Commitments"). This requirement shall be implemented as follows: on or before the time set forth in the Schedule of Performance for the recording of documents, but not later than thirty (30) days prior to Closing, and prior to taking possession of the Portion A Site, Developer shall submit to the City Manager a proposed final financing package (the "Initial Proposed Financing Package") which identifies all funding, including sources, amounts, timing and mechanics for disbursement, sufficient to finance the development of the Improvements in conformity with this Agreement. While the Base Pro Forma sets forth initial financing assumptions, it is mutually acknowledged that Developer may seek additional funding sources and that the actual proposed financing may vary from that described in the Base Pro Forma. Upon receipt of such submittal from Developer of the Initial Proposed Financing Package, the City Manager (and nominees of his choosing for this purpose) will review the Initial Proposed Financing Package and will confer with Developer regarding the Initial Proposed Financing Package. The City Manager may make suggestions and propose modifications or substitutions to the Initial Proposed Financing Package. The parties contemplate that more than one submittal may be necessary to achieve a submitted financing package that is approved by the City Manager, and that a consultative process shall occur in connection with each such submittal. At such point as the City Manager may determine, in his or her discretion, to approve a proposed financing package, upon approval by the City Manager, such financing package shall be referred to as the "Final Financing Package." Attachments hereto shall be subject to change by the terms of the Final Financing Package. The Initial Financing Package and the Final Financing Package shall include the provisions of Section 10.6(c) of this Agreement.

By its approval of this Agreement, the City Council of the City has delegated to the City Manager full authority to make all determinations on behalf of City for all purposes of Section 6.15, including all subparts thereof.

Each of the Initial Financing Package and the Final Financing Package shall provide for the payment by Developer to City of payments of the Applicable Percentage of Residual Receipts under the City Loan and for a Developer Fee not in excess of the limitation established with respect thereto under the definition of Developer Fee in this Agreement.

The parties intend that Developer is to obtain equity financing for the construction and operation of the Development including the use of Tax Credits (in an amount of not less than the Tax Credit Amount) and obtaining capital contributions from limited partners in the Development in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Development.

(a) Required Financing Submittals; Submittal of Construction Contract. Such evidence of financing for the Development and readiness to commence construction of the Development shall include all of the following:

(i) An updated pro forma and final development budget for the Development, including the Initial Proposed Financing Package, showing the projected costs of construction of the Development, including all onsite and offsite improvements to be constructed in connection therewith.

(ii) A copy of the lender's firm commitment obtained by Developer for the Primary Construction Loan for the Development and, when available, copies of all loan documents evidencing the Primary Construction Loan therefor. The Primary Construction Loan commitments for financing shall be in such form and content acceptable to City and its financial advisor(s) and its legal advisor(s) and as such reasonably evidences a legally binding, firm and enforceable commitment, subject only to the Lender's customary and normal conditions and terms and subject to the requirements of this Section 6.15. Developer shall provide written certification to City that the loan documents submitted are substantially in the form of the actual loan documents to be executed by Developer concurrently with the Closing. If the Lender requires a subordination agreement between or among Lender, City and/or Developer, concerning the relative priority among deed of trust, City shall review the form of subordination subject to the reasonable review and approval of the City Manager and legal counsel(s), subject to one or more of the conditions set forth in Section 5.4 necessary for the Primary Construction Loan to be a title insured first monetary lien on the Development.

(iii) A current certified financial statement of Developer (and all partners and members thereof, except the Investor Limited Partner) and/or other documentation satisfactory to City as evidence of other sources of capital sufficient to demonstrate that Developer has adequate funds to cover the difference, if any, between construction and completion costs, and the financing authorized by the Tax Credits, Primary Construction Loan, the City Loan and any additional subsidies, sources of funding, or financing obtained by Developer for the development of the Development.

(iv) Copies of the construction contract(s).

City, which may act through its City Manager, shall have the right to approve or disapprove such evidence of financing within fifteen (15) business days of submission by Developer to City of all complete items required by this Section 6.15 or as otherwise reasonably imposed by Developer's financing and such approval or disapproval shall be provided not less than fifteen (15) business days prior to the date scheduled for the Closing (so long as City has had no fewer than thirty (30) days for review of a complete submittal). Failure by City to approve evidence of financing within such time period shall constitute disapproval unless otherwise agreed between City and Developer. In this regard, Developer agrees it shall use best efforts to cause its Primary Construction Lender to timely provide complete drafts of documents for review by City and its legal counsel(s) to perform within such time frames. Approval shall not be unreasonably withheld or conditioned. If City disapproves any such evidence of financing, City shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly obtain and submit to City new evidence of financing within reset but equal time periods. If Developer's submission of new evidence of financing is timely and complete and provides City with adequate time to review such evidence within the times established in this Section 6.15, City shall approve or disapprove such new evidence of financing in

the same manner and within the same times established in this Section 6.15 for the approval or disapproval of the evidence of financing as submitted to City initially. The Closing shall be extended as necessary to accommodate the time necessary to obtain the City Manager's approval hereunder.

The evidence of financing shall be deemed to be an ongoing representation by Developer that the sum total of all sources of financing are at least equal to the amount of the approved Project costs as set forth in the Final Development Budget for the Development and that such Final Development Budget conforms to the Tax Credit Applications and the preliminary reservation of Tax Credits, and any and all updates thereto submitted by Developer to TCAC. Once the complete evidence of financing is approved by City, Developer shall promptly notify City in writing of any change in, additional conditions to, or additional sources of financing, including without limitation, the award of state or federal Tax Credits, and any updates or additional information material or relevant to such financing and/or the Tax Credits. The representations made by Developer with respect to the budgets and costs for the Development and the sources of funding and method of financing for the Development, inclusive of all submittals and information related to the Tax Credits, were and remain the basis used by City to negotiate the financial terms of this Agreement.

(b) Tax Credit Equity. Developer has indicated that it has obtained equity financing for the construction and operation of the Development including the use of Tax Credits and obtaining capital contributions from Limited Partners in Developer in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Development. The following requirements must be satisfied in order for the equity financing for Tax Credit funding for the Development to be approved by City pursuant to this Section 6.15:

(i) Developer understands and agrees that Developer and/or CHW may be required to provide an operating deficit guaranty, tax credit recapture guaranty, and/or other guaranties which may be required with respect to the Limited Partners' investment in the Development. If required for such financing, the execution of such guaranties shall be an additional City Condition Precedent for the purposes of Section 4.1.

(ii) Developer shall submit the following documents as evidence of financing prior to the time set forth in the Schedule of Performance for the recording of documents, but not later than the Closing: (a) a copy of a legally binding, firm and enforceable loan commitment(s) or approval(s) obtained by Developer from unrelated financial institutions for the mortgage loan or loans for financing to fund the construction of the Development, subject to such lenders' reasonable, customary and normal conditions and terms, (b) a limited partnership agreement or funding agreement from the equity investors in the Development which demonstrates that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and a current financial statement of Developer, (c) a copy of a Preliminary Reservation of Tax Credits from the California Tax Credit Allocation Committee for Tax Credits for the construction of the Development, (d) a binding agreement for the purchase of the Tax Credits, and/or (e) other documentation satisfactory to City as evidence of other sources of capital, all of which together are sufficient to demonstrate that Developer has adequate funds to construct and complete the Development.

(iii) The equity investment of the Limited Partners of the limited partnership shall not be less than the approximate prevailing price for 4% Tax Credits at such time, taking into consideration all relevant factors such as timing of required payments, the amount of the Tax Credits, and the market for tax credits at that time.

(iv) City acknowledges that a Lease Rider for the benefit of TCAC is contemplated in connection with the award of Tax Credits.

(c) Required Submissions. Developer shall submit the following documents as evidence of Tax Credit financing:

(i) The Partnership Agreement or equivalent funding commitment letter from the equity investors in the Development which demonstrates that Developer has sufficient funds and committed capital/equity for commencement through completion of construction, and that such funds have been committed to construction of the Development, and a current financial statement of Developer.

(ii) A complete copy of each application for Tax Credits sand supporting documentation submitted to TCAC by Developer, within five (5) days following Developer's submission thereof to TCAC.

(iii) A copy of a preliminary reservation letter from TCAC notifying Developer that an allocation 4% Tax Credits for not less than the Tax Credit Amount, has been reserved for construction of the Development, and further documentation demonstrating that Developer remains eligible and qualified to receive such allocation, along with certification that there have not been any material changes to the information provided by Developer in the applications for Tax Credits, as defined and referenced in such reservation letters, and that if there are material changes then such information will be provided to TCAC (and City) forthwith.

(d) Approval of Financing. As required above in this Section, Developer shall submit to City evidence that Developer has obtained sufficient equity capital and/or has arranged for and obtained a binding commitment for construction financing on then commercially reasonable terms necessary to undertake the development of the Portion A Site and the construction of the Improvements in accordance with this Agreement ("Proof of Financing Commitments").

City shall reasonably approve or disapprove such evidence of financing within thirty (30) days of receipt of each of the respective submittals, provided that such submittal is complete. Approval shall not be unreasonably withheld so long as the terms and conditions of the financing are consistent with this Agreement, including without limitation the availability of the Tax Credit Amount and the acknowledgment and consent by such lender to City Regulatory Agreement as senior encumbrances, with the further proviso that if the Tax Credit Amount exceeds the amount set forth therefor on the Base Pro Forma, Developer shall agree that the excess remaining after applying amounts necessary to defray Cost Overrun Amounts theretofore experienced or the Developer Fee (the "Excess Amount") shall be applied first to fund the Operating Reserve and the Capital Replacement Reserve and, to the extent that any surplus remains, to pay the Deferred Developer Fee, then to the extent any surplus remains, to be treated as Gross Revenues under the City Lease; financing terms shall be reasonable and customary. If City shall disapprove any such evidence of financing, City shall do so by Notice to Developer stating the reasons for such disapproval and Developer shall endeavor to promptly obtain and submit to City new evidence of financing. City shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 6.15 for the approval or disapproval of the evidence of financing as initially submitted to City. Developer shall close the approved Tax Credit financing prior to or concurrently with the Closing.

The Proof of Financing Commitment shall include a copy of a legally binding, firm and enforceable loan commitment(s) obtained by Developer from one or more financial institutions for the mortgage loan or loans for financing to fund the construction and completion of the Improvements.

The parties intend that Developer is to obtain equity financing for the construction and operation of the Development including the use of Tax Credits (in an amount of not less than the Tax Credit Amount) and obtaining capital contributions from limited partners in the Development in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Development.

In no event shall City be obligated to provide any financial assistance or subsidy to the Development other than as expressly set forth in this Agreement. City shall have no obligation to make any expenditures under this Agreement.

Developer understands and agrees that Developer and/or CHW may be required by third party lenders to provide an operating deficit guaranty, tax credit recapture guaranty, and/or other guaranties which may be required with respect to the limited partners' investment in the Development. If required for such financing, the execution of such guaranties shall be an additional condition precedent for the purposes of Section 4.1.

Developer shall submit the following documents as evidence of financing: (a) a copy of a firm loan commitment(s) or approval(s) obtained by Developer from unrelated financial institutions for the mortgage loan or loans for financing to fund the construction of the Development, subject to such lenders' reasonable, customary and normal conditions and terms, (b) a limited partnership agreement or funding agreement from the equity investors in the Development which demonstrates that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and a current financial statement of Developer and Developer's other sources of equity capital, (c) a copy of a preliminary reservation of Tax Credits (and when available, the final reservation of Tax Credits) from the California Tax Credit Allocation Committee for Tax Credits for the construction of the Development (or other evidence satisfactory to the City Manager that Tax Credits will be available), (d) a binding agreement for the purchase of the Tax Credits, and (e) such other documentation as may be reasonably necessary to satisfy City as to the availability, commitment and adequacy of other sources of capital, all of which together are sufficient to demonstrate that Developer has adequate funds committed for the construction and completion of the Development.

6.15.2 No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease Back for Development. Mortgages, deeds of trust and subleases and subleases back on Developer's leasehold (but not as to the underlying fee) shall be permitted before the completion of the Improvements only with City's prior written approval, but only for the purpose of securing loans of funds to be used for financing the construction of the Improvements (including architecture, engineering, legal, construction period carrying costs such as property taxes, insurance and interest, and related direct costs as well as indirect costs) on or in connection with the Portion A Site, and the obtaining of a permanent loan (as well as swap contracts, if any, entered into in connection therewith which are consistent with the terms of this Agreement concerning no cross-collateralization or change in security) in the amount of the outstanding balance of the construction loan. In no event, however, shall the amount or amounts of indebtedness secured by mortgages or deeds of trust on Developer's leasehold interest as to the Portion A Site exceed the projected Developer's cost, as evidenced by a pro

forma and a construction contract which have been approved by the City Manager in accordance with this Agreement and which set forth such costs, unless the written approval of the City Manager is first obtained. Developer shall notify City in advance of any mortgage, deed of trust or sublease and sublease back financing, if Developer proposes to enter into the same before completion of the construction of the Improvements. The words "mortgage" and "trust deed" as used hereinafter shall include sublease and sublease back. No liens shall be permitted on City's fee interest in the Portion A Site.

6.16 Holder Not Obligated to Construct Improvements. The holder of any mortgage or deed of trust on Developer's leasehold interest authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct, complete, or operate the Improvements or any portion thereof, or to guarantee such construction, completion or operation; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Portion A Site to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement**.**

6.17 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure. With respect to any mortgage or deed of trust granted by Developer as to its leasehold interest as provided herein, whenever City may deliver any notice or demand to Developer with respect to any breach or default by Developer under this Agreement, City shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand; provided that the failure to notify any holder of record shall not vitiate or affect the effectiveness of notice to Developer. Each such holder shall (insofar as the rights granted by City are concerned) have the right, at its option, within sixty (60) days after the receipt of the notice, or such longer time as expressly provided for a cure under this Agreement, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage or deed of trust. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to City by written agreement reasonably satisfactory to City. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates, but on a schedule which takes into account the time reasonably required for the holder to obtain title to and possession of Developer's leasehold interest in the Portion A Site, analyze and negotiate amendments to plans, specifications, construction contracts and operating contracts or to negotiate new construction contracts and operating contracts. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 6.13 of this Agreement, to a Certificate of Completion. It is understood that a holder shall be deemed to have satisfied the sixty (60) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of Developer's leasehold interest in the Portion A Site (or portion thereof) if and to the extent any such holder has within such sixty (60) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default. The City Manager is authorized to consent, on behalf of City, to the provision of similar cure rights to the limited partner as reasonably requested by the tax credit investor.

6.18 Failure of Holder to Complete Improvements. In any case where, one hundred eighty (180) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon

the Portion A Site (or leasehold interest therein) or any part thereof receives a notice from City of a default by Developer in completion of construction of any of the Improvements under this Agreement, and such holder is not vested with ownership of Developer's leasehold interest in the Portion A Site and has not exercised the option to construct as set forth in Section 6.17, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, in addition to such other rights and remedies as City shall have, City may purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Portion A Site (or Developer's leasehold interest therein) or any part thereof has vested in the holder, City, if it so desires, shall be entitled to a conveyance from the holder to City upon payment to the holder of an amount equal to the sum of the following:

(a) The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

(b) All expenses with respect to foreclosure including reasonable attorneys' fees;

(c) The net expense, if any, incurred by the holder as a direct result of the subsequent management of the Portion A Site or part thereof;

(d) The costs of any improvements made by such holder;

(e) An amount equivalent to the interest that would have accrued at the rate(s) specified in the holder's loan documents on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by City; and

(f) Any customary prepayment charges imposed by the lender pursuant to its loan documents and agreed to by Developer.

The foregoing rights shall supplement and not limit City's rights as landlord under the City Lease or by operation of law.

6.19 Right of City to Cure Mortgage or Deed of Trust Default. In the event of a mortgage or deed of trust default or breach by Developer whether prior to or after the completion of the construction of any of the Improvements or any part thereof (continuing until the expiration of the term of the City Lease), Developer shall immediately deliver to City a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, City shall have the right but no obligation to cure the default. In such event, City shall be entitled to reimbursement from Developer of all proper costs and expenses incurred by City in curing such default.

Developer agrees to provide documentation evidencing the relinquishment of any and all rights to the Development and under the City Lease in such event; provided that the failure to provide such documentation shall not be construed to mean that Developer retains any rights under the Agreement or the City Lease.

6.20 Mechanics of Disbursement of the City Loan Amount. Provided that the City Conditions Precedent have first been satisfied, City shall make available moneys from the City Loan Amount as follows: (i) first, moneys will be disbursed to City to defray City Fees (provided that such disbursements shall not be conclusive as to the total amount of fees payable to City in connection with the Improvements), then (ii) moneys will be disbursed to Developer as progress payments based upon the percentage of completion of construction of the Improvements as determined by the City Manager or his or her designee upon consultation with Developer. The further conditions and protocol for payment of the City Loan Amount shall be as follows:

(a) City shall have no obligation to disburse any portion of the City Loan Amount unless and until all of the City Conditions Precedent are first satisfied.

(b) City shall not have provided any assistance or other payment pursuant to this Agreement with respect to the acquisition of the Portion A Site and conduct of grubbing and remediation thereon (the "Preliminary Site Work"). Developer assumes all responsibility for any and all costs for the Preliminary Site Work. A portion of those amounts disbursed by City as the City Loan Amount may be applied to defray the cost of the Preliminary Site Work or to reimburse Developer for moneys of the Developer (whether equity or debt) which were theretofore applied for such purpose.

(c) Protocol for Disbursement of the City Loan Amount: City shall make available with respect to the Improvements the allocable amount of the City Loan Amount in installments based upon the progress toward completion of the construction of the Improvements with such moneys to be infused ratably with moneys from the Primary Construction Loan, as determined in good faith by the City Manager; provided that amounts to reimburse Developer for Allowable Closing Costs theretofore paid by Developer may be made concurrent with the initial release of moneys from the Primary Construction Loan. Prior to each disbursement of any portion of the City Loan Amount, Developer shall submit to City an "Application for Disbursement" which shall include:

A written, itemized statement, signed by a representative of Developer which sets forth: (i) a description of the work performed, material supplied and/or costs incurred or due for which disbursement is requested; and (ii) the total amount incurred, expended and/or due for the requested disbursement. All moneys applied for and disbursed pursuant to this Section 6.20 shall be applied only for Allowable Closing Costs, the costs of fees and permits, or construction and the statement(s) by the representative of Developer shall so affirm. Disbursements may be used only to defray the cost of the Preliminary Site Work, and only where such work is performed by (and disbursements are made to) third parties not related or connected to Developer. The City Manager shall have the right to review, approve or disapprove the necessity or reasonableness of work undertaken and the costs incurred therefor.

Copies of billing invoices, statements, receipts and other documents evidencing the total amount expended, incurred or due for any requested disbursement.

Mechanics lien waivers from the Developer's general contractor including: (i) a Conditional Waiver and Release Upon Progress Payment (California Civil Code Section 3262(d)(1)) for itself and each contractor covered by such Request Payment, (ii) an Unconditional Waiver and Release Upon Progress Payment (California Civil Code Section 3262(d)(2)) for itself and each of its contractors covering the full amount of all previous payments made to Developer, and (iii) an Unconditional Waiver and Release Upon Final Payment (California Civil Code Section 3262(d)(4)) for its contractors who have competed their work and for whom Developer has received full payment.

A statement that the percentage and/or stage of construction corresponding to the Application for Disbursement has been substantially completed and substantially conforms to the Plans.

Subject to satisfaction of the requirements of this Section 6.20, City will endeavor to make payments within ten (10) days after the submittals required pursuant to this Section 6.20 are accomplished, review by the City Manager is completed, and the City Manager has had a reasonable opportunity to review the stage of completion. After the approval of this Agreement by City, further approval by the governing board of City shall not be required to authorize the disbursement of moneys pursuant to this Section 6.20.

Notwithstanding the foregoing portion of this Section 6.20, if construction draws from a construction loan for the Improvements are being administered by an Approved Construction and/or Permanent Lender or a major institutional lender having a rating of AA or better as reasonably approved by City, City will consent to such lender acting as a disbursing agent for City provided that such lender agrees by an agreement to which City and such lender are parties to disburse moneys consistent with this Section 6.20, with moneys to be distributed based upon the percentage that (i) City Loan Amount bears to (ii) the sum of (a) the City Loan Amount and (b) the amount of the construction loan being made by such lender, utilizing the disbursement process customarily employed by such lender. Interest earned on the City moneys as so placed with the construction lender shall be maintained in an insured or rated (at investment grade of AA or better), interest-bearing account, with interest to be applied to defray project costs payable to unrelated third parties. The City Manager is authorized to enter into such agreement(s) as may be necessary or convenient to implement this Section 6.20.

6.21 Cost Savings Obligation; Excess Tax Credits Obligation. Developer hereby agrees to apply Cost Savings in connection with the Development in an amount to be determined based on the Audit to be conducted upon completion of construction for the Development (unless sooner applied to fund the Operating Reserve and the Capital Replacement Reserve, or as otherwise hereafter agreed by the City Manager acting at his or her discretion). Disbursement of the Cost Savings is to be made at the time set forth therefor in Section 6.21.1, below.

6.21.1 Audit to Determine Cost Savings and Shared Cost Savings. The actual amount of "Cost Savings" (as defined below) is to be disbursed upon an Audit, as hereafter defined and described. Within one hundred eighty (180) days following the completion of construction of the Development, as evidenced by issuance of the final certificate of occupancy by City's building official, Developer shall cause its certified public accountant(s) to perform a draft cost certification of the costs of the Development in accordance with the requirements of the Tax Credits, and generally accepted accounting procedures (GAAP) and generally accepted auditing standards (herein, referred to as "Audit"). If the Audit determines that the total sources of permanent financing for the Development (including long-term permanent debt and equity) exceed the total development cost for the Development (including, without limitation, all hard and soft costs and all onsite and offsite improvements required in connection with the development of the Development, including the Developer Fee), such excess shall be considered the "Cost Savings" for the Development. The Cost Savings less satisfaction of Cost Overrun Amounts, if any, and any unsatisfied portion of the Developer Fee, if any, shall constitute the "Shared Cost Savings."

6.21.2 Payment of Shared Cost Savings. The Shared Cost Savings, once determined by the Audit pursuant to Section 6.21 shall be due and shall be applied by Developer toward the

Operating Reserve and the Capital Replacement Reserve, with any excess to be treated as Gross Revenues for purposes of the City Lease and the City Loan.

6.21.3 Timing of Payment of Shared Cost Savings. Unless sooner disbursed pursuant to the foregoing portion of this Section 6.21, the Shared Cost Savings shall be applied by Developer as required by Section 6.21.1 upon conversion to permanent loan and completion of construction, concurrent with the closing of the Primary Permanent Loan or, if earlier, at such time as Developer receives its final Tax Credit equity payment for the Development.

7. COVENANTS AND RESTRICTIONS

7.1 Use Covenants. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Portion A Site or any part thereof, that Developer shall devote the Portion A Site to the uses specified in and shall operate in conformity with this Agreement, the Regulatory Agreement, and the City Lease, whichever is the more restrictive in each case unless expressly provided to contrary effect herein. All uses conducted on the Portion A Site, including, without limitation, all activities undertaken by Developer pursuant to this Agreement, shall conform to the Redevelopment Plan and all applicable provisions of the City Code.

7.2 Affordable Housing Requirements.

7.2.1 Number of Required Affordable Units and Other Units. Developer agrees to make available, restrict occupancy to, and rent all of the Required Affordable Units at Affordable Rent. There shall be fifty (50) multifamily rental units developed on the Portion A Site of which all fifty (50) such rental units shall be Required Affordable Units, with affordability for those units to be provided in conformity with the Prescribed Income Levels and Affordable Rents. Developer shall arrange for and maintain in place use of and access to a manager; it is contemplated that the manager shall be resident on the Portion B Area. The restriction of Units in connection with requirements for tax credits, so long as those requirements do not supersede the requirements imposed under this Agreement, shall not be deemed to constitute a violation of this Agreement. An example of the calculation of Affordable Rent for the Units is attached hereto as Attachment No. 7 and incorporated herein; however, it is contemplated that rents consistent with the use of Tax Credits will be utilized in connection with the Development. In the event TCAC imposes greater affordability requirements, this Agreement and the attachments hereto will be conformed to meet such requirements.

7.2.2 Duration of Affordability Requirements. The Required Affordable Units shall be maintained as rental units available at and rented to Extremely Low Income Households, and Lower Income Households throughout the Required Covenant Period, as more particularly set forth in the City Regulatory Agreement.

7.2.3 Tenant Selection and Tenant Services Plan; Selection of Tenants. Prior to the issuance of the Certificate of Completion for the Improvements, Developer shall prepare and submit to the City Manager a plan concerning the marketing to and selection of tenants ("Tenant Selection and Tenant Services Plan"). The Tenant Selection and Tenant Services Plan shall also describe in detail the services to be provided by Developer to residents, and shall delineate the compensation to be paid for an on-side tenant services administrator to be engaged by the Developer. Developer shall submit to the City Manager within ninety (90) days after the Date of Agreement a draft Tenant Selection and Tenant Services Plan. Upon receipt of such draft Tenant Selection and Tenant Services Plan, the City Manager may approve, conditionally approve or disapprove the draft Tenant Selection

and Tenant Services Plan within sixty (60) days after receipt thereof. If the City Manager disapproves or conditionally approves the draft Tenant Selection and Tenant Services Plan, the parties agree to confer with the goal that Developer will revise the draft Tenant Selection and Tenant Services Plan to address, to the extent feasible, concerns raised by the City Manager. If the City Manager fails to approve or disapprove the draft Tenant Selection and Tenant Services Plan by the time set forth therefor in the preceding portion of this Section 7.2.3, City will be estopped to deny the effectiveness of the draft Tenant Selection and Tenant Services Plan as previously approved as the Final Tenant Selection and Tenant Services Plan. Developer shall be responsible for the selection of tenants for the Required Affordable Units in compliance with the criteria set forth in Section 7.3 of this Agreement and the City Lease.

7.2.4 Income of Tenants. Each tenant shall be an Extremely Low Income Household or, to the extent provided herein a Lower Income Household which, in accordance with the Prescribed Income Levels, meets the eligibility requirements established for the corresponding Required Affordable Unit, and Developer shall obtain a certification from each tenant renting or leasing each housing unit which substantiates such fact. Developer shall verify the income certification of each tenant as set forth in Section 7.3 hereof. Prior to the rental or lease of any Unit on the Portion A Site to a tenant, and annually thereafter, Developer shall submit to City or its designee, at Developer's expense, a completed income computation and certification form, in a form to be provided by City.

7.2.5 Determination of Affordable Rent for the Units. Each Required Affordable Unit shall be rented at an "Affordable Rent" to be established as follows: The maximum monthly rental amount for the Required Affordable Units, shall be**:**

(i) for Extremely Low Income Households, at one-twelfth (1/12) of thirty percent (30%) of thirty percent (30%) of Median Income for the Area for a household of a size appropriate to the housing unit, or, if lower, the maximum rent for such unit as determined under the City Regulatory Agreement;

(ii) for Very Low Income Households, at one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Median Income for the Area for a household of a size appropriate to the housing unit, or, if lower, the maximum rent for such unit as determined under the City Regulatory Agreement;

(iii) the maximum monthly rental amount for the Required Affordable Units to be rented to Lower Income Households shall be established at one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of Median Income for the Area for a household of a size appropriate to the housing unit, or, if lower, the maximum rent for such unit as determined under the Regulatory Agreement; or

Affordable Rents shall be subject to annual adjustment based upon the promulgation of figures published concerning Median Income for the Area and income limits as annually published by the California Department of Housing and Community Development ("HCD"); actual rents charged may be less than the maximum amounts determined pursuant to the formulas set forth in the preceding portion of this Section 7.2.5. In the event Tax Credits are utilized to finance the Development, rents prescribed under the tax credit program may be utilized as Affordable Rent(s).

"Household size appropriate to the unit," for the purpose of the calculation of rent herein (and without regard to actual occupancy), means an amount equal to the number of bedrooms

in the unit plus one (i.e., for a two-bedroom unit, 3 people; for a three-bedroom unit, four people); provided that the maximum monthly rental amount of the Required Affordable Units shall be adjusted annually by the formula set forth above upon the promulgation of revised figures concerning Median Income for the Area by regulation of the California Department of Housing and Community Development ("HCD"). Actual rent charged may be less than such maximum rent.

7.2.6 Relationship to Other Funding Requirements. In the event additional restrictions on income qualification and rents more restrictive than those set forth in this Agreement are required as a condition of availability of Tax Credits or other public funding, compliance with those greater restrictions shall not be deemed to constitute a violation of this Agreement.

7.3 Verifications.

7.3.1 Income Verification. Developer shall verify the income of each proposed and existing tenant of the Required Affordable Units and all other Units developed on the Portion A Site.

7.3.2 Annual Reports. Following the issuance of the Certificate of Completion, and on or before July 15 of each Lease Year commencing after completion of the Improvements, Developer, at its expense, shall submit to City or its designee the reports in the manner described by Health and Safety Code Section 33418, as the same may be amended from time to time, with each such report to be in the form prescribed by City. Each annual report shall cover the immediately preceding Lease Year.

Developer shall maintain on file each tenant's executed lease and Income Verification and rental records for all Required Affordable Units developed on the Portion A Site. Developer shall maintain complete and accurate records pertaining to the Required Affordable Units and will permit any duly authorized representative of City to inspect the books and records of Developer pertaining to this Agreement and the Required Affordable Units upon reasonable advance notice of not less than twenty four (24) hours and during normal business hours. Developer shall prepare and submit to City (or its designee) annually commencing July 15 following the completion of the Improvements and continuing throughout the Required Covenant Period, a Certificate of Continuing Program Compliance. Such documentation shall state for each Required Affordable Unit the unit size, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determine compliance with the terms of this Agreement.

As part of its annual report, Developer shall include a statement of amounts payable by Developer under this Agreement (including the City Lease) supported by an Audited Financial Statement (prepared by an independent accounting firm reasonable acceptable to City) which sets forth information in detail sufficient for adequate review by City for the purposes of confirming those amounts payable by Developer to City as well as showing the general financial performance of the Affordable Housing Project ("Annual Financial Report"). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Service, Operating Reserve, Capital Replacement Reserve and Rental Receipts, payments of fees and any other remuneration to Developer all certified by the Audited Financial Statement. In the event the amounts reported or paid deviate by five percent (5%) or more from that amount determined to be owing upon review of Developer's submittal, Developer shall reimburse City for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amounts payable as Additional Rent under the City Lease during the first succeeding Lease Year. Developer agrees to maintain records in businesslike manner, and to maintain such records

for the Term of the City Lease. The income and rent restrictions provided for hereunder are intended and shall be maintained in a manner sufficient to satisfy the requirements of Health and Safety Code Section 33413(b) without regard to whether such statute is applicable as a matter of law.

In addition, as part of its annual report and at City's request, but not less frequently than prior to each initial and subsequent rental of each Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to City completed income computation, asset evaluation, and certification forms, for any such tenant or tenants, in substantially the form provided by City from time to time. Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household or a Low Income Household, as applicable, and meets the eligibility requirements established for each such Unit. Developer shall verify the income certification of each tenant household. In order to comply with this Section 7.3.2, Developer shall submit to City any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Project; provided, City may request (and Developer shall provide) additional documentation to assist City's evaluation of Developer's compliance with this Agreement, if determined to be necessary in the reasonable discretion of the City Manager, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with the requirements applicable to funding sources not without to City, as applicable. This requirement is in addition to and does not replace or supersede Developer's obligation to annually submit the Certificate of Continuing Program Compliance to City. Further, City has the right, but not the obligation to monitor compliance with respect to each tenant household at the Project, and City's election to monitor some, but not all, of the Units shall not constitute a waiver of City's right to monitor and enforce compliance with respect to all Units in the future.

7.3.3 Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914 or as required by the Tax Credit Rules. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Project and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods;

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;

(iii) obtain an income verification certification from the employer of the person;

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies; or

(v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer.

(b) Verification Regarding Eligibility of New Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

7.4 [Reserved].

7.5 Maintenance of the Portion A Site. Developer agrees for itself and its successors in interest to the Portion A Site, to maintain the improvements on the Portion A Site in conformity with the City Code and the conditions set forth in the City Regulatory Agreement, and shall keep the Portion A Site free from any accumulation of debris or waste materials. During such period, Developer shall also maintain the landscaping planted on the Portion A Site in a healthy condition.

7.6 Nondiscrimination Covenants. Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Portion A Site on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit

any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

7.7 Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction. City is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether City has been, remains or is an owner of any land or interest therein in the Portion A Site or in the Project Area of the Redevelopment Plan. City shall have the right, if the Agreement or any covenants in any agreement pursuant to this Agreement, including without limitation the City Regulatory Agreement and the City Lease, are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and such covenants may be entitled.

8. DEVELOPER'S GENERAL REPRESENTATIONS AND WARRANTIES.

As a material inducement to City to enter into this Agreement, and in addition to the representations and warranties in Section 1.5.2, Developer represents and warrants to City that:

8.1 Formation, Qualification and Compliance. Developer (a) is a California limited partnership validly existing and in good standing under the laws of the State of California; (b) has all requisite and the authority to conduct its business and own, purchase, improve and sell its properties. Developer is in compliance in all material respects with all laws applicable to its business and has obtained all approvals, licenses, exemptions and other authorizations from, and has accomplished all filings, registrations and qualifications with any governmental agency that are necessary for the transaction of its business; (c) Developer has and will in the future duly authorize, execute and deliver this Agreement and any and all other agreements and documents required to be executed and delivered by Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement; (d) Developer does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of Developer to carry out its obligations hereunder; (e) There are no material pending or, so far as is known to Developer, threatened, legal proceedings to which Developer is or may be made a party or to which any of its property is or may become subject, which have not been fully disclosed by Developer to City in this Agreement which could materially adversely affect the ability of Developer to carry out its obligations hereunder; and (f) There is no action or proceeding pending or, to Developer's best knowledge, threatened, looking toward the dissolution or liquidation of Developer and there is no action or

proceeding pending or, to Developer's best knowledge, threatened by or against Developer which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of Developer to carry out its obligations hereunder.

Each of the foregoing items (a) to (f), inclusive, shall be deemed to be an ongoing representation and warranty. Developer shall advise City in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (f), inclusive.

8.2 Execution and Performance of Project Documents. Developer has all requisite authority to execute and perform its obligations under the Project Documents. The execution and delivery by Developer of, and the performance by Developer of its obligations under, each Project Document has been authorized by all necessary action and do not and will not violate any provision of, or require any consent or approval not heretofore obtained under, any articles of incorporation, by-laws or other governing document applicable to Developer.

8.3 Covenant Not to Transfer Except in Conformity. Excepting for the rental of individual dwelling units to occupants in the regular course of business (which rental activity shall not be limited by this Section 8.3), or the sale of a partnership interest to generate proceeds in consideration of the Tax Credits, Developer shall not sell, lease, or otherwise transfer or convey all or any part of the Portion A Site, or any interest therein, unless Developer has first obtained the prior written consent of the City Manager, which consent may be granted or refused in the City Manager's sole and absolute discretion; City shall upon receipt of written request therefor consent to a sale by the relevant Approved Assignee of its interest in the Development to CHW or an affiliated nonprofit public benefit corporation confirmed by the City Manager after the expiration of the tax credit compliance period. In addition, Developer's limited partner and any successor thereto, may, without the prior consent of City and except as set forth in the senior permitted liens, sell, transfer, assign, pledge, hypothecate, and encumber some or all of its partnership interests in Developer and the same shall not be a violation of this Agreement. Moreover, Developer's or an Approved Assignee's Limited Partner and any successor thereto, shall have the right, without the prior consent of City and except as set for in the senior permitted liens, to remove any or all of Developer's general partners for cause as permitted under Developer's or Approved Assignee's limited partnership agreement and replace any or all removed general partners with a person or entity determined in the Limited Partner's sole discretion. Any sale, lease, transfer or conveyance without such consent shall, at City's option, be void. A change in ownership of Developer or an Approved Assignee resulting in the individuals executing this Agreement on behalf of Developer retaining less than fifty-one percent (51%) ownership of all outstanding shares of Developer shall be deemed to violate this Section 8.3. In connection with the foregoing consent requirement, Developer acknowledges that City relied upon Developer's particular expertise in entering into this Agreement and continues to rely on such expertise to ensure the satisfactory completion of all of the Improvements, and the marketing and rental of the Required Affordable Units to Extremely Low Income Households and Low Income Households to afford the community a long-term, quality affordable housing resource.

9. DEFAULTS, REMEDIES, AND TERMINATION.

9.1 Default Remedies. Subject to the extensions of time, if any, pursuant to Section 9.10 of this Agreement, failure by any party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a "Default" or "Event of Default" under this Agreement. A party claiming a Default shall give written notice of Default to the other parties specifying the Default. Except as otherwise expressly

provided in this Agreement, and without limiting or affecting rights of parties hereto to terminate this Agreement, the claimant shall not institute any proceedings against any other party, and the other parties shall not be in Default if such party within thirty (30) days from receipt of such notice immediately, with due diligence, commences to cure, correct or remedy the specified Default and shall complete such cure, correction or remedy with diligence. . If a cure is commenced but cannot reasonably be completed within thirty (30) days, the party shall have an additional period of time as reasonably necessary, not to exceed ninety (90) days, to complete the cure. City shall give the Limited Partner (so long as City has received notice of such Limited Partner) a copy of any notice delivered to Developer, and the Limited Partner shall have the right but not the obligation to cure the Default within the time periods specific herein.

9.2 Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, any party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement; provided, that City shall have no right, in any event, to impose a lien for monetary damages against the Portion A Site or on any improvements erected from time-to-time on the Portion A Site. Such legal actions must be instituted in the Superior Court of the County of Placer, State of California.

9.3 Termination by Developer. In the event that as of the time described below (and if no time is described below, the time established therefor in the Schedule of Performance):

(a) by the time set forth therefor in the Schedule of Performance for the Leasehold Transfer, Developer is not in default under this Agreement and City does not execute the City Lease and effect the Leasehold Transfer to Developer in the manner and condition and by the date provided in this Agreement; or

(b) on or before the thirtieth day after the Date of Agreement, the Developer informs City that the condition of the Portion A Site is not suitable for the proposed Development; or

(c) in the event of any Default of City prior to the Leasehold Transfer which is not cured within the time set forth in Section 7.1 hereof; or

(d) the failure to occur of one or more of the Developer Conditions Precedent; and

any such failure is not cured within the applicable time period after written demand by Developer, then this Agreement may, at the option of Developer, be terminated by Notice thereof to City; provided that Developer shall have delivered to City the documents required to be delivered to City pursuant to Section 6.15 of this Agreement. From the date of the Notice of termination of this Agreement by Developer to City and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations among the parties.

9.4 Termination by City. If prior to the time established in the Schedule of Performance for the satisfaction of the City's Conditions Precedent and subject to the mortgagee protection provisions to the extent expressly set forth herein:

(a) Developer (or any successor in interest) assigns this Agreement or any rights therein or in the Portion A Site in violation of this Agreement; or

(b) One of more of the City Conditions Precedent is not satisfied; or

(c) Developer fails to execute (as lessee/covenantee) one or more of the City Promissory Note, the City Deed of Trust, the City Regulatory Agreement, the City Lease or the Memorandum of Lease; or

(d) On or before the thirtieth day after the Date of Agreement, City has not received from Developer a writing confirming that the condition of the Portion A Site is suitable for the proposed Development; or

(e) Developer is otherwise in default of this Agreement and fails to cure such default within the time set forth in Section 7.1 hereof;

then this Agreement and any rights of Developer or any assignee or transferee with respect to or arising out of the Agreement or the Portion A Site (including without limitation all attachments to this Agreement), shall, at the option of City, be terminated by City by Notice thereof to Developer. From the date of the Notice of termination of this Agreement by City to Developer and thereafter this Agreement (including without limitations all attachments hereto) shall be deemed terminated and there shall be no further rights or obligations among the parties, except that City may pursue any remedies it has hereunder. Prior to completion of any such termination, City shall give the Limited Partner notice of any of the foregoing occurrences giving rise to the City's right to terminate.

9.5 Acceptance of Service of Process. In the event that any legal action is commenced against City, service of process on City shall be made by personal service upon the City Manager or in such other manner as may be provided by law. In the event that any legal action is commenced against City, service of process on City shall be made by personal service upon the City Manager or in such other manner as may be provided by law. In the event that any legal action is commenced against Developer, service of process on Developer shall be made in such manner as may be provided by law and shall be effective whether served inside or outside of California.

9.6 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another party.

9.7 Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

9.8 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

9.9 Covenant Provisions; Certain Amendments. In the event, as a result of the provision of other financing in connection with the Development, the parties will review and, if appropriate amend covenant and reporting provisions hereof to encompass such other Units as may be regulated

by virtue of such other funding. In the event Developer is required by virtue of such other financing to restrict the affordability of Units in a manner more restrictive than as set forth under the form of City Regulatory Agreement then, from time to time upon receipt of request therefor from the City Manager, Developer agrees to consent to modifications to incorporate such greater restrictions into the City Regulatory Agreement; such request(s) by the City Manager can be made at any time(s) during the Required Covenant Period without regard to whether the City Regulatory Agreement have been recorded.

9.10 Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or Defaults are due to: war; insurrection; riots; floods; earthquakes; pandemics; fires; casualties; acts of God; acts of the public enemy; acts or omissions of another party, or acts or failures to act of City or any other public or governmental agency or entity (excepting that acts or failures to act of City shall not excuse performance by City). Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and Developer. This Section 9.10 shall not be deemed applicable to the City Lease unless expressly incorporated by reference therein. Notwithstanding the foregoing, the following shall not constitute a basis for enforced delay: the failure of Developer to obtain financing commitments sufficient for the development of the Portion A Site in conformity with this Agreement; the failure to obtain approval of a tentative map or parcel map reasonably acceptable to Developer.

In addition to the foregoing (and without regard to the preceding portion of this Section 9.10), the City Manager shall have the authority, at his or her discretion, to approve extensions on behalf of City to approve extensions of time not to exceed a cumulative total of three hundred sixty-five (365) days.

9.11 Transfers of Interest in Agreement or of the Portion A Site. Except as otherwise set forth in Section 8.3 hereof, Section 9.11, and all subsections of this Section 9.11, shall apply to transfers prior to the Leasehold Transfer. Any transfers occurring or proposed after the Leasehold Transfer are subject to the provisions therefor of the City Regulatory Agreement. In the event of conflict between the provisions of this Section 9.11 and the City Lease (concerning transfers of interest), the City Lease shall control.

9.11.1 Prohibition. The qualifications and identity of Developer are of particular concern to City. It is because of those qualifications and identity that City has entered into this Agreement with Developer. For the period commencing upon the date of this Agreement and until the end of the Required Covenant Period, except as otherwise set forth in Section 8.3 hereof, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement, nor shall Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Portion A Site or the Development thereon (excepting the rental Lease of Units to Occupants) without prior written approval of City, except as expressly set forth herein.

9.11.2 Permitted Transfers. In the event of a proposed assignment by Developer under subparagraphs 9.11.2 through 9.11.3, inclusive, Developer agrees that at least thirty (30) days

prior to such assignment it shall give written notice to City including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Developer the Obligations of this Agreement. In addition, no consent of City shall be required in connection with the transfer of Developer's leasehold interest in the Portion A Site that occurs by foreclosure or deed in lieu of foreclosure of any Permitted Senior Lien to respective holder thereof or to their nominees or assignees exclusive of Developer and CHW. The provisions of this Section 9.11 shall be limited by those transfers permitted in Section 8.3.

(a) Any transfers to an entity or entities in which Developer retains a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retains management and control of the transferee entity or entities or relating to the syndication of Tax Credits or after the Tax Credit period, the removal of the Tax Credit investor.

(b) The conveyance or dedication of any portion of the Portion A Site to City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Development.

In the event of a proposed assignment by Developer under subparagraphs (a) and (b) of this Section 9.11.2, inclusive, Developer agrees that at least thirty (30) days prior to such assignment it shall give written notice to City including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Developer the Obligations of this Agreement. In addition, no consent of City shall be required in connection with the transfer of Developer's leasehold interest in the Portion A Site that occurs by foreclosure or deed in lieu of foreclosure of any Permitted Senior Lien to respective holder thereof or to their nominees or assignees exclusive of Developer and CHW.

9.11.3 City Consideration of Requested Transfer. City agrees that it will consider in good faith a request made pursuant to this Section 9.11 after the achievement of occupancy of ninety percent (90%) or more of the Units in conformity with this Agreement following the issuance by City of a Certificate of Completion for the last building to be constructed as part of the Improvements, provided Developer delivers written notice to City requesting such approval, the City Regulatory Agreement remain in full force and effect. Such notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, its financial commitments and resources, and the financial terms of such assignment (including the consideration proposed to flow to Developer or Related Entity and/or any of the Principals) in sufficient detail to enable City to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 9.11, and as reasonably determined by City. Notwithstanding the foregoing, neither the transfer of limited partnership interests to tax credit investors (or subsequent transfers of limited partnership interests) nor the removal and replacement of Developer's general partner in accordance with Section 8.3 shall entitle City to receive compensation (in connection with such transfer). City shall evaluate each proposed transferee or assignee on the basis of its development and/or qualifications and experience in the operation of facilities similar to the Development, and its financial commitments and resources, and may reasonably disapprove any proposed transferee or assignee, during the period for which this Section 9.11 applies, which City reasonably determines does not possess sufficient qualifications. An assignment and assumption agreement in form satisfactory to City's legal counsel shall also be required for all proposed assignments. Developer agrees and acknowledges that in connection with any such assignment approved by City pursuant to this Agreement, Developer shall remain liable for performance pursuant to this Agreement for a period of five (5) Years following such assignment; provided that the five-Year limitation shall not apply (and

the ongoing liability of Developer shall not be thereby limited) in connection with the transfer of limited partnership interests to tax credit investors. Within thirty (30) days after the receipt of Developer's written notice requesting approval of an assignment or transfer pursuant to this Section 9.11, including assignments that do not require City/City Manager approval, City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, Developer shall promptly furnish to City such further information as may be reasonably requested. In addition, City will not unreasonably withhold its approval of a transfer made at the conclusion of the tax credit period to Developer and affiliates upon the removal of the tax credit investor, so long as there are no defaults under this Agreement and the transferee agrees to be bound by all executory provisions of this Agreement.

Notwithstanding the foregoing portion of this Section 9.11.3, Section 8.3 shall be enforceable in accordance with its terms.

9.11.4 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon Developer and its permitted successors arid assigns. Whenever the term "Developer" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

9.12 Non-Liability of Officials and Employees of City. No member, official, officer or employee of City shall be personally liable to Developer, or any successor in interest, in the event of any Default or breach by City or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

9.13 Relationship Between City and Developer. It is hereby acknowledged that the relationship between City and Developer is not that of a partnership or joint venture and that City and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Agreement, including the Attachments hereto, City shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Development so long as such rights are held by Developer under this Agreement.

9.14 City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by City, the City Manager is authorized to act on behalf of City unless specifically provided otherwise or the law otherwise requires. When a reference is made herein to an action or approval to be undertaken by City, the City Manager is authorized to act on behalf of City unless specifically provided otherwise or the law otherwise requires.

9.15 Real Estate Brokers. City and Developer each represent and warrant to each other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction, and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action on its part.

9.16 Attorneys' Fees. In any action among the parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

9.17 Non-recourse Liability of Developer. Notwithstanding anything to the contrary in this Agreement or any other Project Document, neither Developer nor any of its partners shall be personally liable for any default, loss, claim, damage, expense or liability to any person and the sole remedy against Developer hereunder shall be limited to its interest in the Development, excepting that Developer will be responsible for those liabilities of Developer referenced in Section 6.7.

10. MISCELLANEOUS

10.1 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of City to Developer, or any other claim by Developer against City, in connection with the Portion A Site or otherwise, Developer hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Developer's obligations under this Agreement (including without limitation the attachments hereto), or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Developer of any of its obligations under the Project Documents.

10.2 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by any party to the others (each, a "Notice") shall be in writing and shall be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) mailing in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

If to Developer: Pacific Street Housing Associates Four, L.P.
c/o Community HousingWorks
3111 Camino del Rio North, Suite 800
San Diego, CA 92108
Attn: Kevin Leichner
Telephone: (619) 282-6647

and a copy to: (which copy shall not constitute notice to Developer)

Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attention: Nicole Kline

and a copy to: NEF Assignment Corporation
540 W. Madison Street, Suite 1990
Chicago, Il 60661
Attention: General Counsel

and a copy to: Bocarsly Emden Cowan Esmail & Arndt
633 West 5th Street, Suite 5880
Los Angeles, CA 90071
Attention: Rachel Rosner

and a copy to: Cedar Rapids Bank and Trust Company
500 First Avenue NE, Suite 100

Cedar Rapids, Iowa 52401
Attention: Brad Curtin

and a copy to: Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402
Attention: Robert P. Singleton

If to City: City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677
Attn: City Manager

and a copy: (which copy shall not constitute notice to City)

Office of City Attorney
3970 Rocklin Road
Rocklin, CA 95677
Attention: City Attorney

Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that nonreceipt of any communication as the result of a change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

10.3 Survival of Representations and Warranties. All representations and warranties in the Project Documents shall survive the Leasehold Transfer and the rental of the Required Affordable Units and have been or will be relied on by City notwithstanding any investigation made by City.

10.4 No Third Parties Benefited Except for City; AB 987. This Agreement is made for the purpose of setting forth rights and obligations of Developer and City, and no other person (except for City) shall have any rights hereunder or by reason hereof. Except for City, which shall be deemed to be a third party beneficiary of this Agreement (including without limitation the Attachments hereto), there shall be no third party beneficiaries of this Agreement. Developer acknowledges that, notwithstanding the foregoing portion of this Section 10.4, pursuant to AB 987 and the amendments to Health and Safety Code Section 33334.3 made effective as of January 1, 2008 by that bill, it is possible that violations of the covenants, conditions and restrictions relating to affordable housing contained in the City Regulatory Agreement may now be enforceable not only by City, but also by each of the persons and/or entities listed in Section 33334.3(f)(7) of the Health and Safety Code, specifically (1) residents of affordable units subject to covenants recorded pursuant to Health and Safety Code Section 33334.3(f)(1) (each, a "Covenanted Unit"), (2) the most recent former residents of such a Covenanted Unit, (3) applicants that are Lower Income Households or Extremely Low Income Households that are denied occupancy of such a Covenanted Unit, and (4) persons that are Lower Income Households or Extremely Low Income Households and who are on a waiting list for occupancy of such a Covenanted Unit. The provisions of AB 987 are to be applicable only to the extent required by law. Nothing in this Section 10.4 or this Agreement (including the Attachments hereto) is intended to provide an enforcement right to any person or entity not specifically made an intended third party beneficiary of this Agreement; any such third party shall be limited in their right to enforce affordability restrictions to the extent provided by Health and Safety Code

Section 33334.3(f). City makes no representation concerning the applicability, *vel non*, of Section 33334.3 as described in the foregoing portion of this Section 10.4.

10.5 Binding Effect; Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, City, Developer and City and their respective successors and assigns. Developer shall not assign any of its rights or obligations under any Project Document without the prior written consent of the City Manager, which consent may be withheld in the City Manager's sole and absolute discretion; provided that the City Manager shall reasonably consider an assignment to an entity or entities owned or under majority control by Developer or the Principals where Developer pays City's and City's costs to review, estimate, process and document such assignment and no other provisions of this Agreement are amended thereby. Any such assignment without such consent shall, at City's option, be void. In connection with the foregoing consent requirement, Developer acknowledges that City relied upon Developer's particular expertise in entering this Agreement and continues to rely on such expertise to ensure the satisfactory completion of the Improvements and the use of the Required Affordable Units in conformity with this Agreement.

10.6 Option.

(a) City Option to Acquire Leasehold. Notwithstanding, and in addition to, the remedies provided to City otherwise provided under this Agreement, Developer hereby grants to City the option ("Option") to purchase Developer's leasehold interest in the Portion A Site, the Improvements and any other improvements to the Portion A Site (collectively, the "Leasehold Assets"). The purchase Option will begin as of the last day of the fifty-fifth (55th) Lease Year and will continue in effect thereafter for the remainder of the Term. City may, but shall not be required to, purchase the Leasehold Assets for an amount equal to the "Final Value", as defined below. This Option shall be subordinate to any Approved Construction and/or Permanent Lender and their respective Primary Construction Loan and Primary Permanent Loan, as applicable, and shall terminate and be of no further force and effect upon a foreclosure or deed in lieu thereof.

(i) Determination of Initial Value. The value of the Leasehold Assets will be determined initially by an appraiser selected by City based upon the greater of (a) the value of the Leasehold Assets subject to the restrictions and limitations on the rental of all units on the Portion A Site to Extremely Low Income Households and Lower Income Households as provided under the City Regulatory Agreement, or (b) all then outstanding amounts (principal and accrued and unpaid interest) owing under such financing secured by Developer's interest in the Project which financing was theretofore approved in writing by City; the amount as so established constitutes the "Initial Value". The appraiser shall have sixty (60) days to obtain such appraisal and to tender its offer of sale.

(ii) Developer Submittal. Within ten (10) business days after City has transmitted a writing setting forth the Initial Value to Developer, Developer shall deliver in writing to City a writing setting forth: (a) such Developer's decision to sell the Leasehold Assets to City for an amount equal to the Initial Value; (b) Developer's opinion of value, if different from that of the Initial Value as described above; or (c) such Developer's decision to retain an appraiser to provide an opinion of value of the Leasehold Assets. If Developer approves the Initial Value, such amount shall be deemed to constitute the "Final Value." In the event Developer is obtaining an appraisal, it shall have sixty (60) days to obtain such appraisal and deliver its offer to sell to City based upon such value. An amount determined under (b) or (c) of this subsection (ii) shall constitute the "Alternative Value." In the event Developer fails to deliver its written response to City by the time set forth in this subsection

(ii), then the Initial Value shall be deemed to constitute the "Final Value." Notwithstanding the foregoing portion of this Section 10.6, in no event shall the Final Value be deemed to be less than the amount of loans and advances to finance or refinance the Project which loans and advances have been approved by City.

(iii) City Response. Within ten (10) business days after City receives a writing from Developer under subsection (ii) of this Section 10.6(b), City shall notify Developer in writing that: (a) City has elected to open escrow for the purchase of the Leasehold Assets based upon the Initial Value (which shall be applicable in the event Developer agrees that the Initial Value shall constitute the Final Value, or if Developer fails to deliver its written response under subsection (ii) by the time prescribed therefor in such subsection (ii) in which event the Initial Value shall be deemed to constitute the Final Value); (b) City has elected to open escrow for the purchase of the Leasehold Assets treating the Alternative Value as the Final Value; (c) City has elected to not proceed to exercise its rights to acquire the Leasehold Assets by means of the Option; or (d) City has elected to reject the Alternative Value and instead elects (1) to have the appraisers who, respectively, determined the Initial Value and the Alternative Value, jointly select a third, independent MAI appraiser (the "Independent MAI Appraiser") to determine the value of the Leasehold Assets and, if such appraiser fail to reach agreement on the Independent MAI Appraiser, then (2) to have the prepares of the Initial Value and the Alternative Value each designate three (3) MAI appraisers, from which the City Clerk will randomly select one of the MAI appraisers.

(iv) Appraiser Determination. In the event the Independent MAI Appraiser is designated, such appraiser shall determine a value for the Leasehold Assets subject to the Appraisal Parameters (the "Independent MAI Value"). Developer and City agree that, in such case, an amount equal to the average of: (a) the Independent MAI Value and (b) whichever of the amount determined under 10.b(b)(i) or (ii) above is closer to the Independent MAI Value, shall be deemed to constitute the "Final Value" for purposes of this Agreement.

In connection with any purchase of the Leasehold Assets under this Section 10.6(b), City shall receive credit for any outstanding indebtedness to City with respect to the Property, including without limitation the City Promissory Note.

(v) Implementation of Sale Upon Establishment of Final Value. Within five (5) working days following the establishment of the Final Value, City shall: (a) deliver its written notice that it elects not to acquire the Leasehold Assets under Section 10.6(b); (b) deliver to Developer both: (1) a written notice of its election to exercise the Option at the Final Value (the "Exercise Notice"), and (2) two (2) copies of City's standard or customary real estate purchase and sale agreement for income-restricted homes ("Purchase Agreement"), both of which are duly-executed by City. Upon Developer receiving the Exercise Notice and the two (2) duly-executed Purchase Agreements, Developer shall execute both copies of the Purchase Agreement and return one fully-executed original to City. Developer's failure to execute and deliver a copy of the Purchase Agreement in accordance with this Section 10.6(b)(v) shall not affect the validity of the Purchase Agreement; in addition, specific performance shall be available to City in such event (without limitation as to other rights or remedies). The Purchase Agreement shall be immediately effective and binding on both Developer and City without further execution by the Parties, on exercise of the Option in accordance with this Section 10.6(b)(v). City may, instead of purchasing the Leasehold Assets itself, assign its option and right to purchase the Leasehold Assets to City; provided that the Purchase Agreement shall incorporate a price, if greater, equal to the greater of the fair market value of the Leasehold Assets or the amount required to pay off or satisfy all existing debt on the leasehold estate.

(vi) Purchase Option Does Not Limit Remedies. THE PURCHASE OPTION SHALL NOT LIMIT ANY REMEDIES AVAILABLE TO CITY UNDER THE AHA, INCLUDING WITHOUT LIMITATION REMEDIES UNDER ONE OR MORE OF THE CITY REGULATORY AGREEMENT OR THE CITY LEASE. Without limitation as to other remedies that are available to City, upon compliance with the foregoing requirements of Section 10.6, the obligation of Developer to convey the Leasehold Assets to City shall be enforceable by specific performance.

10.7 Mandatory Assignment. In the event Developer has not obtained a reservation of tax credits equal to or greater than the Tax Credit Amount by the time set forth therefor in the Schedule of Performance, or if by such time the Developer fails to demonstrate to City that it is obtained binding financing commitments which, together with the infusion of the City Loan, would be sufficient to construct the Project, or if Developer informs City that Developer is unwilling to proceed with the Project on the basis set forth in this Agreement at any time and for any reason, upon giving Developer sixty (60) days to cure or determine that it will proceed to construct the Project on the basis set forth in this Agreement, City reserves the right to assign all rights of Developer herein to a nominee to replace the Developer for all purposes of this Agreement. Such reservation and designation of a substitute developer would be accomplished by writing by City to Developer.

10.8 Counterparts. Any Project Document may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document**.**

10.9 Prior Agreements; Amendments; Consents. This Agreement (together with the other Project Documents) contains the entire agreement between City and Developer with respect to the Portion A Site, and all prior negotiations, understandings and agreements with respect to such matters are superseded by this Agreement and such other Project Documents. The Original Agreement is superseded by this Agreement; the Original Agreement shall hereafter have no further force and effect. No modification of any Project Document (including waivers of rights and conditions) shall be effective unless in writing and signed by the party or parties against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 63, plus signature pages and Attachments 1 through 18, which constitutes the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements among the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of City and Developer, and all amendments hereto must be in writing by the appropriate authorities of City and Developer. Whenever this Agreement provides for action by City, the City Manager may act on behalf of City unless the context or applicable law requires otherwise.

10.10 Governing Law. All of the Project Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Placer in connection with any legal action or proceeding arising out of or relating to this Agreement or the other Project Documents. Assuming proper service of process, Developer also waives any objection regarding personal or in rem jurisdiction or venue.

10.11 Severability of Provisions. No provision of any Project Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Project Documents are hereby declared to be severable.

10.12 Headings. Article and section headings are included in the Project Documents for convenience of reference only and shall not be used in construing the Project Documents.

10.13 Conflicts. To the great feasible extent, the provisions of this Agreement shall be construed as consistent with the Project Documents. In the event of any conflict between the provisions of this Agreement and those of any other Project Document executed by City, the Project Documents as executed by City shall prevail; provided however that, with respect to any matter addressed in both such documents, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

10.14 Time of the Essence. Time is of the essence of all of the Project Documents.

10.15 Conflict of Interest. No member, official or employee of City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

10.16 Cure by Limited Partner. Limited Partner is not obligated to perform as Developer under this Agreement; however, in the event a breach by Developer is cured by Limited Partner, City will accept such cure. Any cure by Limited Partner shall be accomplished within the time afforded Developer for cure hereunder, excepting that in the event it is necessary to replace the General Partner of Developer in order to effect a cure, Limited Partner shall be afforded an additional reasonable time to replace the General Partner and accomplish the cure.

Notwithstanding any provision of this Lease to contrary effect, approval by the Limited Partner and notice to the Limited Partner shall not be required as of such time as Limited Partner does not hold an interest in the Project or Developer's rights under this Agreement.

10.17 Warranty Against Payment of Consideration. Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement**.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

(signatures on following pages)

DEVELOPER:

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership

By: CHW Pacific Street Four LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President Housing and Real Estate Development

Consent and approval of CHW:

Community HousingWorks, a California nonprofit public benefit corporation ("CHW"), hereby evidences its approval and consent that any rights of CHW under the Original Agreement are hereby assigned to Pacific Street Housing Associates Four, L.P., a California limited partnership

By: _____
Kevin Leichner
Senior Vice President Housing and Real Estate Development

CITY:

CITY OF ROCKLIN, a municipal corporation

By:_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

APPROVED AS TO FORM:

_____
Mark Huebsch, Consulting Attorney

ATTACHMENT NO. 1

PORTION A SITE MAP

ATTACHMENT NO. 2

LEGAL DESCRIPTION OF THE PORTION A SITE

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

For the purposes of this Schedule of Performance, the "Date of Agreement" is _____ __, 2025. The City Manager may extend by not more than three hundred sixty-five (365) days the time under this Schedule of Performance by which any obligation of Developer shall be performed.

1. TCAC Approval. Developer shall have obtained allocation by TCAC of a preliminary reservation for tax credits for the Development in an amount of not less than the Tax Credit Amount.	On or before the Tax Credit Deadline.
2. Satisfaction of City Conditions Precedent. Developer shall satisfy the City Conditions Precedent.	Not later than the Tax Credit Deadline.
3. Recording of Documents. The City Lease or a memorandum thereof (as prepared by City) is recorded; in addition, each and every document required to be executed and delivered in connection with the Leasehold Transfer shall have been delivered and each and every document required to be recorded shall have been recorded, including without limitation the City Regulatory Agreement).	As soon as feasible following the satisfaction of the City Conditions Precedent.
4. Commencement of Construction. Developer shall have commenced construction of the Improvements.	Not later than first anniversary of the Date of Agreement.
5. Completion of Construction. Developer shall complete construction of the Improvements.	On or before the second anniversary of the commencement of construction.
6. Rental Units Occupied. Developer causes the Required Affordable Units to be occupied using rents prescribed by and in conformity with the Agreement.	Within three hundred (300) days after the earlier of (i) issuance of a Certificate of Completion for the Improvements or (ii) the time established for completion of construction of the Improvements herein, which deadline shall be subject to any applicable extensions under Section 9.10 of the Agreement.

ATTACHMENT NO. 4

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

TO: City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

The undersigned, _____, being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of Pacific Street Housing Associates Four, L.P., a California limited partnership (the "Developer"), hereby represents and warrants that:

1. He has read and is thoroughly familiar with the provisions of the Affordable Housing Agreement (the "AHA") by and between City, the City of Rocklin ("City") and Developer dated as of _____ __, 2025, including without limitation the City Regulatory Agreement, the City Lease, and other attachments thereto. Capitalized terms used herein shall have the same meaning as that set forth in the AHA; and

2. As of the date of this Certificate, the following number of completed residential units at the Portion A Site: (i) are currently occupied by Extremely Low Income Households at Affordable Rent; (ii) are currently occupied by an Extremely Low Income Households at Affordable Rent; (iii) are currently occupied by Lower Income Households at Affordable Rent; (iv) are currently vacant and being held available for occupancy by an Extremely Low Income Household at Affordable Rent; (v) are currently vacant and being held available for occupancy by a Low Income Household since the date of Low Income Household vacated such unit and have been so held continuously since the date a Lower Income Household vacated such unit):

Occupied at an Affordable Rent by:

i. Extremely Low Income Households (30%) ___ # of Units, Nos.: _____
ii. Very Low Income Households (50%) __ # of Units, Nos.: _____
ii. Low Income Households (60%) ___ # of Units, Nos.: _____

Vacant:

a. Held for occupancy by:

i. Extremely Low Income Households (30%) ___ # of Units, Nos: _____
ii. Very Low Income Households (50%) ___ # of Units, Nos: _____
ii. Lower Income Households (60%) ___ # of Units, Nos.: _____

b. Last occupied by:

i. Extremely Low Income Households (30%) ___ # of Units, Nos: _____
ii. Very Low Income Households (50%) ___ # of Units, Nos: _____
ii. Lower Income Households (60%) ___ # of Units, Nos.: _____

3. At no time since the date of filing of the last Certification of Continuing Program Compliance have less than one hundred percent (100%) of the Required Affordable Units as completed units in the Project been occupied by, or been last occupied, or have been available for occupancy by Extremely Low Income Households, Very Low Income Households and/or Lower Income Households at an Affordable Rent, and all of the Required Affordable Units have been occupied in conformity with the Tenant Selection and Tenant Services Plan.

4. Developer is not in default under the terms of the Agreement, including without limitation the attachments thereto (such as the City Lease, and the City Regulatory Agreement).

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership

By: CHW Pacific Street Four LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President Housing and Real Estate Development

(DEVELOPER)

ATTACHMENT NO. 5

NOTICE OF AFFORDABILITY RESTRICTIONS

[to come: this will be prepared later to conform to the City Regulatory Agreement(s) following closing after the Final Financing Plan has been approved]

ATTACHMENT NO. 6

CITY LEASE

ATTACHMENT NO. 7

CALCULATION OF AFFORDABLE RENTS

Placer County
Affordable Rent Worksheet

(2025 Income Figures)

Method of Determining Rents[1]

1. Income Eligibility[2],[3]

The first step in determining eligibility for an affordable housing program is determining whether the family which will be purchasing or renting the housing unit meets the following income standards applicable to **Placer County**, based upon the size of the family:

Income Level	*1 person household*	*2 person household*	*3 person household*	*4 person household*	*5 person household*	*6 person household*	*7 person household*	*8 person household*
Extremely Low	$27,050	$30900	$34,750	$38,600	$41,700	$44,800	$48,650	$54,150
Very Low	$45,050	$51,450	$57,900	$64,300	$69,450	$74,600	$79,750	$84,900
Lower	$72,050	$82,350	$92,650	$120,900	$111,150	$119,400	$127,600	$135,850
Median	$84,550	$96,650	$108,700	$120,800	$130,450	$140,150	$149,800	$159,450
Moderate	$101,450	$115,950	$130,450	$144,950	$156,550	$168,150	$179,750	$191,350

2. Determining Affordable Rent

For rental housing, the second step in determining compliance with affordable housing requirements is determining whether the total rent costs payable by the tenant are within allowable amounts.

---

[1] Based on currently effective median income of Placer County, as released by the Department of Housing and Community Development ("HCD") by memorandum dated as of April 23, 2025 as posted to the HCD website. These median income figures are revised annually. Where projects receive financial assistance under agreements made after January 1, 2025 (such as this Agreement) figures should be reviewed based upon additional standards (such as those associated with Tax Credits) which may apply. The Developer is responsible for charging rents in the amounts allowable under this Agreement. The Developer is encouraged to annually confirm proposed rents with the City.

[2] Affordable Rent for Extremely Low Income Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053 (b)(1). If any units are Acutely Low Income Household units, the income limitations and maximum allowable rents will be available from City.

[3] Affordable Rent for Very Low Income Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053 (b)(2).

For **Extremely Low Income Households**:[4]

- renting a **0 bedroom** unit, monthly rent may not exceed **$634.13**
- renting a **1 bedroom** unit, monthly rent may not exceed **$724.88**
- renting a **2 bedroom** unit, monthly rent may not exceed **$815.25**
- renting a **3 bedroom** unit, monthly rent may not exceed **$906.00**
- renting a **4 bedroom** unit, monthly rent may not exceed **$978.38**
- renting a **5 bedroom** unit, monthly rent may not exceed **$1,051.13**

For **Very Low Income** Households: [5]

- renting a **0 bedroom** unit, monthly rent may not exceed **$1,056.88**
- renting a **1 bedroom** unit, monthly rent may not exceed **$1,208.13**
- renting a **2 bedroom** unit, monthly rent may not exceed **$1,358.75**
- renting a **3 bedroom** unit, monthly rent may not exceed **$1,510.00**
- renting a **4 bedroom** unit, monthly rent may not exceed **$1,630.63**
- renting a **5 bedroom** unit, monthly rent may not exceed **$1,751.88**

For **Lower Income** Households:

- renting a **0 bedroom** unit, monthly rent may not exceed **$1,268.25**
- renting a **1 bedroom** unit, monthly rent may not exceed **$1,449.75**
- renting a **2 bedroom** unit, monthly rent may not exceed **$1,630.50**
- renting a **3 bedroom** unit, monthly rent may not exceed **$1,812.00**
- renting a **4 bedroom** unit, monthly rent may not exceed **$1,956.75**
- renting a **5 bedroom** unit, monthly rent may not exceed **$2,102.25**

---

[4] Affordable Rent for Extremely Low Income Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(1).

[5] Affordable Rent for Very Low Income Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(3).

In addition, for any Lower Income Household whose income falls within the following guidelines, it is **optional** for City to require that **affordable rent not exceed 30 percent of the gross income of the household**:[6]

- **1 person households** whose income is between **$50,730 and $72,050**
- **2 person households** whose income is between **$57,990 and $82,350**
- **3 person households** whose income is between **$65,220 and $92,650**
- **4 person households** whose income is between **$72,480 and $102,900**
- **5 person households** whose income is between **$78,270 and $111,150**
- **6 person households** whose income is between **$84,090 and $119,400**
- **7 person households** whose income is between **$89,880 and $127,600**
- **8 person households** whose income is between **$95,670 and $135,850**

For purposes of determining Affordable Rent, *"Rent"* is an average of estimated housing costs for the next twelve months. ***"Rent"*** includes the total of monthly payments for all of the following:[7]

- Use and occupancy of a housing unit and land and facilities associated therewith.
- Any separately charged fees or service charges assessed by the lessor which are required of all tenants, other than security deposits.
- A reasonable allowance for utilities not included in the above costs, including garbage collection, sewer, water, electricity, gas, and other heating, cooking, and refrigeration fuels. "Utilities" does not include telephone service. Such an allowance shall take into consideration the cost of an adequate level of service.

Possessory interest taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the lessor.

---

6 Health and Safety Code Section 50053 (b)(3).

7 25 California Code of Regulations Section 6918.

ATTACHMENT NO. 8

REQUEST FOR NOTICE OF DEFAULT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Exempt from recording fees pursuant to Government Code § 6103.

Exempt from fee per Government Code section 27388.1(a)(2); recorded concurrently in connection with a transfer subject to the imposition of documentary transfer tax

Request for Notice Under Section 2924b Civil Code

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. _____ on _____, 202__, in Book _____, Page _____, Official Records of Placer County, California, and describing land therein as

See Exhibit A attached hereto

executed by _____, as Trustor, in which _____ is named as Beneficiary, and _____ as Trustee, be mailed to City of Rocklin, at 3970 Rocklin Road, Rocklin, California 95677, Attention: City Manager.

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOUR ADDRESS CHANGES, A REQUEST MUST BE RECORDED.

Aly Zimmermann
City Manager

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ATTACHMENT NO. 9

SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

The Portion A Site is specifically delineated on the Portion A Site Map and the Legal Description of the Portion A Site.

II. DEVELOPMENT

Developer shall construct fifty (50) multifamily rental housing units on the Portion A Site together with features described or referenced in Administrative Determination AD-2025-0004 as approved May 8, 2025 by the Community Development Director of the City of Rocklin (including without limitation all conditions contained therein), and additional and use approvals for the development of the Portion A Site, if any, as may hereafter be approved by the City acting in the exercise of its police power. All such improvements, including all conditions of deposit now or hereafter imposed by City (including without limitation and mitigation measures) collectively constitute the "Improvements." The number of bedrooms for the Required Affordable Units is set forth within the definition, Required Affordable Units. Unit sizes shall not be less than as hereafter approved by City as part of its land use approval process and under the authorization of this Agreement. Developer is encouraged to confer and consult with Community Development staff concerning the size and amenities associated with the housing units. Developer shall accomplish the Development in strict conformity with the Entitlements.

The quality of construction shall be of a high level. The Improvements shall conform to such plans as are hereafter approved by City and maintained on file with City as supplemented by the Design Development Drawings.

The Development shall consist of all-electric buildings with energy efficient features such as ENERGY Star appliances, including dishwashers and garbage disposals, energy efficient dual-pane windows, no-VOC paint, high efficacy lighting, and low-flow plumbing fixtures to reduce water use. The landscape shall be designed to reduce the Development's water consumption with water-conservation irrigation system and drought tolerant and native plants. In addition to a tot lot and shared outdoor space, the Development will provide indoor community space that includes a leasing office, a dedicated office space for resident services, a conference room, restrooms, and a multi-purpose room with a kitchen.

The Improvements shall include parking as hereafter designated by City as part of its land use approval process to be located on the Portion A Site. In addition, the City intends to make available on a non-exclusive basis the ability to park certain vehicles on that certain property defined herein as the "Adjacent City Parking Area"; the Adjacent City Parking Area is a portion of the block (APN 010-0404-039, approximately 0.9 acres) from the back edge of the alley towards the train tracks as originally granted to City through an Act of Congress, under a grant which restricts the use of such property. Developer shall design and construct the parking lot at its cost and the City will maintain the parking lot thereafter; the parties intend to enter an agreement after the Date of Agreement which sets forth the arrangements for the operation of the Adjacent City Parking Area by Developer. It is contemplated that in addition to residents of the Portion A Site, the Adjacent City Parking Area will

also be available, on a non-exclusive basis, to residents of development which occurs on the Portion B Area. While no portion of the parking lot can be restricted for the exclusive use of the affordable housing project on Site A (or that on the Portion B Area), City intends that the parking lot, including approximately 70 spaces will be made available for use, including overnight use, by residents of the project along with members of the public; such parking spaces are further intended to be available for residents of the improvements to be constructed under a different agreement as to the Portion B Area.

Developer shall commence and complete the Improvements by the respective times established therefor in the Schedule of Performance.

III. DEVELOPMENT STANDARDS

The Improvements shall conform to all applicable state laws and regulations and to local zoning, applicable provisions of the City Code and the following development standards:

A. General Requirements:

1. Vehicular Access. The placement of vehicular driveways shall be coordinated with the needs of proper street traffic flow as approved by City. In the interest of minimizing traffic congestion, City will control the number and location of curb breaks for access to the Portion A Site for off-street parking and truck loading. All access driveways shall require written approval of City staff.

2. Building Signs. Signs shall be limited in size, subdued and otherwise designed to contribute positively to the environment. Signs identifying the building use will be permitted, but their height, size, location, color, lighting and design will be subject to City staff approval, and signs must conform to the City Code.

3. Screening. All outdoor storage of materials or equipment shall be enclosed or screened to the extent and in the manner required by City staff.

4. Landscaping. Developer shall provide and maintain landscaping within the public rights-of-way and within setback area along all street frontages and conforming with the plans as hereafter approved by City excepting for landscaping, if any, installed by City within the public right of way.

Landscaping shall consist of trees, shrubs and installation of an automatic irrigation system adequate to maintain such plant material. The type and size of trees to be planted, together with a landscaping plan, shall be subject to City staff approval prior to planting.

5. Utilities. All utilities on the Portion A Site provided to service the units rehabilitated or reconstructed by Developer shall be underground at Developer's expense.

6. Building Design. Buildings shall be constructed such that the Improvements shall be of high architectural quality and shall be effectively and aesthetically designed and in conformance with City approvals.

7. Mitigation Measures. Mitigation measures approved for the Development under the California Environmental Quality Act (CEQA).

B. Design Features:

The following design features are considered essential components to the Improvements:

Handicapped Units – The greater of ten percent (10%) of the Units or the number of units required by TCAC are to be fully handicapped accessible in compliance with State Housing Code - Title 24 requirements.

Security - The details of security will be reviewed upon submission of the detailed plans.

Overall Design Quality, Materials, Colors, Design Features - Quality of design is important, materials and colors are to be approved by City.

Mobility/Agility - All facilities shall comply, to the extent feasible, with "New Horizon Accessible, Adaptable Apartments for the Physically Disabled" published by HCD dated July 1989, and shall comply with those portions of Title 24 of the California Code of Regulations that have been adopted by HCD relating to handicapped units, and the requirements of the federal Department of Housing and Urban Development, Part VI, 24 C.F.R. Ch. 1, Vol. 56, No. 44, as published in the Federal Register March 6, 1991.

IV. SOILS

Developer agrees to accept the Portion A Site in its as-is condition, subject only to express representations and warranties made by City under the AHA and assumes responsibility for surface and subsurface conditions at the Portion A Site and the suitability of the Portion A Site for the Improvements. Developer will undertake all investigation of the Portion A Site as it shall deem necessary and has not received or relied upon any representations of City, its officers, agents and employees.

V. SPECIAL AMENITIES

Developer shall undertake all improvements required by City as a condition of development of the Portion A Site under the Entitlements.

ATTACHMENT NO. 10

CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: APN: _____	

(Space Above for Recorder's Use Only)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

CERTIFICATE OF COMPLETION

THIS CERTIFICATE OF COMPLETION (the "Certificate") is made by the **CITY OF ROCKLIN,** a municipal corporation (the "City"), in favor of **PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P.**, a California limited partnership (the "Developer"), as of the date set forth below.

R E C I T A L S

A. City and Developer have entered into that certain unrecorded Affordable Housing Agreement (the "AHA") dated as of _____ __, 202_ concerning the redevelopment of certain real property situated in the City of Rocklin, California, as more fully described in Exhibit "A" attached hereto and made a part hereof (the " Portion A Site"). A copy of the AHA is on file with City as a public record.

B. As referenced in Section 6.13 of the AHA, City is required to furnish Developer or its successors with a Certificate of Completion upon completion of construction of the "Improvements" (as defined in Section 1.1 of the AHA), which Certificate is required to be in such form as to permit it to be recorded in the Recorder's Office of Placer County. This Certificate is conclusive determination of satisfactory completion of the construction and development required by the AHA.

C. City has conclusively determined that the construction and development of the Development has been satisfactorily completed.

NOW, THEREFORE, City hereby certifies as follows:

1. City does hereby certify that the Improvements to be constructed by Developer has been fully and satisfactorily completed in full conformance with the AHA.

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance construction work on the Portion A Site, or any part thereof.

3. This Certificate shall not constitute evidence of Developer's compliance with those covenants in the AHA that survive the issuance of this Certificate.

4. This Certificate is not a Notice of Completion as referred to in California Civil Code Section 3093.

5. Nothing contained in this instrument shall modify in any other way any other provisions of the AHA (including without limitation the attachments thereto).

IN WITNESS WHEREOF, City has executed this Certificate of Completion this ___ day of _____, 202__.

CITY OF ROCKLIN, a municipal corporation

By:_____
Aly Zimmermann
City Manager

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

EXHIBIT "A" TO ATTACHMENT NO. 10

LEGAL DESCRIPTION

Real property in the City of Rocklin, County of Placer, State of California, described as follows:

[to come]

APN:

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ATTACHMENT NO. 11

CITY REGULATORY AGREEMENT

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

(Space above for Recorder's Use.)

APN:

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

Exempt from fee per Government Code section 27388.1(a)(2); recorded concurrently in connection with a transfer subject to the imposition of documentary transfer tax

REGULATORY AGREEMENT

These Covenants, Conditions and Restrictions, herein sometimes referred to as these "CC&Rs" or "Declaration" or "Regulatory Agreement" are made by the signatories hereto.

R E C I T A L S

WHEREAS, each of the **CITY OF ROCKLIN**, a municipal corporation ("City"), the **CITY OF ROCKLIN**, a charter city duly organized and existing under and by virtue of the Constitution and the laws of the State of California ("City"), and **PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P.**, a California limited partnership ("Developer") is a party to this Declaration. City and Developer are sometimes collectively referred to herein as the "Declarants."

WHEREAS, City and Developer have entered into that certain unrecorded Amended and Restated Affordable Housing Agreement dated as of _____ __, 2025 (the "AHA") for the improvement and development of certain real property described in Exhibit "A" (to which these CC&Rs are attached) as the " Portion A Site", which AHA provides for the recordation of this Regulatory Agreement. The AHA is incorporated herein by this reference and any capitalized term not defined herein shall have the meaning established therefor in the AHA. A copy of the AHA is on file with City as a public record.

WHEREAS, this Regulatory Agreement establishes a plan for the improvement, development and maintenance of the Portion A Site, for the benefit of City.

WHEREAS, it is contemplated under the AHA that, as of the recordation of this Regulatory Agreement, Developer has entered into or will enter into a lease of the " Portion A Site" and described in the legal description attached hereto as Exhibit "A" and incorporated herein by this reference. The form of the lease, as prescribed by the AHA, is referenced to as the "City Lease."

WHEREAS, the AHA sets forth certain restrictive covenants applicable to the Portion A Site, particularly the use of the Portion A Site for the provision of rental housing units available to Extremely Low Income Households, Very Low Income Households, and Low Income Households at Affordable Rents as those terms are defined therein.

WHEREAS, City and Developer wish to adopt this Regulatory Agreement to further govern the use of the Portion A Site in conjunction and along with the AHA and to ensure that City achieves credit for production of affordable housing units in the manner described by Section 33413 of the California Health and Safety Code.

NOW, THEREFORE, each of City (which is the owner of the Portion A Site) and Developer (which shall own improvements upon development thereon under the AHA) in City, declares that the Portion A Site shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the Covenants, Conditions and Restrictions hereinafter set forth expressly and exclusively for the use and benefit of said property, and City. Each and all of the restrictions, limitations, conditions, covenants, liens, reservations and charges herein contained shall run with the land and be recorded on the property title and shall be binding on Declarants, their grantees, successors, heirs, executors, administrators, devisees or assigns, and all subsequent owners of all or any part of the Portion A Site.

ARTICLE I
DEFINITIONS

The definitions provided herein shall be applicable to this Declaration and also to any amendment or supplemental Declaration (unless the context implicitly or explicitly shall prohibit), recorded against the Portion A Site pursuant to the provision of this Declaration. Any capitalized terms not defined herein shall have the respective meanings set forth therefor in the AHA.

"Adjacent City Parking Area" has the meaning set forth therefor in the AHA.

"Affiliated Person" means, when used in reference to a specific person, any person that directly or indirectly controls or is controlled by or under common control with the specified person, any person that is an officer or director of, a trustee of, or a general partner, managing member or operator in, the specified person or of which the specified person is an officer, director, trustee, general partner or managing member, or any person that directly or indirectly is the beneficial owner of ten percent (10%) or more of any class of the outstanding voting securities of the specified person.

"Affordable Housing Project" means an affordable housing project operated in conformity with this Regulatory Agreement throughout the Required Covenant Period.

"Affordable Rent" has the following meaning: For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the unit. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the unit. For a Lower Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of the Median Income for the Area for a household size appropriate to the Unit. "Household size appropriate to the unit," as used herein, means two persons for each one-bedroom

unit, three persons for each two-bedroom unit, and four persons for each three-bedroom unit. The maximum monthly rental amount of the units shall be adjusted annually by the formula set forth above upon the promulgation of revised Placer County median income figures by regulation of the California Department of Housing and Community Development. In addition, in the event tax credits are utilized to finance the Approved Housing Project, Health and Safety Code Section 50053 provides in part that rents prescribed under the tax credit program may be utilized. Actual rent charged may be less than such maximum rent.

"Approved Housing Project" means all improvements as provided to be developed by Developer under the AHA. The Approved Housing Project must be completed in strict conformity with all specifications contained in or referred to in the AHA.

"Area" means the Placer County, as periodically defined by HUD.

"Calculation of Affordable Rents" means the worksheet substantially in the form of Attachment No. 7 to the AHA.

"Certificate" or "Certification" is defined in Section 3(a).

"City", as defined in the first Recital hereof, means the City of Rocklin, a charter city duly organized and existing under and by virtue of the Constitution and the laws of the State of California.

"City Code" means and refers to the City of Rocklin Municipal Code as revised from time to time and includes, without limitation, the Uniform Codes.

"Commencement Date of the City Lease" means the commencement of the City Lease as more particularly set forth therein.

"City" means the City of Rocklin and its successors in interest.

"City Lease" means a ground lease substantially in the form of Attachment No. 6 to the AHA.

"Common Areas" means all areas on the Portion A Site that are open or accessible to all tenants of the Portion A Site (such as grounds, but excluding buildings).

"Extremely Low Income Households" means households earning not greater than thirty percent (30%) of Median Income for the Area pursuant to Health and Safety Code Section 50106.

"Extremely Low Income Unit" or "Extremely Lower Income Unit" means Unit occupied at Affordable Rent by an Extremely Low Income Household.

"Gross Income" means all payments from all sources received by a person (together with the gross income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) whether in cash or in kind as calculated pursuant to the Department of Housing and Urban Development ("HUD") Regulations (24 C.F.R. § 813) in effect as of the Date of Agreement.

"Low Income Household" or "Lower Income Household" means a household earning not greater than sixty percent (60%) of median income for the Area.

"Low Income Unit" or "Lower Income Unit" means Unit occupied at Affordable Rent by a Low Income Household.

"Map of the Portion A Site" means Exhibit B hereto.

"Median Income for the Area" means the median income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or, if programs under Section 8 are terminated, Median Income for the Area determined under the method used by the Secretary prior to such termination.

"Prescribed Income Levels" means the following: (i) for six (6) one-bedroom Units, thirty percent (30%) of Median Income; (ii) for two (2) two-bedroom Units, thirty percent (30%) of Median Income; (iii) for six (6) three-bedroom Units, thirty percent (30%) of Median Income; (iv) for seven (7) one-bedroom Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Units, fifty percent (50%) of Median Income; (vi) for two (2) three-bedroom Units, fifty percent (50%) of Median Income; (vii) for thirteen (13) one-bedroom Units, sixty percent (60%) of Median Income; (viii) for eight (8) two-bedroom Units, sixty percent (60%) of Median Income; and (ix) for two (2) three-bedroom Units, sixty percent (60%) of Median Income.

"Project" has the meaning set forth therefor in the AHA.

"Regulatory Agreement" means this Regulatory Agreement and any amendments, modifications or supplements which may also be referred to herein as this "Declaration."

"Required Affordable Unit" means any of one hundred nine (109) of the dwelling units in the Project, as constructed under the AHA, and available to, occupied by, or held vacant for occupancy only by tenants qualifying as Extreme Low Income Households, Very Low Income Households and Low Income Households and rented at Affordable Rent in conformity with the Prescribed Income Levels.

"Required Covenant Period" means the period commencing on the date this Regulatory Agreement is recorded and ending eighty-seven (87) years thereafter.

"The Portion A Site" means all of the real property and appurtenances as described in the Recitals above, including all structures and other improvements thereon, and those hereafter constructed.

"Tax Credit Rent" means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this agreement (such as 50% of Median Income) under the Tax Credit Rules.

"Tax Credit Rules" means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, including without limitation the program regulations promulgated by TCAC.

"Tax Credits" means 4% Low Income Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

"Tenant Selection and Tenant Services Plan" shall have the meaning set forth in the AHA.

"Uniform Codes" means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for the Abatement of Dangerous Buildings.

"Unit" means a dwelling unit on the Project.

"Very Low Income Households" means households earning not greater than fifty percent (50%) of Median Income for the Area pursuant to Health and Safety Code Section 50105.

"Very Low Income Unit" means Unit occupied at Affordable Rent by a Very Low Income Household.

"Year" means a calendar year, excepting that the last Year hereunder shall be deemed to end as of the expiration of this Regulatory Agreement.

ARTICLE II
LAND USE RESTRICTIONS; IMPROVEMENTS

Section 1. Uses. Developer shall develop the Approved Housing Project on the Portion A Site in conformity with the AHA. Thereafter, the Portion A Site shall be operated as an Affordable Housing Project and devoted only to the uses specified in the AHA and the City Lease for the periods of time specified herein. All uses conducted on the Portion A Site, including, without limitation, all activities undertaken by Developer pursuant to the AHA, shall conform to all applicable provisions of the City Code and the City Approvals.

The Portion A Site shall be used, maintained and operated in accordance with the AHA, the City Lease, and this Regulatory Agreement for the Required Covenant Period. None of the units in the Project shall at any time be utilized on a transient basis nor shall the Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer court or park. No part of the Portion A Site, from the date Developer acquired a leasehold interest in the Portion A Site, has been or will at any time be owned or used as a cooperative housing corporation or a community apartment project or a stock cooperative.

Section 2. Affordable Housing.

Number of Units. Throughout the Required Covenant Period, the Required Affordable Units shall be rented to households as set forth as the Prescribed Income Levels. The Required Affordable Units shall be continuously occupied by or held available for occupancy by Extremely Low Income Household or, as applicable, Very Low Income Households or Low Income Households, at an Affordable Rent. All Required Affordable Units shall be rented at Affordable Rent. For this purpose, a tenant who qualifies as an Extremely Low Income Household at the time he or she first occupies an Affordable Unit shall be deemed to continue to be so qualified until such time as a recertification of such individual's or family's income in accordance with Section 3 below demonstrates that such individual or family no longer qualifies as an Extremely Low Income Household. Moreover, a unit previously occupied by an Extremely Low Income Household, and then vacated shall be considered occupied by such Extremely Low Income Household until reoccupied,

other than for a temporary period, at which time the character of the unit shall be redetermined; a similar protocol shall apply with respect to Very Low Income Units and Lower Income Units respectively. In no event shall such temporary period exceed thirty-one (31) days.

At such time as a tenant ceases to qualify as an Extremely Low Income Household, the Developer shall replace each such Extremely Low Income Unit by designating the next available unit and any necessary units thereafter as an Extremely Low Income Unit. For purposes of this Agreement, such designated unit will be considered an Extremely Low Income Unit if it is held vacant and available for occupancy by an Extremely Low Income Household, and, upon occupancy, the income eligibility of the tenant as an Extremely Low Income Household is verified and the unit is rented at Affordable Rent. A similar protocol shall apply with respect to Very Low Income Units and Lower Income Units respectively.

Duration of Affordability Requirements. The Required Affordable Units shall be available to and occupied by Extremely Low Income Households and, to the extent provided under Prescribed Income Levels, Extremely Low Income Households, Very Low Income Households, Lower Income Households, and, if applicable, Moderate Income Households at Affordable Rent throughout the Required Covenant Period. All tenants residing in any Unit for which rents are limited by virtue of this Regulatory Agreement or pursuant to other regulation during the last two (2) years of the Required Covenant Period shall be given notice by Developer at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on such Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Selection of Tenants. As specified hereinbelow, Developer shall demonstrate to City that the proposed tenants of each of the Required Affordable Units constitutes an Extremely Low Income Household or, to the extent provided herein, a Very Low Income Household or a Lower Income Household. To the greatest extend allowable, Developer shall cause the Required Affordable Units to be rented in accordance with the Tenant Selection and Tenant Services Plan.

Prior to the rental or lease of an Required Affordable Unit to a tenant, and as set forth in this Section 2 of Article II of this Declaration, Developer shall require the tenant to execute a written lease and to complete an Income Verification certifying that the tenant(s) occupying the Required Affordable Unit is/are an Extremely Low Income Household or, to the extent provided herein, a Very Low Income Household or a Lower Income Household and meet(s) the eligibility requirements established for the Required Affordable Unit. Developer shall verify the income of the tenant(s).

Developer shall accept as tenants on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937, or its successor. Developer shall not apply selection criteria to Section 8 certificate holders which are more burdensome than criteria applied to any other prospective tenants.

Determination of Affordable Rent for the Affordable Units. The Affordable Units shall be rented or leased at Affordable Rent. As of the approval of the AHA, Affordable Rent is calculated in accordance with the Affordable Rent Worksheet or, if lower, the Tax Credit Rents. The maximum monthly rental for the Affordable Unit shall be adjusted annually as permitted by Section 50053 of the California Health and Safety Code based on the annual adjustment to the Median Income for the Area established pursuant to Section 50093 of the California Health and Safety Code, as more particularly set forth in the Affordable Rent Worksheet.

Relationship to Tax Credit Requirements. Notwithstanding any other provision of this Regulatory Agreement, to the extent that requirements associated with the provision of financing, other than by City, are more restrictive with respect to the requirements applicable to tenant selection, tenant income levels and unit rent levels than as provided in this Regulatory Agreement, whichever is more restrictive in each case, shall control and Developer's compliance therewith shall not be a default hereunder. If, following completion of construction of the Improvements, Developer restricts a greater number of Units as affordable units than is required under this Regulatory Agreement as of the date it is first executed, Developer agrees, upon request therefor by City, to execute and record such addendum or supplement to this Regulatory Agreement as would restrict such additional units to be affordable on a similar basis to that set forth herein.

DEVELOPER UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE AHA, THIS REGULATORY AGREEMENT AND THE CITY LEASE IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE AFFORDABLE UNITS.

Section 3. Developer Verification and Program Compliance.

Income Verification and Certification. Developer will obtain and maintain on file an Income Verification from each tenant (for every Unit on the Portion A Site), dated immediately prior to the initial occupancy of such tenant in the Project.

On July 15 following the completion of the Improvements, Developer shall file with City or its designee a Certificate, containing all information required pursuant to Health and Safety Code Section 33418, in a form prescribed by City. Each Certificate shall cover the immediately preceding Lease Year.

Developer shall maintain on file throughout the Required Covenant Period each tenant's executed lease and Income Verification and rental records for the Project and the Housing Units. Developer shall maintain complete and accurate records pertaining to the Extremely Low Income Units, the Very Low Income Units, the Low Income Units and any other Units, and will permit any duly authorized representative of City to inspect the books and records of Developer pertaining to the Project, including those records pertaining to the occupancy of the Extremely Low Income Units, the Very Low Income Units, the Low Income Units and any other units. Developer shall prepare and submit to City annually commencing the July 15 first following the recording of the Memorandum of Lease and continuing throughout the Required Covenant Period, a Certificate of Continuing Program Compliance. Such documentation shall state for each unit in the Project the unit size, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determined compliance with the terms of this Regulatory Agreement and the AHA.

As part of its annual report, Developer shall include a statement of amounts payable by Developer under this Regulatory Agreement supported by an Audited Financial Statement (prepared by an independent accounting firm reasonably acceptable to City) which sets forth information in detail sufficient for adequate review by City for the purposes of confirming those amounts payable by Developer to City, including without limitation amounts payable under the City Note, as well as showing the general financial performance of the Project ("Annual Financial Report"). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Service, Capital Replacement Reserve, and Residual Receipts, all certified by the Audited Financial Statement. In the event the amounts reported or paid deviate by five percent (5%)

or more from that amount owing upon review of Developer's submittal, Developer shall reimburse City for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amount payable under the City Promissory Note.

In addition, as part of its annual report, at City's request, but not less frequently than prior to each initial and subsequent rental of each Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to City completed income computation, asset evaluation, and certification forms, for any such tenant or tenants, in substantially the form provided by City from time to time. Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household, a Very Low Income Household or a Low Income Household, as applicable, and meets the eligibility requirements established for each such Unit. Developer shall verify the income certification of each tenant household. In order to comply with this Section 3, Developer shall submit to City any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Project; provided, City may request (and Developer shall provide) additional documentation to assist City's evaluation of Developer's compliance with this Agreement, if determined to be necessary in the reasonable discretion of the City Manager, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with all requirements from all funding sources. This requirement is in addition to and does not replace or supersede Developer's obligation to annually submit the Certificate of Continuing Program Compliance to City. Further, City has the right, but not the obligation to monitor compliance with respect to each tenant household at the Project, and City's election to monitor some, but not all, of the Units shall not constitute a waiver of City's right to monitor and enforce compliance with respect to all Units in the future.

Verification of Income of New and Continuing Residential Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Project and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods;

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;

(iii) obtain an income verification certification from the employer of the person;

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies; or

(v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer.

Verification Regarding Eligibility of New Residential Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

Reporting Amounts. City is required by Section 33418 of the California Health and Safety Code to require Developer to monitor affordability of the Affordable Units and submit the annual reports required by Section 3 of Article II of this Declaration. City relies upon the information contained in such reports to satisfy its own reporting requirements and to provide certain information described at Sections 33080 and 33080.1 of the California Health and Safety Code. In the event Developer fails to submit to City or its designee the Certification as required by Section 3(a), Developer shall be in noncompliance with this Regulatory Agreement. In the event Developer remains in noncompliance for thirty (30) days following receipt of written notice from City of such noncompliance under Sections 3(a) and 3(b) of Article II hereinabove, then Developer shall, without further notice or opportunity to cure, pay to City Two Hundred Fifty Dollars ($250.00) per Required Affordable Unit for each year Developer fails to submit a Certificate covering each and every housing unit on the Portion A Site.

Section 4. Nondiscrimination. Developer shall refrain from restricting the rental, sale or lease of the Portion A Site, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(3) In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of

the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

The covenants established in this Declaration and the deeds of conveyance for the Portion A Site shall, without regard to technical classification and designation, be binding for the benefit and in favor of City, its successors and assigns, City and any successor in interest to the Portion A Site, together with any property acquired by Developer pursuant to this Agreement, or any part thereof. The covenants against discrimination as set forth in this Section 1 of Article II shall remain in effect in perpetuity.

Section 5. Keeping of Animals. No animals of any kind shall be raised, bred or kept on the Portion A Site, except that domesticated dogs, cats or other household pets may be kept by the tenants in the Project at the discretion of Developer and subject to compliance with all laws. However, no animal shall be kept, bred or maintained for any commercial purpose or for fighting purposes. Nothing permitted herein shall derogate in any way the right of Developer to further restrict keeping of pets.

Section 6. Parking of Vehicles. Developer shall not permit the parking, storing or keeping of any vehicle except wholly within the parking areas designated for the Required Affordable Units. Developer shall not permit the parking, storing or keeping of any large commercial type vehicle (dump truck, cement mixer truck, oil or gas truck, etc.), or any recreational vehicle over twenty (20) feet in length (camper unit, motor home, trailer, mobile home or other similar vehicle), boats over twenty (20) feet in length, or any vehicle other than a private passenger vehicle, upon any portion of the Common Areas, including parking spaces. For purposes of this Section 6, a pickup truck with a pickup bed mounted camper shall be considered a private passenger vehicle; provided however, that no such vehicle shall be used for residential purposes while parked on the premises.

Developer shall not permit major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle to be conducted upon any portion of the Common Area, including the parking areas, except for emergency repairs thereto and then only to the extent necessary to enable movement of the vehicle to a proper repair facility. No inoperable vehicle shall be stored or kept in the Common Area. Developer shall give the vehicle owner not less than four (4) days, nor more than seven (7) days' notice and an opportunity to remove any vehicle parked, stored or kept in violation of the provisions of this Declaration. Notice shall consist minimally of a reasonably diligent attempt to personally notify the vehicle owner or alternatively leaving written notice on the subject vehicle. After due notice and opportunity have been given to the vehicle owner, Developer shall have the right to remove, at the vehicle owner's expense, any vehicle parked, stored or kept in violation of the provisions of this Declaration.

Section 7. Maximum Occupancies. No persons shall be permitted to occupy any Apartment within the Project in excess of applicable limit of maximum occupancy set by the City Code and the laws of the State of California.

Section 8. Signs Required. "Illegally parked vehicles will be towed" signs in compliance with California Vehicle Code requirements will be posted and enforced by Developer.

Section 9. Fences and Electronic Installations. Developer shall not install or knowingly permit to be installed on the exterior of any improvement or building on any fences or any antenna or other television or radio receiving device, excepting satellite dishes having a diameter of eighteen inches (18") or less, without prior written consent of City. This prohibition shall not prohibit the installation of cable television or subscription wires or receiving devices.

Section 10. Structural Change. Nothing shall be done on the Portion A Site in, on or to any building which would materially structurally change the exterior or the interior bearing walls of any such building or structure, except as otherwise provided herein. Nothing herein shall affect the rights of Developer to repair, alter or construct improvements on the buildings on the Portion A Site unless such repair, alteration or improvement would impair the structural integrity and/or exterior appearance of said buildings. Nothing herein shall be deemed to prohibit work ordered to be performed by the City building official.

Section 11. Compliance with Laws. Developer shall comply with all applicable laws in connection with the development and use of the Portion A Site, including without limitation the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) and Fair Housing Act (42 U.S.C. § 3601, *et seq.,* and 24 C.F.R. § 100.300, *et seq.)*. Developer shall also comply with the Tax Regulatory Agreement. Developer is a sophisticated party, with substantial experience in the acquisition, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. Developer is familiar with and has reviewed all laws and regulations pertaining to the acquisition, development and operation of the Project and has obtained advice from any advisers of its own choosing in connection with this Agreement.

ARTICLE III
DUTIES OF DEVELOPER: SPECIFIC MAINTENANCE RESPONSIBILITIES

Section 1. Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within a reasonable period of time as set forth herein.

Section 2. Front and Side Exteriors. Developer shall at all times maintain the front exterior and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair and any visible side exteriors. Developer shall hire maintenance personnel to maintain and/or repair any front exterior or yard or visible side yard and exterior of any lot or building.

Section 3. Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures must be removed and any necessary painting or repair completed by the later to occur of (i) seventy-two (72) hours of their creation or (ii) seventy-two (72) hours after notice to Developer.

Section 4. Driveways. All driveways must be paved and maintained with impervious material in accordance with the City Code. In addition, all water must be made to drain freely to the public part of the waterway without any pooling.

Section 5. Exterior Illumination. Developer shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means outdoor, night lighting designed and installed, which provides no less than one (1.0) foot candles in the parking areas and no less than one and one-half (1-1/2) foot candles in the walking areas or common areas and no less than 0.2 foot candles at the point of least illumination.

Section 6. Front Setbacks. All front setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped in accordance with minimum standards established by City and shall be maintained by Developer. The landscaping shall meet minimum standards set from time to time by City.

Section 7. Trash Bins. All trash shall be collected and placed at all times in an enclosable bin to be placed in a designated refuse/trash bin area. The designated area shall be located so that the bin will, to the extent possible, be readily accessible from the street.

Section 8. Prohibited Signs. No sign of any kind shall be displayed to the public view on or from any portion of the Portion A Site without the approval of City and appropriate City departments if any as required by the City Code.

ARTICLE IV
OBLIGATION TO MAINTAIN, REPAIR AND REBUILD

Section 1. Maintenance by Developer. Developer shall, at its sole cost and expense, maintain and repair the Portion A Site and the improvements thereon keeping the same in a decent, safe and sanitary manner, in accordance with the United States Department of Housing and Urban Development ("HUD") Uniform Physical Condition Standards (24 CFR 5.703) and as required under 24 CFR 92.251(a), and in good condition and making all repairs as they may be required by these CC&Rs and by all applicable City Code provisions including without limitation Uniform Code provisions. Developer shall also maintain the landscaping required to be planted in a healthy condition. If, at any time, Developer fails to maintain the Project or any portion thereof, and said condition is not corrected after the expiration of forty-five (45) days from the date of written notice from City, City may perform the necessary maintenance and Developer shall pay such costs as are reasonably incurred for such maintenance. Payment shall be due within fifteen (15) days of receipt of an invoice from City.

Section 2. Damage and Destruction Affecting Project - Developer's Duty to Rebuild. If all or any portion of the Portion A Site and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Developer to rebuild, repair or reconstruct said portion of the Portion A Site and/or the improvements in a timely manner which will restore it to Code compliance condition.

In furtherance of the requirements of this Section 2, Developer shall keep the construction on the Portion A Site insured by carriers at all times satisfactory to City against loss by fire and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy, in an amount of the full replacement cost of the constructions. In the event of loss, Developer shall give prompt notice to the insurance carrier and to City.

If the Portion A Site is abandoned by Developer, or if Developer fails to respond to City within thirty (30) days from the date notice is mailed by City to Developer that the insurance carrier offers to settle a claim for insurance benefits, City is authorized to collect and apply the insurance proceeds at City's option either to restoration or repair of the Portion A Site.

Section 3. Variance in Exterior Appearance and Design. In the event the Project sustains substantial physical damage due to a casualty event, Developer may apply to the City of Rocklin for approval to reconstruct, rebuild or repair in a manner which will provide different exterior appearance and lot design from that which existed prior to the date of the casualty.

Section 4. Time Limitation. Upon damage to the Portion A Site or the Project or other improvements, Developer shall be obligated to proceed with all due diligence hereunder and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within six (6) months after damage occurs or demolition and vacate within two (2) months, unless prevented by causes beyond their reasonable control, in which event reconstruction shall be commenced and completed at the earliest feasible time; excepting in the event of a casualty causing very substantial damage that cannot reasonably be remedied within six (6) months from the commencement of construction, the period for construction shall be deemed extended for a reasonable time (but not to exceed twelve (12) months) to remedy such damage.

ARTICLE V
ENFORCEMENT

Section 1. Remedies. Breach of the covenants contained in the Declaration may be enjoined, abated or remedied by appropriate legal proceeding by City.

This Declaration does not in any way infringe on the right or duties of the City of Rocklin to enforce any of the provisions of the City Code including, but not limited to, the abatement of dangerous buildings.

City shall be deemed to be a third party beneficiary of this Regulatory Agreement. Except for City, there shall be no third party beneficiaries of this Regulatory Agreement.

Section 2. Nuisance. The result of every act or omission whereby any of the covenants contained in this Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of City's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, City shall have the right through its agents and employees, to enter upon any part of the project area for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of City, and for maintenance and/or repair of any or all publicly owned utilities. In addition, City has the right of entry at reasonable hours and upon and after reasonable attempts to contact Developer, on any lot to effect emergency repairs or maintenance which Developer has failed to perform. Subsequent to sixty (60) days written notice to Developer specifically outlining Developer's noncompliance, City shall have the right of entry on the Portion A Site at reasonable hours to enforce compliance with this Declaration which Developer has failed to perform. City shall additionally have rights of entry as a

landlord under the City Lease. This Section 3 is without limitation as to the exercise of police powers of City.

Section 4. Costs of Repair. The costs borne by City of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Developer shall be responsible.

Section 5. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6. Failure to Enforce. The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

Section 7. Enforcement and Nonliability. City may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Declaration. However, City will not be subject to any liability for failure to affirmatively enforce any provision of this Declaration.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Covenant Against Partition. By acceptance of its interest in the Portion A Site, Developer shall be deemed to covenant for itself and for its heirs, representatives, successors and assigns, that it will not institute legal proceedings or otherwise seek to effect partition of its right and interest in the interest being conveyed to Developer, or the burdens running with the land as a result of this Regulatory Agreement.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

Section 3. Term. This Declaration shall run with and bind the interest of Developer in the Portion A Site, and shall inure to the owner(s) of any property subject to this Declaration, his legal representatives, heirs, successors and assigns, and as provided in Article VI, Sections 2 and 3, be enforceable by City, for a term equal to the Required Covenant Period as defined in the AHA, provided; however, that the covenants regarding nondiscrimination set forth in Section 4 of Article II of this Declaration shall remain in effect for perpetuity.

Section 4. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of rental housing available at Affordable Rent for Extremely Low Income Households, and, to the extent provided herein, Very Low Income Households, Lower Income Households, and if applicable Moderate Income Households in conformity with the Prescribed Income Levels. The article and section headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

Developer shall be obligated by this Declaration to comply with the provisions hereof, as well as the City Lease. In the event of conflict, Developer shall comply with the most stringent requirements, in each case.

Section 5. Amendments. This Declaration may be amended only by the written agreement of Developer, City.

Section 6. Encroachments. None of the rights and obligations of Developer created herein shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of Developer if said encroachment occurs due to the willful conduct of said Developer.

Section 7. Notices. Any notice permitted or required to be delivered as provided herein to Developer shall be in writing and may be delivered either personally or by certified mail. Notice to City shall be made by certified mail to the City Manager or his or her designee at 3970 Rocklin Road, Rocklin, California 95677 (with a copy to the City Attorney), and shall be effective upon receipt. Notice to Developer shall be made by certified mail to Pacific Street Housing Associates Four, L.P., a California limited partnership, 3111 Camino del Rio North, Suite 800, San Diego, CA 92108, and shall be effective upon receipt. Such addresses may be changed from time to time by notice in writing.

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership

By: CHW Pacific Street Four LLC, its managing general partner
By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President Housing and Real Estate Development

CITY:

CITY OF ROCKLIN, a municipal corporation

By:_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

APPROVED AS TO FORM:

_____
Mark Huebsch, Consulting Attorney

EXHIBIT A

LEGAL DESCRIPTION OF THE PORTION A SITE

Real property in the City of Rocklin, County of Placer, State of California, described as follows:

[to come]

EXHIBIT B

MAP OF THE PORTION A SITE

[to come]

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ATTACHMENT NO. 12

INCOME VERIFICATION

Part I -- General Information

1. Project Location: _____

2. Landlord's Name: _____

Part II -- Unit Information

3. Unit Number	4. Number of Bedrooms	5. Monthly Rent	6. Number of Occupants

Part III -- Affidavit of Tenant

I, _____, and I, _____, as applicants for rental of an Apartment Unit at the above-described location, do hereby represent and warrant as follows:

A. (My/Our) gross income (anticipated total annual income) **does not exceed thirty percent (30%)** of the median income for the Placer County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is $_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

_____
Tenant(s)' Initials

B. (My/Our) gross income (anticipated total annual income) exceeds thirty percent (30%) but **does not exceed fifty percent (50%) o**f the median income for the Placer County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is $_____. The following computation includes all income (I/we) anticipate receiving for the 12 month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

B. (My/Our) gross income (anticipated total annual income) exceeds fifty percent (50%) but **does not exceed sixty percent (60%)** of the median income for the Placer County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community

Development in the California Code of Regulations. (I/We) understand that the applicable median income is $_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

_____

Tenant(s)' Initials

1. All tenants must complete the following:

Monthly Gross Income **(All Sources of Income of All Adult Household Members Must be Listed)**

Source	**Head of Household**	**Co-Tenants**	**Total**
Gross amount, before payroll deductions of wages, salaries, overtime pay, commissions, fees, tips and bonuses			
Interest and/or dividends			
Net income from business or from rental property			
Social security, annuities, insurance policies, pension/retirement funds, disability or death benefits received periodically			
Payment in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay			
Alimony, child support, other periodic allowances			
Public assistance, welfare payments			
Regular pay, special pay and allowances of members of Armed Forces			
Other			

Total: _____

Total x 12 _____ = Gross Annual Household Income

Note: The following items are **not** considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation),

capital gains and settlement for personal or property losses; educational scholarships paid directly to the student or educational institution; government benefits to a veteran for education; special pay to a serviceman head of family away from home and under hostile fire; foster child care payments; value of coupon allotments for purpose of food under Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; relocation payments under Title II of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; payments received pursuant to participation in the following programs: ROCKLIN, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

2. This affidavit is made with the knowledge that it will be relied upon by the Landlord to determine maximum income for eligibility and (I/we) warrant that all information set forth in this document is true, correct and complete and based upon information (I/we) deem reliable and that the estimate contained in paragraph 1 of this Part III is reasonable and based upon such investigation as the undersigned deemed necessary.

3. (I/We) will assist the Landlord in obtaining any information or documents required to verify the statements made in this Part III and have attached hereto copies of federal income tax return for most recent tax year in which a return was filed (past two years federal income tax returns for self-employed persons).

4. (I/We) acknowledge that (I/we) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) agreement with the Landlord to rent the unit and will additionally enable the Landlord and/or the City of Rocklin to initiate and pursue all applicable legal and equitable remedies with respect to the unit and to me/us.

(I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Date	Tenant
Date	Tenant

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed under a multifamily housing program of the City of Rocklin for persons of limited income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages _____

Overtime _____

Bonuses _____

Commissions _____

Total current income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____ _____ _____
Signature Date Title

I hereby grant you permission to disclose my income to _____ in order that they may determine my income eligibility for rental of an apartment located in their project which has been financed under a multifamily housing program of the City of Rocklin.

_____ _____
Signature Date

Please send to:

_____
_____
_____

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

_____ _____

Signature Date

ATTACHMENT NO. 13

CITY PROMISSORY NOTE

_____, 202_ ("Date of Promissory Note") $_____
Rocklin, California

FOR VALUE RECEIVED, the undersigned PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership, ("Maker" or "Developer"), having its principal place of business at 3111 Camino del Rio North, Suite 800, San Diego, California 92108, promises to pay to the order of the CITY OF ROCKLIN, a municipal corporation ("Payee" or "City"), at 3970 Rocklin Road, Rocklin, California 95677, or at such other place as the holder of this Note from time to time may designate in writing, the principal sum of [Two Million Six Hundred Thousand Dollars ($2,600,000.00)] (the "Original Principal Amount"), as well as additional amounts described in Section 1 below, together with interest on the unpaid principal amount of this Promissory Note ("Promissory Note") from time to time outstanding at the "Applicable Interest Rate," as defined in that certain Affordable Housing Agreement dated as of _____ __, 202_ by and between City, the City of Rocklin, a municipal corporation ("City"), and Developer (the "AHA") in lawful money of the United States of America. This Promissory Note is being delivered pursuant to the AHA. The loan evidenced by this Promissory Note shall be governed by such provisions of the AHA (including without limitation the attachments thereto) as shall be applicable. Interest shall accrue on the Original Principal Amount at the Applicable Interest Rate commencing as of the Date of Promissory Note. All capitalized terms used herein shall have the meanings set forth therefor in the AHA. Interest shall accrue only on the City Loan Amount and such additional amounts as may become payable under Section 1 of this Promissory Note.

1. Additional Amounts. The principal due under this Promissory Note shall be increased by: (a) any "Reporting Amounts" (as defined in Article II, Section 3 of the City Regulatory Agreement; (b) an amount equal to one hundred fifteen percent (115%) of the amounts paid by City for insurance premiums or costs to repair and maintain the Development upon the failure by Developer to timely and fully provide insurance at the times and for the amounts provided therefor in the AHA; and (c) in the event an Audited Financial Statement shows an underpayment to City of five percent (5%) or greater of the amount paid to City for the corresponding Year, Developer shall pay to City: (i) City's costs (including accountant and consultant fees, attorneys' fees, and a reasonable estimation of the cost of staff time) incurred in connection with City's audit of Developer, and (ii) an amount equal to ten percent (10%) of the shortfall.

2. Payments.

(a) Payments of Additional Amounts due pursuant to Section 1 hereof shall be due and payable as of the last day of the Lease Year during which an obligation therefor first arises;

(b) Excepting to the extent earlier times apply to the payment of Additional Amounts pursuant to paragraph (a) of this Section 2, payments under this Promissory Note shall be due and payable as follows: payments of the Applicable Percentage of Residual Receipts payable on the first anniversary of the Date of the Promissory Note, and each anniversary thereafter until this Promissory Note has been satisfied in full. In addition, the entire amount of the City Loan together with accrued interest and any additional amounts which become owing hereunder shall be paid by

maker to Payee as of the fifty-seventh (57th) anniversary of the Date of the Promissory Note (which fifty-seventh anniversary date constitutes the "Maturity Date" of this Promissory Note.

(c) Payments to City may, at the option of Payee, be accelerated and shall be due and payable hereunder in the event of the occurrence of any default under the AHA, the City Deed of Trust, this Promissory Note, the City Regulatory Agreement, which default continues past such notice or cure period as may be applicable under the AHA.

Notwithstanding anything to the contrary contained herein, to the extent not sooner paid hereunder, payment of all amounts accrued as of the Maturity Date shall be due and payable as of the Maturity Date.

3. Other Loan Documents; Limitation Upon Refinancing. Repayment of this Promissory Note is secured by a deed of trust (the "City Deed of Trust") of this date executed by Maker for the benefit of Payee encumbering the property described in the Deed of Trust (the "Property" or the "Portion A Site").

4. Prepayment. Maker shall have the right to prepay amounts owing under this Promissory Note at any time.

5. Due on Sale or Encumbrance. In the event of any Transfer (as defined below) of the Property, or any portion thereof or interest therein, Payee shall have the absolute right at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. As used herein, the term "Transfer" means and includes the direct or indirect sale, transfer, conveyance, mortgage, further encumbrance, assignment, or other alienation of the Property, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract, sales agreement or similar instrument affecting all or a portion of the Property, granting of an option to purchase any portion of or interest in the Property or any interest therein, or the lease of all or substantially all of the Property or of all or substantially all of the improvements located thereon. Transfer shall not include the sale, transfer, assignment, pledge, hypothecation or encumbrance by Developer's limited partner of its partnership interest to the extent permitted by the AHA nor shall Transfer include the removal of any general partner of Developer by the limited partner for cause and the replacement of such removed general partner by another person or entity in accordance with the terms of Developer's partnership agreement to the extent permitted by the AHA. "Transfer" shall not include a Transfer permitted in the AHA or the leasing of individual Units on the Property so long as Trustor complies with the provisions of the Regulatory Agreement, the City Lease and the AHA relating to such leasing activity. Failure of Beneficiary to exercise the option to declare all sums secured hereby immediately due and payable upon a Transfer will not constitute waiver of the right to exercise this option in the event of any subsequent Transfer.

6. Subordination to Multifamily Note. Developer and the Payee each makes the following representations and warranties to [name of lender's agent: to come], as Agent ("Agent"):

"The indebtedness evidenced by this Promissory Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Multifamily Note of even date herewith in the original principal amount of [approximately $_____] issued by Maker and payable to [to come] ("Senior Lender"), or order, to the extent and in the manner provided in that certain Subordination Agreement, dated as of _____, 202_, between the payee of this Promissory Note, and the Senior Lender and the maker of the Promissory Note (the

"Subordination Agreement"). The mortgage or deed of trust securing this Promissory Note is and shall be subject and subordinate in all respects to the Assignment of Rents, Security Agreement and Fixture Filing securing the rights and remedies of the payee and each subsequent holder of this Promissory Note under the mortgage or deed of trust securing this Promissory Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Promissory Note shall be deemed, by virtue of such holder's acquisition of the Promissory Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreement."

In the event of the refinancing of the senior loan for an amount not in excess of the outstanding principal balance of the existing senior loan and reasonable and customary closing costs, City will execute an instrument or instruments evidencing the subordination of the indebtedness evidenced by this Promissory Note to such new senior loan.

7. Miscellaneous.

(a) Governing Law. All questions with respect to the construction of this Promissory Note and the rights and liabilities of the parties to this Promissory Note shall be governed by the laws of the State of California.

(b) Binding on Successors. This Promissory Note shall inure to the benefit of, and shall be binding upon, the successors and assigns of each of the parties to this Promissory Note.

(c) Attorneys' Fees.

(i) Maker shall reimburse Payee for all reasonable attorneys' fees, costs and expenses, incurred by Payee in connection with the enforcement of Payee's rights under this Promissory Note, including, without limitation, reasonable attorneys' fees, costs and expenses for trial, appellate proceedings, out-of-court negotiations, workouts and settlements or for enforcement of rights under any state or federal statute, including, without limitation, reasonable attorneys' fees, costs and expenses incurred to protect Payee's security and attorneys' fees, costs and expenses incurred in bankruptcy and insolvency proceedings such as (but not limited to) seeking relief from stay in a bankruptcy proceeding. The term "expenses" means any expenses incurred by Payee in connection with any of the out-of-court, or state, federal or bankruptcy proceedings referred to above, including, without limitation, the fees and expenses of any appraisers, consultants and expert witnesses retained or consulted by Payee in connection with any such proceeding.

(ii) Payee shall also be entitled to its attorneys' fees, costs and expenses incurred in any post-judgment proceedings to collect and enforce the judgment. This provision is separate and several and shall survive the merger of this Promissory Note into any judgment on this Promissory Note.

(d) Entire Agreement. This Promissory Note and the relevant provisions of the AHA constitute the entire agreement and understanding between and among the parties in respect of the subject matter of such agreements and supersede all prior agreements and understandings with respect to such subject matter, whether oral or written.

(e) Time of the Essence. Time if of the essence with respect to every provision hereof.

(f) Waivers by Maker. Except as otherwise provided in any agreement executed in connection with this Promissory Note, Maker waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of acceleration; notice of protest and nonpayment; notice of costs, expenses or losses and interest thereon; and diligence in taking any action to collect any sums arising under this Promissory Note or in any proceeding against any of the rights or interests in or to properties securing payment of this Promissory Note.

(g) Non-waivers. No previous waiver and no failure or delay by Maker in acting with respect to the terms of this Promissory Note or the City Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under this Promissory Note, the City Deed of Trust or the obligations secured thereby. A waiver of any term of this Promissory Note, the City Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this Promissory Note and the terms of any other document related to the loan evidenced by this Promissory Note, the terms of this Promissory Note shall prevail.

(h) Non-recourse Liability of Developer. Notwithstanding anything to the contrary of this Promissory Note, neither Developer nor any of its partners shall be personally liable for any default, loss, claim, damage, expense or liability or any person and the sole remedy against Developer hereunder shall be limited to its interest in the Development.

(signature on following page)

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P.,
a California limited partnership

By: CHW Pacific Street Four LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President Housing and Real Estate Development

ATTACHMENT NO. 14

CITY DEED OF TRUST

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:

City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

APN: SPACE ABOVE THIS LINE FOR RECORDER'S USE

Exempt from fee per Government Code section 27388.1(a)(2); recorded concurrently in connection with a transfer subject to the imposition of documentary transfer tax

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This DEED OF TRUST, made as of _____, 202_, among

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership, herein called TRUSTOR, whose address is:

3111 Camino del Rio North, Suite 800, San Diego, California 92108

STEWART TITLE GUARANTY COMPANY, a California corporation, herein called TRUSTEE, and

the CITY OF ROCKLIN, a municipal corporation, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of Rocklin, County of Placer, State of California, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of Two Million Six Hundred Thousand Dollars ($2,600,000.00) with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each and every obligation, covenant, promise or agreement of Trustor contained in the City Regulatory Agreement as recorded as to the Property of even date herewith, and that certain unrecorded Affordable Housing Agreement by and between the Beneficiary, the City of Rocklin ("City") and the Trustor dated as of _____ __, 202_ (the "AHA"), which is on file with the Beneficiary as a public record and is incorporated herein by reference, or contained herein, and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust. A breach or default under the promissory

note or a breach or default under the "Agreement" or any instrument referenced in Exhibit B hereto, which is attached hereto and incorporated herein by reference, or under any obligation to which this deed of trust is subordinated, shall be deemed to constitute a default hereunder.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Placer County in Book 1028 Page 379 among the Official Records of said County, shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P.,
a California limited partnership

By: CHW Pacific Street Four LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President Housing and Real Estate Development

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Rocklin, County of Placer, State of California, described as follows:

THAT CERTAIN LEASEHOLD ESTATE CREATED PURSUANT TO THAT CERTAIN UNRECORDED GROUND LEASE DATED AS OF _____ __, 202_ BY AND BETWEEN THE CITY, AS "LANDLORD", AND DEVELOPER AS "LESSEE" (AS MODIFIED FROM TIME TO TIME) (THE "GROUND LEASE"):

[to come]

APN: [APNs to come]

EXHIBIT B

RIDER TO DEED OF TRUST

Exhibit B to Deed of Trust with Assignment of Rents dated as of _____, 202_, executed by Pacific Street Housing Associates Four, L.P., a California limited partnership, as "Trustor", to Stewart Title Guaranty Company, a California corporation, as Trustee, for the benefit of the City of Rocklin, a municipal corporation, as "Beneficiary" ("Deed of Trust").

1. **DEFAULT - OTHER DEEDS OF TRUST, DEED, COVENANTS CONDITIONS AND RESTRICTIONS (CC&Rs) AND AGREEMENT**. A default under any of the following shall, upon continuance thereof following the applicable notice and cure period under the AHA, at Beneficiary's option, constitute a default under this Deed of Trust:

   (a) A default under the AHA or any default under any City Promissory Note delivered under the Agreement, whether senior or junior to this Deed of Trust (all capitalized terms not defined herein shall have the meanings established therefor under the Agreement);

   (b) A default under the "City Regulatory Agreement" (as executed and recorded pursuant to the AHA);

   (c) A default under any instrument which is superior to this Deed of Trust; or

   (e) A default under the Lease (as entered into pursuant to the AHA).

2. **NON-IMPAIRMENT**. Except as supplemented and/or modified by this Deed of Trust, all of the terms, covenants and conditions of the Other Deeds of Trust and the other loan documents executed in connection therewith shall remain in full force and effect.

3. **DUE ON SALE OR ENCUMBRANCE**. In the event of any Transfer (as defined below) of the Property, or any portion thereof or interest therein, Beneficiary shall have the absolute right at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. As used herein, the term "Transfer" means and includes the direct or indirect sale, transfer, conveyance, mortgage, further encumbrance, assignment, or other alienation of the Property, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract, sales agreement or similar instrument affecting all or a portion of the Property, granting of an option to purchase any portion of or interest in the Property or any interest therein, or the lease of all or substantially all of the Property or of all or substantially all of the improvements situated on the Property. "Transfer" shall not include a Transfer permitted in the AHA or the leasing of individual dwelling units on the Property so long as Trustor complies with the provisions of the Agreement relating to such leasing activity and such transfers as are permitted under the City Regulatory Agreement. Failure of Beneficiary to exercise the option to declare all sums secured hereby immediately due and payable upon a Transfer will not constitute waiver of the right to exercise this option in the event of any subsequent Transfer.

4. **PRIORITY OF DEED OF TRUST**. This Deed of Trust is subject and subordinate to the following:

(i) the City Regulatory Agreement; and (ii) deeds of trust securing senior loans as approved by the City between [_____] and Trustor (a copy of each of which shall be maintained on file with the City).

5. **NOTICE AND CURE RIGHTS BY LIMITED PARTNERS**. Notwithstanding anything to the contrary contained in the Lease, City hereby agrees that any cure of any default made or tendered by Developer's limited partners shall be deemed to be a cure by Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer. Copies of all notices which are sent to Developer under the terms of the Lease shall also be sent to Developer's Limited Partner, at the following address: [to come: tax credit investor address].

CERTIFICATE OF ACCEPTANCE

This is to certify that the fee interest in real property conveyed under the foregoing Deed of Trust by Pacific Street Housing Associates Four, L.P., a California limited partnership, as to the following property:

Real property in the City of Rocklin, County of Placer, State of California, described as follows:

[to come]

is hereby accepted by the City Manager of the City of Rocklin (the "City") on behalf of the governing board of the City pursuant to authority conferred by action of the governing board of the City on _____ __, 202_, and the Grantee consents to recordation thereof by its duly authorized officer.

CITY OF ROCKLIN,
a municipal corporation

By:_____
Aly Zimmermann
City Manager

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ATTACHMENT NO. 15

INSURANCE DURING REMAINDER OF LEASE TERM

Developer shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Developer's operation and use of the leased premises. The cost of such insurance shall be borne by the Developer.

1. MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **$1,000,000** per accident for bodily injury or disease. (This applies to lessees with employees).
3. **Property insurance** against risks of loss (ISO "Special Form" perils) to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Developer maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Developer.

2. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

3. Additional Insured Status

The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

4. Primary Coverage

For any claims related to this contract, the Developer's **insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Developer's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

5. Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, unless 30 days prior written notice has been provided to Developer (except 10 days for nonpayment of premium), and Developer shall in turn provide such notice to the City.

6. Waiver of Subrogation

Developer hereby grants to City a waiver of any right to subrogation which any insurer of said Developer may acquire against the City by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Developer to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds Two Hundred Fifty Thousand Dollars ($250,000) unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Developer who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Developer to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

7. Acceptability of Insurers

Insurance is to be placed with insurers approved to conduct business in the state with a current A.M. Best's rating of no less than A-:VII, unless otherwise acceptable to the City.

8. Verification of Coverage

Developer shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Developer's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including

endorsements required by these specifications, at any time. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

9. Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

ATTACHMENT NO. 16

INSURANCE DURING CONSTRUCTION

Developer shall procure or provide evidence to confirm that Developer or contractor(s) has procured and will maintain for the duration of the contract, and for 5 years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Developer and/or Developer's contractor, his agents, representatives, employees, or subcontractors.

10. MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$5,000,000** per occurrence. Such limits may be achieved through the combination of primary general liability and one or more umbrella/excess liability policy(ies).
2. **Automobile Liability**: Insurance Services Office Form CA 0001 covering all owned (if any), non-owned and hired automobiles, with limits no less than **$5,000,000** per accident for bodily injury and property damage. Such limits may be achieved through the combination of primary general liability and one or more umbrella/excess liability policy(ies).
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **$1,000,000** per accident for bodily injury or disease.
4. **Builder's Risk** (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
5. **Surety Bonds** as described below.
6. **Professional Liability** (if Design/Build), with limits no less than **$2,000,000** per occurrence or claim, and **$2,000,000** policy aggregate. This coverage is to be provided by the Architect and/or Design-Build General Contractor providing such professional services.
7. **Contractor's Pollution Liability** and/or Asbestos Legal Liability (if project involves environmental hazards) with limits no less than **$1,000,000** per occurrence or claim, and **$2,000,000** policy aggregate. This coverage will be provided by the General Contractor.

If the Developer or contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the either. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Developer or contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City. The CGL and any policies, including Excess

liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds Two Hundred Fifty Thousand Dollars ($250,000) unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Developer or contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Developer or contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named Insured. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

11. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

12. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Developer or contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Developer or contractor. General liability coverage can be provided in the form of an endorsement to the Developer or contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
13. For any claims related to this project, the **Developer or contractor's insurance coverage shall be primary and non-contributory** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Developer or contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.
14. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City.

15. Builder's Risk (Course of Construction) Insurance

Developer or contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall **name the City as a loss payee** as their interest may appear.

16. Claims Made Policies

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
3. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Developer or contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Developer

or contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Developer or contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

17. Umbrella or Excess Policies

The Developer or contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Developer or contractor's primary and excess liability policies are exhausted.

18. Acceptability of Insurers

Insurance is to be placed with insurers approved to conduct business in the state with a current A.M. Best rating of no less than A-: VII, unless otherwise acceptable to the City.

19. Waiver of Subrogation

Developer or contractor hereby agrees to waive rights of subrogation which any insurer of Developer or contractor may acquire from Developer or contractor by virtue of the payment of any loss. Developer or contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the City for all work performed by the Developer or contractor, its employees, agents and subcontractors or contractors.

20. Verification of Coverage

Developer or contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Developer or contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

21. Subcontractors

22. Developer or contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Developer or contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors or contractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

23. Duration of Coverage

CGL & Excess liability policies **for any construction related work, including, but not limited to, maintenance, service, or repair work**, shall continue coverage for a minimum of 5 years for

Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***

24. Surety Bonds

25. Developer or contractor shall provide the following Surety Bonds:

    1. Performance Bond
    2. Payment Bond
    3. Maintenance Bond

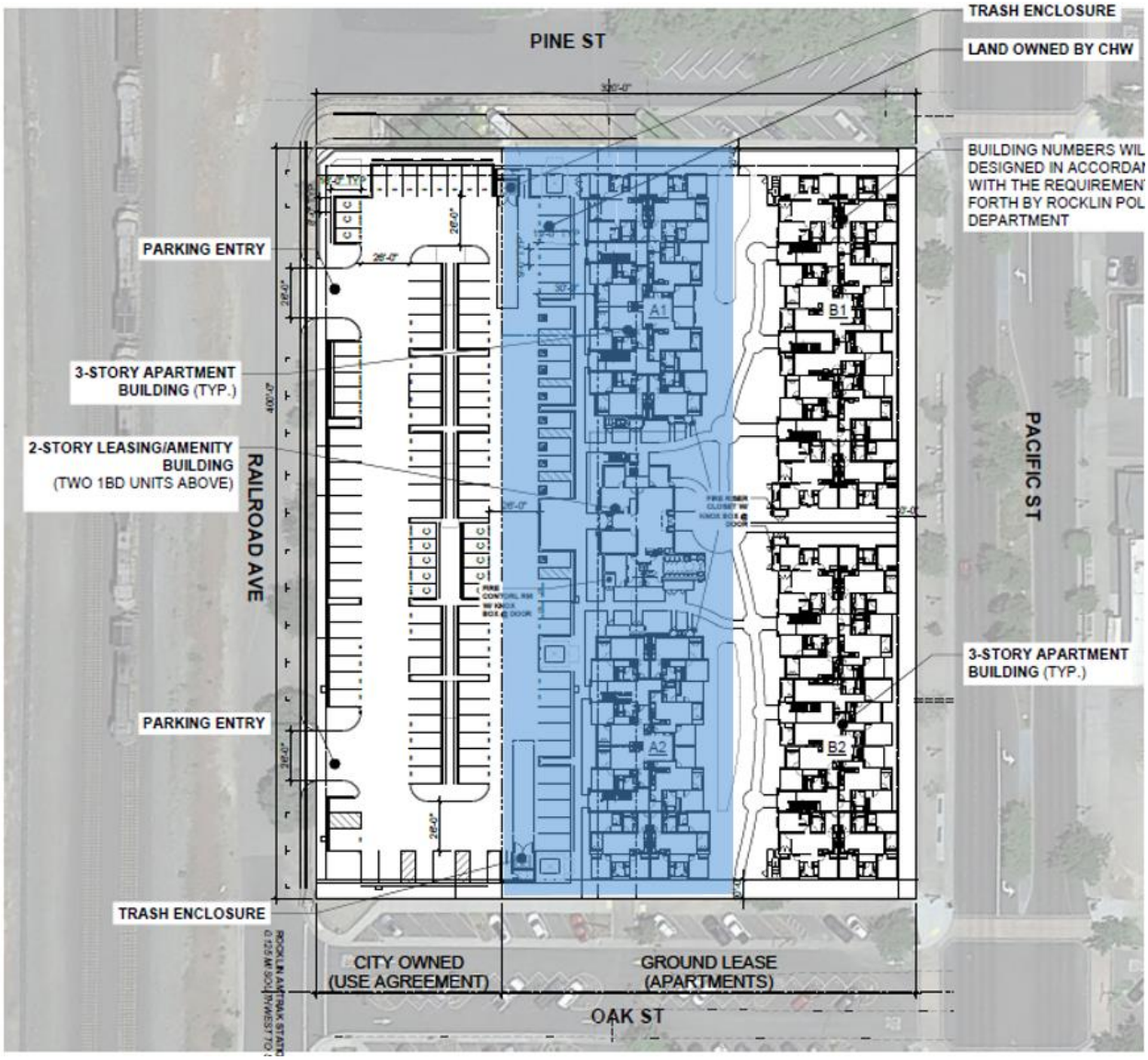
    The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, approved to issue such bonds in the State of California and secured through an authorized agent with an office in California.

26. Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances

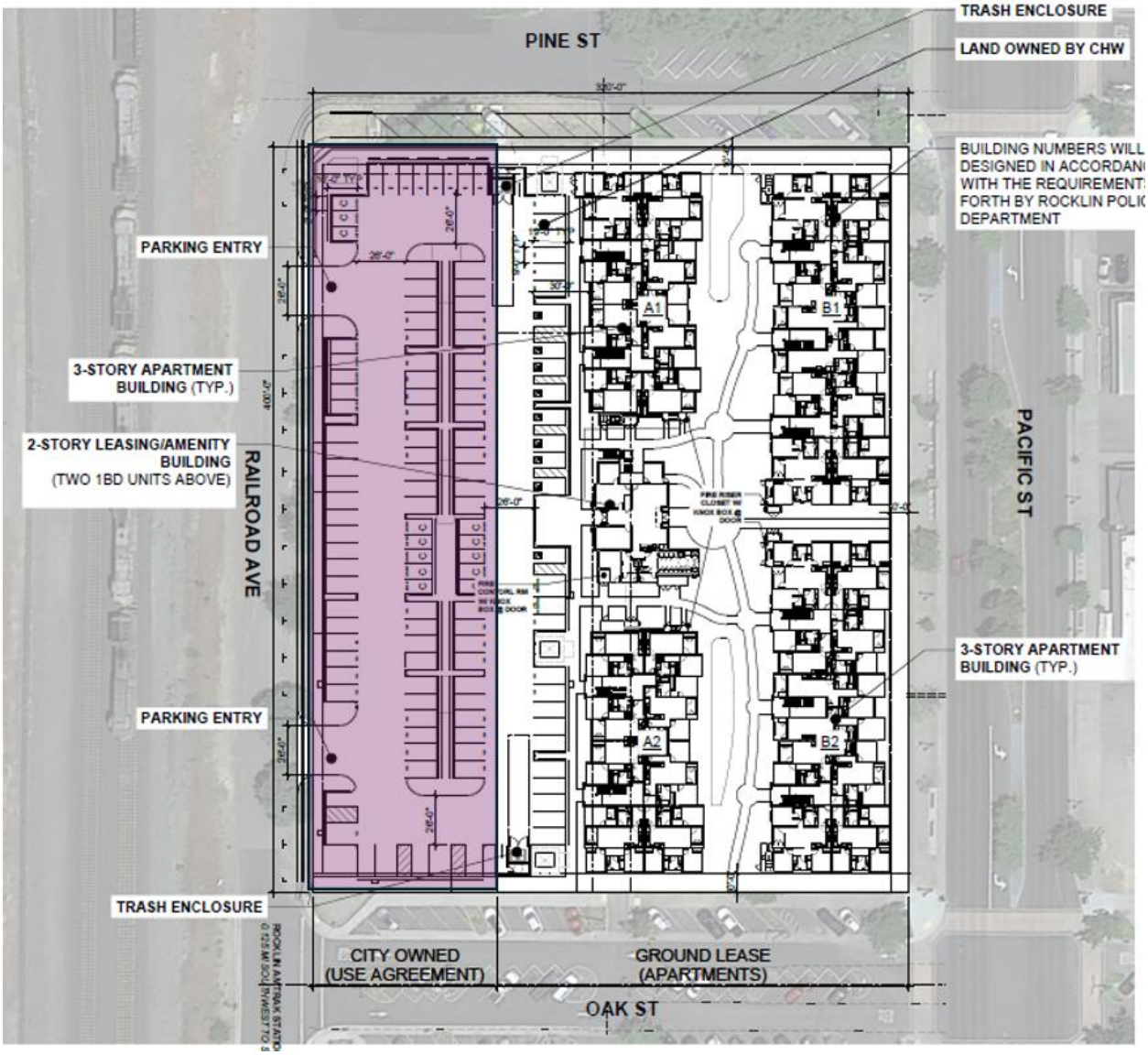
ATTACHMENT NO. 17

MAP OF THE PORTION B AREA



ATTACHMENT NO. 18

MAP OF THE ADJACENT CITY PARKING AREA



GROUND LEASE

By and Between

CITY OF ROCKLIN,

LESSOR

and

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P.,
a California limited partnership

LESSEE

TABLE OF CONTENTS

Page

1. SUBJECT OF LEASE; DEFINITIONS 1
   1.1 Definitions 1
2. LEASE OF THE SITE 13
3. LEASE TERM 13
4. USE OF THE PROPERTY 13
   4.1 Use of the Property 13
   4.2 Management 13
   4.3 Only Lawful Uses Permitted 17
5. RENT 17
   5.1 Rent Payments 17
   5.2 [Intentionally Omitted] 18
   5.3 Net Lease 18
   5.4 Payment of Rent 18
6. AFFORDABLE HOUSING AND OTHER OCCUPANCY REQUIREMENTS 18
   6.1 Number of Required Affordable Units [and Other Units] 18
   6.2 Duration of Affordability Requirements 18
   6.3 Selection of Tenants 18
   6.4 Income of Tenants 19
   6.5 Determination of Affordable Rent for the Required Affordable Units 19
   6.6 Verifications 19
   6.7 Regulatory Instruments 21
7. UTILITIES AND TAXES 21
   7.1 Utilities 21
   7.2 Real Estate Taxes 21
   7.3 Personal Property 22
   7.4 Possessory Interest 22
8. OWNERSHIP OF IMPROVEMENTS, FIXTURES AND FURNISHINGS 22
   8.1 Ownership During Term 22
   8.2 Ownership at Termination 22
9. MECHANICS LIENS; FAITHFUL PERFORMANCE 22
10. MAINTENANCE AND REPAIR; CAPITAL REPLACEMENT RESERVE 23
11. ENVIRONMENTAL MATTERS 25
   11.1 Definitions 25
   11.2 Site Evaluation 26
   11.3 Indemnification; Lessee's Indemnity 26
   11.4 Duty to Prevent Hazardous Material Contamination 27
   11.5 Obligation of Lessee to Remediate Premises 27
   11.6 Storage or Handling of Hazardous Materials 28
   11.7 Environmental Inquiries 28
12. ALTERATION OF IMPROVEMENTS 29

TABLE OF CONTENTS (Cont.)

Page

13. DAMAGE OR DESTRUCTION 29
    13.1 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance 29
    13.2 Continued Operations 30
    13.3 Damage or Destruction Due to Cause Not Required to be Covered by Insurance 30
14. SALE, ASSIGNMENT, SUBLEASE OR OTHER TRANSFER 30
15. ANCILLARY DUTIES 32
16. INDEMNITY 32
17. INSURANCE 33
    17.1 Insurance to be Provided by Lessee 33
    17.2 Definition of "Full Insurable Value" 33
    17.3 General Insurance Provisions 33
    17.4 Failure to Maintain Insurance 34
    17.5 Insurance Proceeds Resulting from Loss or Damage to Improvements 34
18. EMINENT DOMAIN 34
19. OBLIGATION TO REFRAIN FROM DISCRIMINATION 36
20. NONDISCRIMINATION IN EMPLOYMENT 37
21. COMMISSION PURCHASE OPTION 37
22. COMPLIANCE WITH LAW 37
23. ENTRY AND INSPECTION 38
24. RIGHT TO MAINTAIN 38
25. EVENTS OF DEFAULT AND REMEDIES 38
    25.1 Events of Default by Lessee 38
    25.2 Remedies of City 40
    25.3 Right of City in the Event of Termination of Lease 40
    25.4 Damages 41
    25.5 Rights and Remedies are Cumulative 41
26. MISCELLANEOUS 41
    26.1 Governing Law; Interpretation 41
    26.2 Legal Actions 41
    26.3 Acceptance of Service of Process 42
    26.4 Attorneys' Fees And Court Costs 42
    26.5 Financial Statement; Inspection of Books and Records 42
    26.6 Interest 42
    26.7 Notices 42
    26.8 Time is of the Essence 44
    26.9 Non-Merger of Fee and Leasehold Estates 44
    26.10 Holding Over 44
    26.11 Conflict of Interest 44
    26.12 Non-Liability of City Officials And Employees 44
    26.13 Relationship 44

Page

26.14 Transactions with Affiliates 44
26.15 Waivers And Amendments 45
26.16 Non-Merger With AHA 45
26.17 Entire Agreement; Duplicate Originals; Counterparts 45
26.18 Severability 45
26.19 Terminology 45
26.20 Recordation 45
26.21 Binding Effect 46
26.22 Estoppel Certificate 46
26.23 Force Majeure 46
26.24 Quiet Enjoyment 46
26.25 City Approvals and Actions 46
26.26 No Third Parties Benefited Except for City, Limited Partner, and Approved Leasehold Mortgagee; City Option to Acquire Interest of City 46
26.27 Lessee's Limited Partners 46
26.28 Bankruptcy 47
26.29 Liens on Lessor's Fee Estate 48

EXHIBITS

Exhibit A Portion A Site Map A-1
Exhibit B Portion A Site Legal Description B-1
Exhibit C Memorandum of Lease C-1
Exhibit D Certificate of Continuing Program Compliance D-1
Exhibit E Ground Lease Rider E-1
Exhibit F Insurance During Construction F-1
Exhibit G Insurance During Lease Term G-1
Exhibit H Map of the Adjacent City Parking Area H-1
Exhibit I Map of the Portion B Area I-1

GROUND LEASE

This GROUND LEASE (the "Lease") is made as of _____, 202__ by and between the **CITY OF ROCKLIN**, a municipal corporation (the "City" or "Lessor"), and **PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P.**, a California limited partnership [the "Developer" or the "Lessee").

1. SUBJECT OF LEASE; DEFINITIONS.

The purpose of this Lease is to effectuate provisions of that certain unrecorded Amended and Restated Affordable Housing Agreement dated as of October _, 2025 (the "AHA") by and between Developer and City, a copy of which is on file with the City as a public record. Except as may otherwise be expressly set forth in this Lease, all capitalized terms shall have the same meanings as set forth in the AHA.

1.1 Definitions.

"Additional Rent" is defined in Section 6.6.

"Adjacent City Parking Area" means that certain area depicted on the Map of the Adjacent City Parking Area.

"Adjusted Value of the Improvements" means that amount or amounts as determined in good faith from time to time by the City as the adjusted value of the Improvements consistent with Section 5.1(b) of this Lease.

"Affiliated Person" means, when used in reference to a specific person, any person that directly or indirectly controls or is controlled by or under common control with the specified person, any person that is an officer or director of, a trustee of, or a general partner, managing member or operator in, the specified person or of which the specified person is an officer, director, trustee, general partner or managing member, or any person that directly or indirectly is the beneficial owner of ten percent (10%) or more of any class of the outstanding voting securities of the specified person.

"Affordability Period" means that period commencing with the Commencement Date and ending as of the last day of the Term.

"Affordable Rent" has the following meaning: For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the Unit. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the Unit. For a Lower Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of the Median Income for the Area for a household size appropriate to the Unit. The maximum monthly rental amount of the Units shall be adjusted annually by the formula set forth above upon the promulgation of revised Placer County median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent a cost not in excess of the lesser of (i) that rent which may be charged the applicable Eligible Person or Family pursuant to Section 50053 of the California Health and Safety Code and

(ii) the limits as set forth in this Agreement. Notwithstanding the foregoing, in the event a reservation of Tax Credits is obtained for the Project, affordable rents, including a reasonable utility allowance, shall not exceed the rent prescribed by deed restrictions or regulatory agreements imposed by TCAC.

"*AHA*" or "*Agreement*", as set forth in the Recitals above, means that certain agreement entitled "Amended and Restated Affordable Housing Agreement by and between the City and the Developer, dated as of October _, 2025. A copy of the AHA is on file with the City Clerk as an official record.

"Applicable Federal Rate" means the interest rate set by the United States Treasury from time to time for the purpose of determining applicable Low Income Housing Tax Credit interest rates. The Applicable Federal Rate is published by the Internal Revenue Service in monthly revenue rulings.

"Approved Construction and/or Permanent Lender" means an Approved Construction Lender and, upon the initial completion of the Improvements, an Approved Permanent Lender.

"Approved Construction Lender means a mutually acceptable reputable and established bank, savings and loan association, or other similar financial institution or state agency or instrumentality, with each of City and Developer acting at their respective discretion.

"Approved Permanent Lender" means Cedar Rapids Bank and Trust Company, an Iowa state-chartered banking corporation ("CRBI") or one or more entities included under the definition of Approved Construction Lender, an Institutional Lender, or any other lender approved by the City Manager. Each of California Community Reinvestment Corporation and the County of Placer acting through the Health and Human Services Agency is an Approved Permanent Lender.

"Area" means the Placer Primary Metropolitan Statistical Area, as periodically defined by HUD.

"Audited Financial Statement" means an audited financial statement, including without limitation a profit and loss statement, generated by Leaf & Cole, LLP or another third party certified public accountant acceptable to the City in its reasonable discretion, showing, for the previous Lease Year, on a monthly basis and in an easily readable format, Gross Revenues, Operating Expenses, Debt Service, Operating Reserve, Capital Replacement Reserve and Residual Receipts.

"Base Rent" has the meaning established therefor in Section 5.1 hereof.

"Capital Replacement Reserve" means a reserve fund for the Residential Component to be established by the Lessee under this Lease as a capital replacement reserve in the minimum amount of Three Hundred Dollars ($300) per unit per year and a maximum of Five Hundred Dollars ($500) per unit per year, and may be increased annually by [three and one half percent (3.5%)] per year, or such other amount as the City Manager and the Developer shall mutually approve. The Capital Replacement Reserve is more fully described in Section 10 of this Lease. Interest earned on moneys held in the Capital Replacement Reserve shall be retained in the Capital Replacement Reserve unless otherwise directed by the Permanent Lender. To the extent Developer is required to maintain a Capital Replacement Reserve by any Approved Construction and/or Permanent Lender or the Limited Partner, Developer shall receive a credit hereunder for such amounts maintained by it in compliance such Approved Construction and/or Permanent Lender or Limited Partner capital replacement reserve requirement. It is contemplated that the Capital Replacement Reserve will be held by the Permanent Lender.

"Certificate of Completion" means the document which evidences the Developer's satisfactory completion of construction of the Development, as set forth in Section 4.13 of the AHA, substantially in the form of Attachment No. 10 to the AHA.

"Certificate of Continuing Program Compliance" means Exhibit D hereto.

"Chargeable Reserves" means each of the following, within the respective parameters therefor set forth in this Lease: (i) Capital Replacement Reserve; and (ii) Operating Reserve.

"CHW" means Community HousingWorks, a California nonprofit public benefit corporation.

"City" means the City of Rocklin, California, a California municipal corporation.

"City Code," means the Municipal Code of the City of Rocklin as may be amended from time to time and includes, without limitation, the Uniform Codes.

"City Manager" means the City Manager of the City.

"City Regulatory Agreement" means an instrument substantially in the form of Attachment No. 11 to the AHA.

"Closing" means the day on which the Term of this Lease commences upon recordation of this Lease or a memorandum of lease.

"Commencement" means the commencement of this Lease.

"Commencement Date" means the date on which the Closing occurs.

"Cost Savings" has the meaning established therefor in Section 4.16.1 of the AHA.

"CHW" means Community HousingWorks, a California non-profit public benefit corporation.

"Cost Overrun Amounts" has the meaning established therefor in the AHA.

"County" means the County of Placer, California.

"County Housing Authority" means the Housing Authority of the County of Placer.

"Date of Agreement" means October __, 2025.

"Debt Service" means required debt service payments for the Primary Construction Loan and/or the Primary Permanent Loan including the funding obligations in respect of all reserves or escrows required thereunder.

"Default" means the failure of a party to perform any action or covenant required by this Lease within the time periods provided herein following any applicable notice and opportunity to cure period, as may be set forth herein.

"Deferred Developer Fee" means any portion of the Developer Fee the receipt of which is deferred.

"Design Development Drawings" means those plans and drawings to be submitted to City for its approval, pursuant to the AHA.

"Developer" is defined in the first paragraph of this Lease.

"Developer Fee" has the meaning set forth therefor in the AHA.

"Developer Percentage" means fifty percent (50%) of Residual Receipts.

"Development" means the new apartment complex including all improvements as required by the AHA to be as: (i) constructed by the Developer upon the Portion A Site, with related offsite improvements, as more particularly described in the Scope of Development and (ii) operated as an affordable housing complex in conformity with this Lease, the Regulatory Agreement.

"Entitlements" means all development rights as determined under Administrative Determination AD-2025-0004 as approved May 8, 2025 by the Community Development Director of the City of Rocklin (including without limitation all conditions contained therein), and additional and use approvals for the development of the Portion A Site, if any, as may hereafter be approved by the City acting in the exercise of its police power.

"Environmental Laws" means all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq*.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq*.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, *et seq*.; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601, *et seq*.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 *et seq*.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 *et seq*.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 *et seq*.; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f *et seq*.; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County, the City, or any other political subdivision in which the Portion A Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the City, Lessee, or the Portion A Site.

"Extremely Low Income Household" means a household earning not greater than thirty percent (30%) of median income for the Area, as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50106.

"Extremely Low Income Units" means Units available to and occupied by Extremely Low Income Households.

"First Mortgage" means any First Mortgage-Construction Financing or First Mortgage-Permanent Financing and such refinancing thereof, if any, as shall have been approved by the City Manager.

"First Mortgage-Construction Financing" means a loan from an Approved Construction Lender to be secured by a leasehold deed of trust in first (1st) lien position against Lessee's leasehold

interest in the Portion A Site (but not, in any event, to be secured by Lessor's fee interest in the Portion A Site), which shall be used by Lessee to pay a portion of the cost of constructing the Project.

"First Mortgage-Permanent Financing" means a loan in an amount not to exceed the amount of the First Mortgage-Construction Financing from an Approved Construction Lender to be secured by a leasehold deed of trust in first (1st) lien position against Lessee's leasehold interest in the Portion A Site (but not, in any event, Lessor's fee interest in the Portion A Site) which replaces the First Mortgage-Construction Financing upon the completion of construction of the Project or results from a conversion of the First Mortgage-Construction Financing into the First Mortgage-Permanent Financing pursuant to the terms of such loan and satisfaction of the applicable conversion conditions.

"Foreclosure Event" means completion of judicial or nonjudicial foreclosure proceedings for any First Mortgage or any conveyance in lieu of foreclosure.

"General Partner Fee" or *"Asset Management Fee"* means a fee if charged by the general partner not to exceed the amounts so delineated therefor in the Base Pro Forma; provided that the initial annual amount of such fee shall be limited to increases of three percent (3.0%) annually; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Lease Year exceed the amount permitted under the City Lease for the Partnership Fees (as such fees are aggregated). The foregoing shall not limit the amounts which Developer may pay to its General Partner from the Developer Percentage.

"Governmental Requirements" means all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, the City, or any other political subdivision in which the Portion A Site is located, and of any other political subdivision, City, or instrumentality exercising jurisdiction over the Developer or the Portion A Site.

"Gross Revenues" means the sum of the following: the total rental income and all other revenues or income received by the Lessee or its successors or assigns in connection with the Project, including without limitation Housing Rent, laundry charges (as received by Developer) or consideration received from an entity that contracts to provide laundry services, payments in connection with Section 8 certificates, if any (including payments under such certificates that are in excess of the restricted rents provided for herein), cable income or consideration received from an entity that contracts to provide cable services, each of (i) amounts paid to Developer or any Affiliated Person on account of Operating Expenses for further disbursement by Developer or such affiliate to a third party or parties, including, without limitation, grants received to fund social services or other housing supportive services at the Development; (ii) late charges and interest paid on rentals; (iii) rents and receipts from licenses, concessions, vending machines, coin laundry, and similar sources; (iv) other fees, charges, or payments not denominated as rental but payable to Developer in connection with the rental of office, retail, storage, or other space in the Development; (v) consideration received in whole or in part for the cancellation, modification, extension or renewal of leases; and (vi) interest and other investment earnings on security deposits, reserve accounts and other Development accounts to the extent disbursed, but does not include: (x) the proceeds of the sale of Tax Credits to finance the Development; (y) insurance proceeds applied to reconstruct or repair the Improvements; or (z) Refinancing Net Proceeds.

"*Ground Lease Rider*" means Exhibit E to this Lease.

"*Hazardous Material*" or "*Hazardous Materials*" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq*. (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in Paragraph I of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq*., specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those product and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

"Housing Rent" means the total of monthly payments by the tenants of a Housing Unit for (a) use and occupancy for the Housing Unit and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants of the Housing Units, other than security deposits, (c) a reasonable allowance for utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity and gas, as determined by regulation of the County Housing Authority pursuant to 24 C.F.R. Section 5.600 *et seq.* or by the California Utility Allowance Calculator as permitted by TCAC and (d) possessory interest, taxes or other fees or charges assessed for the use of the Housing Units and facilities associated therewith by a public or private entity other than the Developer.

"Housing Units" or *"Units"* means the fifty (50) individual apartment units within the Development to be constructed and operated by the Developer on the Portion A Site, as provided in Section 4.1 of the AHA and in the Scope of Development.

"HUD" means the United States Department of Housing and Urban Development or its successor(s).

"Improvements" means all improvements required by the AHA with respect to the land that is the subject of this City Lease to be accomplished by the Developer, as more fully described in the Scope of Development.

"Income Verification" means the Income Verification in the form of Attachment No. 12 to the AHA.

"Institutional Lender" shall mean any one of the following institutions having assets or deposits in the aggregate of not less than One Hundred Million Dollars ($100,000,000): a California chartered bank; a bank created and operated under and pursuant to the laws of the United States of America; an "incorporated admitted insurer" (as that term is used in Section 1100.1 of the California Insurance Code); a "foreign (other state) bank" (as that term is defined in Section 1700(1) of the California Financial Code); a federal savings and loan association (Cal. Fin. Code Section 8600); a commercial finance lender (within the meaning of Section 2600 *et seq.* of the California Financial Code); a "foreign (other nation) bank" provided it is licensed to maintain an office in California, is licensed or otherwise authorized by another state to maintain an agency or branch office in that state, or maintains a federal agency or federal branch in any state (Section 1716 of the California Financial Code); a bank holding company or subsidiary of a bank holding company which is not a bank (Section 3707 of the California Financial Code); a trust company, savings and loan association, insurance company, investment banker, college or university, pension or retirement fund or system, either governmental or private, or any pension or retirement fund or system of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any state thereof; and a Real Estate Investment Trust, as defined in Section 856 of the Internal Revenue Code of 1986, as amended, provided such trust is listed on either the American Stock Exchange or the New York Stock Exchange.

"Lease" means this Ground Lease, which is referred to in the AHA as the "City Lease."

"Lease Rider" means a lease rider agreement to address considerations raised by TCAC in a mutually acceptable form.

"Lease Year" means the period commencing as of Commencement Date and ending as of December 31 of that calendar year, then each calendar year thereafter; provided that the final Lease Year will be a portion of a calendar year ending on December 31 of the corresponding calendar year.

"Lessee's Mortgagee" means any one or more Approved Construction and/or Permanent Lender which has provided financing for the Development.

"Limited Partner" means NEF Assignment Corporation, an Illinois not-for-profit corporation, its successors and/or assigns.

"Limited Partner Fee" or *"Partnership Management Fee"* means fees as so denominated in the Base Pro Forma; provided that such fees may not increase by more than by three percent (3.0%) annually so long as the Partnership Agreement is in effect; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Lease Year exceed the amount permitted under this Lease for the Partnership Fees (as such fees are aggregated). The foregoing shall not limit the

amounts which Developer may pay as Limited Partner Fee or Partnership Management Fee from the Developer Percentage.

"Locals" means persons living or working within the corporate limits of the City.

"Lower Income Household" means a household earning not greater than sixty percent (60%) of median income for the Area as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50079.5.

"Lower Income Units" means dwelling Units available to and occupied by Lower Income Households.

"Map of the Adjacent City Parking Area" means Exhibit H.

"Map of the Portion B Area" means Exhibit I.

"Median Income" means the median income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or, if programs under Section 8 are terminated, Median Income for the Area determined under the method used by the Secretary prior to such termination.

"Memorandum of Lease" means Exhibit C to this Lease.

"Net Operating Income" means Gross Revenues, less (i) Operating Expenses; (ii) Debt Service; (iii) Chargeable Reserves; (iv) the Deferred Developer Fee; (v) General Partner Fee; and the (vi) Limited Partner Fee, as such capitalized terms are defined in this Lease.

"Notice" means a notice in the form prescribed by Section 10.2 of the AHA.

"Operating Expenses" means actual, reasonable and customary costs, fees and expenses directly incurred and for which payment has been made and which are attributable to the operation, maintenance, and management of the Project and consisting of only the following (and such additional items, if any, as to which the prior written approval of the City Manager is first obtained. Such approval shall be granted, granted subject to conditions, or refused at the sole and absolute discretion of the City Manager): painting, cleaning, maintenance, repairs and alterations; landscaping; utilities; rubbish removal; sewer charges; costs incurred to third parties in connection with generating laundry charges (but in no event to exceed the laundry charges); real and personal property taxes and assessments; insurance premiums; security; advertising, promotion and publicity; office, janitorial, cleaning and building supplies; actual and customary salary payable to an on-site manager which directly and exclusively benefits residents of the Residential Component of the Project; the actual and customary salary paid for one assistant manager, one on-site maintenance manager and such other on-site management personnel, if any, which directly and exclusively benefit residents of the Residential Component of the Project, subject to the prior written approval of the City Manager at his sole and absolute discretion; a management fee ("Management Fee") (excluding any on-site management personnel) of not to exceed six percent (6%) of Gross Revenues; purchase, repairs, servicing and installation of appliances, equipment, fixtures and furnishings; payment of Tax Credit adjustment amounts to the Limited Partner or reimbursement of Tax Credit adjustment amounts paid by the administrative and/or managing general partners and/or the guarantors to the general partner of Developer or a refinancing fee, which fee is and shall be subject to the approval of the City Manager

at the time of each refinancing and which shall not exceed five percent (5%) of the amount of the approved refinancing; repayment of loans made to Developer for the Project by the Limited Partner, and repayment of operating deficit loans made pursuant to the Partnership Agreement as such Partnership Agreement is in effect as of the recording of the Primary Construction Loan; repayment of development advances and loans made by the general partner or guarantor of Developer; reasonable and customary fees and expenses of accountants, attorneys, consultants and other professionals as incurred commencing after the completion of the Improvements (as evidenced by the issuance by City of a certificate of occupancy for the corresponding building developed as part of the Improvements) in connection with the operation of the Project; the Limited Partner Fee; the General Partner Fee; any unpaid portion of the Developer Fee; on-site service provider fees for tenant social services in the amount of Forty Thousand Dollars ($40,000) per year, and may be increased annually by three percent (3.0%) per year, or such other amount as the City Manager and Developer shall mutually approve, or such amount as is designated therefor in the approved Tenant Selection and Tenant Services Plan; payments of deductibles in connection with casualty insurance claims not normally paid from reserves; the amount of uninsured losses actually replaced, repaired or restored and not normally paid from reserves; and payments made by Developer to satisfy indemnity obligations and other payments by Developer pursuant to this Lease other than to Developer, partners or other related persons; provided, however, that payments to parties related to Developer for Operating Expenses must not exceed market rates. The Operating Expenses shall not include non-cash expenses, including without limitation, depreciation. The Operating Expenses shall be reported in the Audited Financial Statement and shall be broken out in line item detail. The funding and maintenance of the Operating Reserve and the Capital Replacement Reserve shall not be treated ipso facto as Operating Expenses for purposes of the definition of Residual Receipts herein.

"Operating Reserve" means a reserve fund to be established by the Lessee under the City Lease as a reserve for operating expenses as to the Residential Component in the minimum amount equal to three (3) months of (i) Debt Service on the First Mortgage and (ii) Operating Expenses pursuant to an approved budget. Interest earned on moneys held in the Operating Reserve shall be retained in the Operating Reserve unless otherwise directed by the Permanent Lender. To the extent Developer is required to maintain an Operating Reserve by any Approved Construction and/or Permanent Lender, the Partnership Agreement or TCAC, Developer shall receive a credit hereunder for such amounts maintained by it in compliance such Approved Construction and/or Permanent Lender, the Partnership Agreement or TCAC operating reserve requirement, and the amounts in such Operating Reserve shall be deemed to satisfy the requirements of this Lease. It is contemplated that the Operating Reserve will be held by the Permanent Lender.

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Developer as may be amended from time to time, so long as consistent with the requirements of the AHA and this Lease. The Partnership Agreement shall include provisions which incorporate or otherwise conform to the cash flow priorities included in the definition of "Residual Receipts" set forth in the AHA.

"Partnership Fees" means the General Partner Fee and the Limited Partner Fee. [For each Lease Year until the seventeenth (17th) anniversary of the Commencement Date, the total Partnership Fees (for the General Partner Fee and the Limited Partner Fee, as aggregated) shall not exceed Twenty Two Thousand Dollars ($22,000), adjusted for inflation at three percent (3.0%) per Lease Year measured from the Commencement Date. For each Lease Year after the seventeenth (17th) anniversary of the Commencement Date, the Partnership Fees (the General Partner Fee and Limited Partner Fee as

aggregated) shall not exceed Seventeen Thousand Five Hundred Dollars ($17,500), adjusted for inflation at three and one half percent (3.5%) per Lease Year measured from the Commencement Date.]

"Person" means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or City or any other entity which has the legal capacity to own property.

"Portion A Site" means that certain real property which is described in the Portion A Site Legal Description and depicted on the Portion A Site Map.

"Portion A Site Legal Description" means the description of the Portion A Site which is attached hereto as Exhibit B and incorporated herein.

"Portion A Site Map" means the map of the Portion A Site which is attached hereto as Exhibit A and incorporated herein.

"Portion B Area" means that area depicted in the Map of the Portion B Area.

"Prescribed Income Levels" means: (i) for six (6) one-bedroom Units, thirty percent (30%) of Median Income; (ii) for two (2) two-bedroom Units, thirty percent (30%) of Median Income; (iii) for six (6) three-bedroom Units, thirty percent (30%) of Median Income; (iv) for seven (7) one-bedroom Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Units, fifty percent (50%) of Median Income; (vi) for two (2) three-bedroom Units, fifty percent (50%) of Median Income; (vii) for thirteen (13) one-bedroom Units, sixty percent (60%) of Median Income; (viii) for eight (8) two-bedroom Units, sixty percent (60%) of Median Income; and (ix) for two (2) three-bedroom Units, sixty percent (60%) of Median Income.

"Primary Construction Loan" means, collectively, the mortgage loans and letters of credit obtained by the Developer from an Approved Construction Lender.

"Primary Permanent Loan" means, collectively, the mortgage loans obtained by the Developer from an Approved Permanent Lender in an amount limited to satisfaction of the outstanding balance of the Primary Construction Loan or in an amount in excess of such outstanding balance so long as such excess proceeds are used to pay (or prepay) the Developer Fee, Cost Overrun Amounts and outstanding development costs.

"Principals" means CHW.

"Project" means the residential rental housing development located on the Portion A Site to be constructed and operated by the Developer pursuant to this Lease and the AHA.

"Property" means the leasehold interest in the Portion A Site provided to Lessee by this Lease.

"Property Manager" means the person or organization responsible for the management and operation of the Project, the reasonable approval of which by the City shall be required, and which shall initially be ConAm Management Corporation, or another manager mutually acceptable to the City and the Lessee. Additionally, the Lessee may self-manage the Project, subject to City's reasonable prior approval.

"Reciprocal Easement and Joint Use Agreement" has the meaning set forth therefor in the AHA.

"Refinancing Net Proceeds" means the proceeds of any refinancing of any of the Primary Construction Loan or the Primary Permanent Loan or other approved financing secured by interest of Developer in the Portion A Site, net of: (i) the amount of the existing financing which is satisfied out of such proceeds; (ii) reasonable and customary costs and expenses incurred in connection with the refinancing; (iii) the funding of reasonable reserves and costs of improvements to the Portion A Site which constitute the Development, including hard and soft costs to the extent approved in writing by the City Manager prior to the closing of the refinancing; (iv) the balance of loans to the Development made by the Limited Partner(s) of Developer for development or operating deficits, amounts expended to maintain compliance with the Tax Credit Rules, or contributions for capital expenditures in excess of available Project revenues, if any, including interest at the Applicable Federal Rate; (v) the balance, if any, of operating loans or development loans made by the general partners of Developer to the Development, including interest at the Applicable Federal Rate; (vi) payment of unpaid Tax Credit adjustment amounts or reimbursement of Tax Credit adjustment amounts paid by the general partner and/or the guarantors to the Development pursuant to the approved Partnership Agreement, if any; and (vii) the payment to the general partner of Developer of a refinancing fee, which fee is and shall be subject to the approval of the City Manager at the time of each refinancing and which shall not exceed five percent (5%) of the amount of the approved refinancing.

"Regulatory Agreement" means the City Regulatory Agreement which is to be recorded against the Portion A Site in accordance with the AHA, substantially in the form of Attachment No. 11 to the AHA.

"Related Entity" means CHW or an Affiliated Person.

"Rent" is defined in Section 5 of this Lease.

"Reporting Amount(s)" means the sum of Two Hundred Fifty Hundred Dollars ($250.00) per unit per year for each dwelling unit as to which Lessee fails to deliver to City, during any Lease Year, a full and adequate report that conforms to Section 33418 of the California Health and Safety Code.

"Required Affordable Units" means fifty (50) of the fifty (50) dwelling units required to be developed on the Portion A Site under the AHA (including without limitation Section 7.2 thereof) and maintained in conformity with the Prescribed Income Levels at Affordable Rents.

"Residual Receipts" for a particular Lease Year means Gross Revenues for the corresponding Lease Year less (i) Debt Service payments made during such Lease Year on the Primary Construction Loan or the Primary Permanent Loan, including payments under escrow and reserve provisions thereunder in amounts not in excess of the amounts due and payable during such month (and not including prepayments), and (ii) the sum of Operating Expenses and, to the extent funded, payments made to Chargeable Reserves as made during the corresponding Lease Year, and payments of Deferred Developer Fee as made to Developer during the corresponding Lease Year. All calculations of Residual Receipts shall be made annually, on or before May 15 for the preceding Lease Year, on a cash (and not accrual) basis and the components thereof shall be subject to verification and approval, on an annual basis, based upon conformity with the terms of this Lease and the AHA, by the City Manager on behalf of the City.

"Schedule of Performance" means Attachment No. 3 to the AHA.

"Scope of Development" means that certain Scope of Development attached to the AHA as Attachment No. 9 and is incorporated herein by reference, which describes the scope, amount, and quality of the Development to be constructed by the Developer pursuant to the terms and conditions of the AHA. The Scope of Development is subject to revision only as provided in the AHA.

"*Tax Credit Regulatory Agreement*" means a regulatory agreement, if any, required by TCAC in connection with the reservation of Tax Credits for the Project.

"*Tax Credit Rent*" means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this Lease (such as 50% of Median Income) under the Tax Credit Rules.

"Tax Credit Rules" means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*., and the rules and regulations implementing the foregoing.

"Tax Credits" means 4% Low Income Housing Tax Credits\ granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*.

"TCAC" means the Tax Credit Allocation Committee of the State of California.

"Tenant Selection and Tenant Services Plan" shall have the meaning established therefor under the AHA.

"Term" or "*Term of the City Lease"* means a period beginning as of the Commencement Date and ending on the eighty-seventh (87th) anniversary of the Commencement Date.

"Uniform Codes" means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for the Abatement of Dangerous Buildings.

"Unit" means each of the fifty (50) dwelling units required to be developed by the Developer under the AHA and this Lease.

"*Very Low Income Household*" means a household earning not greater than fifty percent (50%) of median income for the Area, as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50105.

"*Very Low Income Units*" means Units available to and occupied by Very Low Income Households.

"Year" means a fiscal year beginning as of July 1 and ending June 30 of the following calendar year or such other annual period as may be mutually agreed to by City and Lessee.

Any other capitalized terms not defined herein shall have the respective meanings established therefor in the AHA.

2. LEASE OF THE SITE.

City, for and in consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of Lessee to be paid, kept, performed and observed by Lessee, hereby leases to Lessee, and Lessee hereby leases from City, that certain real property in the City of Rocklin (the "City") shown on the "Portion A Site Map" attached hereto as Exhibit A and incorporated herein by this reference, and having the legal description in the "Portion A Site Description" attached hereto as Exhibit B and incorporated herein by this reference (the "Portion A Site"). Except as expressly provided to the contrary in this Lease, reference to the Portion A Site is to the described land, exclusive of any improvements now or hereafter located on the land, notwithstanding that any such improvements may or shall be construed as affixed to and as constituting part of the real property. In the event that after the date first above written the City and Lessee agree to add certain territory as part of the property leased hereunder, such territory shall thereafter be included as part of the Portion A Site for the purposes of this Lease.

3. LEASE TERM.

Lessee shall lease the Portion A Site from City and City shall lease the Portion A Site to Lessee for the Term as provided for herein.

4. USE OF THE PROPERTY.

4.1 Use of the Property. Lessee covenants and agrees for itself, its successors and assigns, that during the Term, the Lessee shall, by the respective times established therefor in the Schedule of Performance (in the AHA) as the same may be extended in accordance with the terms of this Lease, commence and complete the Development in conformance with the Scope of Development, all applicable laws, and thereafter the Property and the Improvements shall be devoted to those uses as set forth in this Lease, the Regulatory Agreement, the AHA, and the Reciprocal Easement and Joint Use Agreement. Lessee shall apply for and obtain all necessary permits and shall complete the Improvements as provided by the AHA. In the event of any inconsistency between this Lease or the AHA, this Lease shall control; provided that there shall be no subordination of the Regulatory Agreement excepting as expressly provided in the AHA.

4.2 Management. Lessee shall manage or cause the Property and the Improvements to be managed in a prudent and business-like manner, consistent with other newly-constructed rental housing projects, including market rate projects, in Placer County, California, and in conformity with the Regulatory Agreement, and the Tenant Selection and Tenant Services Plan.

Lessee has contracted with the Property Manager to operate and maintain the Portion A Site and the Improvements in accordance with the terms of this Lease; the selection and hiring of such management company was subject to, and the selection of any other manager shall be subject to, approval by City Manager.

Lessee shall submit or shall cause its Property Manager to submit to the City Manager on or before the sixtieth (60th) day following commencement of the Term, and each anniversary thereof, an annual budget for the ongoing operation of the Project. Each of the Lessee and the City shall cause its respective representative(s) to meet during the thirty (30) days following the receipt of the annual budget to review the budget; such review is without obligation to either party to propose or agree to any modification of permitted Operating Expenses. In the event a budget is not agreed upon the Project

shall be operated pursuant to the most recently approved annual budget with each line item increased for such year by the increase in the applicable cost of living index published for Placer County until a budget is agreed upon (subject to the cap on Management Fees as set forth within the definition of Operating Expenses).

Additional maintenance requirements are as follows:

(a) Maintenance and Repair; Capital Replacement Reserve. Lessee agrees to assume full responsibility for the management, operation and maintenance of the Improvements and the Portion A Site throughout the Term without expense to City, and to perform all repairs and replacements necessary to maintain and preserve the Improvements and the Portion A Site in good repair, in a neat, clean, safe and orderly condition reasonably satisfactory to City and in compliance with all applicable laws. Lessee agrees that City shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Improvements and the Portion A Site. Lessee hereby waives all rights to make repairs or to cause any work to be performed at the expense of City as provided for in Section 1941 and 1942 of the California Civil Code.

The following standards shall be complied with by Lessee and its maintenance staff, contractors or subcontractors:

(1) Lessee shall maintain the Improvements, including without limitation individual Required Affordable Units, all common areas, all interior and exterior facades, and all exterior project site areas, in a safe and sanitary fashion suitable for a high quality, rental housing project. Lessee agrees to provide utility services, administrative services, supplies, contract services, maintenance, maintenance reserves, and management for the entire project including interior tenant spaces, common area spaces and exterior common areas. The services provided by Lessee shall include, but not be limited to, providing all common area electricity, gas, water, television, cable television, property, fire and liability insurance in the amounts and coverages required under this Lease, all property taxes and personal property taxes, any and all assessments, maintenance and replacement of all exterior landscaping, and all administration and overhead required for any property manager.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing, edging, and trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and optimum irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all private paths, parking areas, driveways and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

(4) The Improvements shall be maintained in conformance and in compliance with the approved construction and architectural plans and design scheme, as the same may be amended from time to time with the approval of City.

(5) All maintenance work shall conform to all applicable federal and state Occupation Safety and Health Act standards and regulations for the performance of maintenance.

(6) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied only by persons in strict accordance with all governing regulations.

(7) Parking lots, lighting fixtures, trash enclosures, and all areas shall be kept free from any accumulation of debris or waste materials by regularly scheduled maintenance.

Capital repairs to and replacement of the Improvements shall include only those items with a long useful life, including without limitation the following:

(a) Appliance replacement;

(b) Hot water heater replacement;

(c) Plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets;

(d) Air conditioning and heating replacement;

(e) Asphalt replacement;

(f) Roofing replacement;

(g) Landscape tree replacement and irrigation pipe and controls replacement;

(h) Gas line pipe replacement;

(i) Lighting fixture replacement; and

(j) Miscellaneous motors and blowers.

(b) Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within a reasonable period of time as set forth herein.

(c) Front and Side Exteriors. Lessee shall at all times maintain the front exterior and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair and any visible side exteriors. Lessee shall hire maintenance personnel to maintain and/or repair any front exterior or yard or visible side yard and exterior of any lot or building.

(d) Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures must be removed and any necessary painting or repair completed by the later to occur of (i) seventy two (72) hours of their creation or (ii) seventy two (72) hours after notice to Lessee.

(e) Driveways. All driveways must be paved and maintained with impervious material in accordance with the City Code. In addition, all water must be made to drain freely to the public part of the waterway without any pooling.

(f) Exterior Illumination. Lessee shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means outdoor, night lighting designed and installed, which provides no less than one (1.0) foot candles in the parking areas and no less than one and one-half (1-1/2) foot candles in the walking areas or common areas and no less than 0.2 foot candles at the point of least illumination.

(g) Front Setbacks. All front setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped in accordance with minimum standards established by City and shall be maintained by Lessee. The landscaping shall meet minimum standards set from time to time by City.

(h) Trash Bins. All trash shall be collected and placed at all times in an enclosable bin to be placed in a designated refuse/trash bin area. The designated area shall be located so that the bin will, to the extent possible, be readily accessible from the street.

(i) Prohibited Signs. No sign of any kind shall be displayed to the public view on or from any portion of the Portion A Site without the approval of City and appropriate City departments if any as required by the City Code.

(j) Gross Mismanagement. During the Term, and in the event of "Gross Mismanagement" (as defined below) of the Development, City Manager shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, if such condition(s) is/are not ceased and/or corrected after expiration of sixty (60) days from the date of written notice from City Manager. If Lessee or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the 20th day from the date of written notice (with evidence of such submitted to the City Manager), but has failed to complete such cure by the 60th day (or such longer period if the cure cannot reasonably be accomplished in sixty (60) days as reasonably determined by the non-defaulting party), then Lessee shall have an additional thirty (30) days to complete the cure of Gross Mismanagement condition(s).

For purposes of this Agreement, the term "Gross Mismanagement" means management of the Development in a manner which violates the terms and/or intention of this Lease and the AHA to operate a first quality affordable housing complex, and shall include, but is not limited to, any one or more of the following:

(a) Leasing to tenants who exceed the Prescribed Income Levels;

(b) Subject to fair housing laws, allowing tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;

(c) Under-funding required reserve accounts;

(d) Failing to submit timely and/or adequate annual reports to City as required herein;

(e) Failing to comply with the Regulatory Agreement;

(f) Failing to comply with the Tax Credit Regulatory Agreement;

(g) Fraud or embezzlement of Development funds, including without limitation funds in the reserve accounts;

(h) Failing to fully cooperate with the Rocklin Police Department or other local law enforcement agency(ies) with jurisdiction over the Development, in maintaining a crime-free environment within the Development;

(i) Failing to fully cooperate with the Rocklin Fire Department or other local public safety agency(ies) with jurisdiction over the Development, in maintaining a safe and accessible environment within the Development;

(j) Failing to fully cooperate with the Rocklin Planning and Building and Safety Department, or other local health and safety enforcement agency(ies) with jurisdiction over the Development, in maintaining a decent, safe and sanitary environment within the Development; and

(k) Failing to implement the Tenant Selection and Tenant Services Plan.

(k) Code Enforcement. Lessee acknowledges and agrees that City and its employees and authorized agents, shall have the right to conduct code compliance and/or code enforcement inspections of the Development and the individual dwelling units at the Development (and not limited to the Required Affordable Units), both exterior and interior, at reasonable times and upon reasonable notice (not less than 48 hours prior notice, except in an emergency) to Lessee and/or an individual tenant. If such notice is provided by City representative(s) to Lessee, then Lessee shall immediately and directly advise any affected tenant of such upcoming inspection and cause access to the area(s) and/or Units at the Development to be made available and open for inspection. Lessee shall include express advisement of such inspection rights within the lease/rental agreements for each Unit in the Development in order for each and every tenant and tenant household to be aware of this inspection right. The foregoing portion of this Section 4.2 is without limitation as to the exercise of police powers by City.

Notwithstanding the above, Lessee shall use its best efforts to correct any defects in management at the earliest feasible time and, if necessary, to replace the management company prior to the elapsing of such time period.

4.3 Only Lawful Uses Permitted. The Portion A Site and the Improvements shall not be used for any purpose that is in violation of any law, ordinance or regulation of any federal, state, county or local governmental authority, body or entity. Furthermore, Lessee shall not maintain or commit any nuisance or unlawful conduct (as now or hereafter defined by any applicable statutory or decisional law) on the Portion A Site or the Improvements, or any part thereof.

5. RENT.

5.1 Rent Payments. During the Term, Lessee is required to and shall pay to City the Base Rent and, to the extent applicable Additional Rent. Base Rent shall be payable as set forth in the

remainder of this Section 5.1. Additional Rent, if any, shall be payable as provided under Section 6.6 (and if not sooner paid shall be paid when the next payment of Base Rent is due).

(a) During each Lease Year during the Term, Lessee agrees to pay the 'Base Rent' of One Dollar ($1.00) to City. Base Rent shall be paid on the Commencement Date and on the first day of each subsequent Lease Year which occurs during the Term.

(b) The parties understand and acknowledge that the primary consideration for this Lease is the performance of the covenants set forth in this Lease and the AHA, particularly (without limitation, however) the covenants to rent the units at Affordable Rent households of limited income.

5.2 [Intentionally Omitted].

5.3 Net Lease. It is the intent of the parties hereto that the rent provided herein shall be absolutely net to City and that Lessee shall pay all costs, taxes, charges, and expenses of every kind and nature against the Portion A Site and the Improvements which may arise or become due during the Term, and which, except for execution hereof, would or could have been payable by City.

5.4 Payment of Rent. All rent that becomes due and payable pursuant to this Lease shall be paid to City at the address of City listed in Section 26.7 or such other place as City may from time to time designate by written notice to the Lessee without notice or demand, and without setoff, counterclaim, abatement, deferment, suspension or deduction.

6. AFFORDABLE HOUSING AND OTHER OCCUPANCY REQUIREMENTS.

6.1 Number of Required Affordable Units. Lessee agrees to make available, restrict occupancy to, and rent fifty (50) (the "Required Affordable Units") of the fifty (50) rental units to be located on the Portion A Site (the "Housing Units") at an Affordable Rent. Lessee agrees to make available, restrict occupancy to, and rent all of the Required Affordable Units at Affordable Rent. The bedroom counts and correlating income levels are set forth in the definition of Prescribed Income Levels; Units shall be maintained in conformity with households conforming to the Prescribed Income Levels at Affordable Rents. The approximate square footages of the respective units shall be as follows: (i) for one-bedroom units, 636 square feet per unit; (ii) for two-bedroom units, 858 square feet per unit; and (iii) for three-bedroom units 1,075 square feet per unit. Rental of the Required Affordable Units shall conform to the Prescribed Income Levels and be accomplished at Affordable Rents.

In the event the Lessee charges rents for one or more of the Required Affordable Units which exceed Affordable Rent, the Lessee shall promptly, and without necessity of notice or request therefor by the City, correct such rent. Any penalties arising from the charging of rents which exceed Affordable Rent shall be paid solely by Lessee.

6.2 Duration of Affordability Requirements. The Housing Units shall be subject to the requirements of this Section 6 for the Affordability Period.

6.3 Selection of Tenants. Lessee shall be responsible for the selection of tenants for the Housing Units in compliance with the criteria set forth in this Section 6 of this Lease and the Tenant Selection and Tenant Services Plan.

6.4 Income of Tenants. Prior to the rental or lease of any Housing Unit to a tenant, and annually thereafter, the Lessee shall submit to the City or its designee, at Lessee's expense, a completed income computation and certification form, in a form to be provided by the City. Each tenant shall be an Extremely Low Income Household, a Very Low Income Household, or Lower Income Household (in accordance with the Prescribed Income Levels) which meets the eligibility requirements established for the Housing Unit, and Lessee shall obtain a certification from each tenant leasing an Affordable Unit which substantiates such fact, which include the Income Verification. Lessee shall verify the income certification of the tenant as set forth in Section 5.3 of the AHA.

Except to the extent prohibited by federal law, in the event a household's income initially complies with the income restriction for an Extremely Low Income Household (or, as applicable, a Very Low Income Household, or a Lower Income Household) but the income of such household increases, such increase shall not be deemed to result in a violation by Lessee of the restrictions of this Lease concerning limitations upon income of occupants, provided that: (i) financing by multifamily housing bonds or low income housing tax credits was obtained for the Improvements, and (ii) if the resulting income of such household exceeds one hundred forty percent (140%) of the applicable income limit, the next available unit is rented to an Extremely Low, Very Low or Lower Income Household, as applicable.

6.5 Determination of Affordable Rent for the Required Affordable Units. Each Required Affordable Unit shall be rented at an "Affordable Rent" to be established as provided herein: The maximum monthly rental amount for the Required Affordable Units to be rented to Extremely Low Income Households shall be established at one-twelfth (1/12) of thirty percent (30%) of thirty percent (30%) of Placer County median income for a household of a size appropriate to the Housing Unit. The maximum monthly rental amount for the Required Affordable Units to be rented to Very Low Income Households shall be established at one-twelfth (1/12) of fifty percent (50%) of thirty percent (30%) of Placer County median income for a household of a size appropriate to the Housing Unit. The maximum monthly rental amount for the Required Affordable Units to be rented to Lower Income Households shall be established at one-twelfth ($1/12^{th}$) of thirty percent (30%) of sixty percent (60%) of Placer County median income for a household size appropriate to the Housing Unit. Notwithstanding the foregoing, if Tax Credits are used for the Project, Tax Credit Rents shall be applied to the extent these are lower than the rents otherwise prescribed in this Section 6.5.

"Household size appropriate to the unit," for the purpose of the calculation of rent herein (and without regard to actual occupancy), means two persons for each one bedroom unit, three persons for each two bedroom unit and four persons for each three bedroom unit. The maximum monthly rental amount of the Housing Units shall be adjusted annually by the formula set forth above upon the promulgation of revised Placer County median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent.

6.6 Verifications.

(a) Income Verification. Lessee shall verify the income of each proposed and existing tenant of the Housing Units.

(b) Annual Reports. Following the issuance of the Certificate of Completion, and on or before July 15 of each Lease Year commencing after the earlier to occur of (i) completion of the Improvements or (ii) occurrence of the time indicated in the AHA for the completion of the

Improvements, Lessee shall submit to City or its designee the reports described by Health and Safety Code Section 33418, as the same may be amended from time to time, with each such report to be in the form prescribed by City. Each annual report shall cover the immediately preceding Lease Year.

In addition, commencing as of July 15 first following the issuance of the Certificate of Completion, and continuing on each July 15 thereafter during the Term, the Lessee shall submit an Audited Financial Statement for the previous Lease Year (or portion thereof), including all funds from whatever source provided to the Lessee or any Related Entity in connection with the Project. The Audited Financial Statement shall demonstrate ongoing compliance with this Lease, including without limitation Section 5.1(b) hereof.

The Lessee shall maintain on file each tenant's executed lease and Income Verification and rental records for the Project and the Required Affordable Units. The Lessee shall maintain complete and accurate records pertaining to the Extremely Low Income Units, the Lower Income Units and any other Units, and will permit any duly authorized representative of the City to inspect the books and records of the Lessee pertaining to the Project, including those records pertaining to the occupancy of the Extremely Low Income Units and the Lower Income Units and any other units. The Lessee shall prepare and submit to the City annually commencing July 15, first following the issuance of the Certificate of Completion and continuing throughout the Term, a Certificate of Continuing Program Compliance. Lessee shall maintain records and report to City annually demonstrating compliance with the requirements with respect to the availability and use of the Required Affordable Units for Locals. Such documentation shall state for each Required Affordable Unit in the Project the unit size, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determined compliance with the terms of this Lease and the AHA.

As part of its annual report, the Lessee shall include a statement of amounts payable by Lessee under this Lease supported by an Audited Financial Statement (prepared by an independent accounting firm reasonably acceptable to the City) which sets forth information in detail sufficient for adequate review by the City for the purposes of confirming those amounts payable by the Lessee to the City as well as showing the general financial performance of the Project ("Annual Financial Report"). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Services, Operating Reserve, Capital Replacement Reserve, Chargeable Reserves (and all components thereof), and Residual Receipts, all certified by the Audited Financial Statement. In the event the amounts reported or paid deviate by five percent (5%) or more from that amount owing upon review of the Lessee's submittal, Lessee shall reimburse City for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amount payable under this Lease as "Additional Rent."

The Lessee acknowledges that City, in respect to the Portion A Site, may be required by Section 33418 of the California Health and Safety Code or may elect to require Lessee to monitor the Housing Units and submit the annual reports required by Section 3 of Article II of the City Regulatory Agreement. The City relies upon the information contained in such reports to satisfy its own reporting requirements, including those as described as Sections 33080 and 33080.1 of the California Health and Safety Code. In the event the Lessee fails to submit to the City or its designee its Certificate of Continuing Program Compliance for the corresponding Year and Lessee remains in noncompliance for thirty (30) days following receipt of written notice from the City of such noncompliance, then Lessee shall, without further notice or opportunity to cure, pay to the City Two Hundred Fifty Dollars ($250.00) (the "Reporting Amount(s)") per each Required Affordable Unit for each year Lessee fails

to submit a Certificate of Continuing Program Compliance covering each and every housing unit on the Portion A Site.

6.7 Regulatory Instruments. The Lessee shall execute, acknowledge, and deliver to City a "Regulatory Agreement," in the form of Attachment No. 11 to the AHA, to be recorded with respect to the Portion A Site in the official records of Placer County, California. The Lessee shall comply with the Regulatory Agreement. The Regulatory Agreement is subject to modification (which amendment shall have the same priority as the Regulatory Agreement) to conform to the number of Units regulated by other restrictions of record if that number is greater than originally provided in the Regulatory Agreement. The Regulatory Agreement and this Lease shall be construed to be consistent to the greatest feasible extent. In the event of any express conflict, this Lease shall control over the Regulatory Agreement; however, there shall be no subordination of the Regulatory Agreement on account of any such express conflict.

7. UTILITIES AND TAXES.

7.1 Utilities. Lessee shall pay or cause to be paid all common area charges for gas, electricity, water, sewer, garbage collection, cable television, and other utilities furnished to the Portion A Site and the Improvements and all sewer use charges, hookup or similar charges or assessments for utilities levied against the Portion A Site and the Improvements for any period included within the Term.

7.2 Real Estate Taxes.

(a) As used herein, the term "real estate taxes" means all real estate taxes, municipal or county water and sewer rates and charges, or any other assessments or taxes, which shall be levied against the Portion A Site or the Improvements, or any interest therein, and which become a lien thereon and accrue during the Term.

(b) Any real estate taxes which are payable by Lessee hereunder shall be prorated between City and Lessee as of the Commencement Date and then again at the expiration or earlier termination of the Term.

(c) Lessee shall have the right to contest the amount or validity of any real estate taxes, in whole or in part, by appropriate administrative and legal proceedings, without any costs or expense to City, and Lessee may postpone payment of any such contested real estate taxes pending the prosecution of such proceedings and any appeals so long as such proceedings shall not operate to prevent the collection of such real estate taxes and the sale of the Portion A Site and any Improvements to satisfy any lien arising out of the nonpayment of the same.

(d) Lessee shall have the right to apply for and may obtain any exemption(s) as may be applicable as to real estate taxes based upon the operation of the Portion A Site for affordable rental housing. So long as Lessee is not in breach under this Lease or the AHA, the City, in its capacity as the fee owner of the Portion A Site, shall cooperate as reasonably necessary for Lessee to apply for and obtain such exemptions, provided that in no event shall the City be required to incur costs in connection therewith.

7.3 Personal Property. Lessee covenants and agrees to pay before delinquency all personal property taxes, assessments and liens of every kind and nature upon all personalty as may be owned by Lessee and from time to time situated within the Portion A Site and any Improvements.

7.4 Possessory Interest. Pursuant to Health and Safety Code Section 33673, to the extent applicable, the Portion A Site is to be assessed and taxed in the same manner as privately owned property. The Lessee shall pay taxes upon the entire property and not merely the assessed value of its leasehold interest. City will provide notice to the Placer County Assessor within thirty (30) days of the commencement of this Lease as required by Health and Safety Code Section 33673.1; provided that the failure to do so, by City, shall not be deemed to constitute a Default by City. Lessee shall pay or cause to be paid, before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all real estate taxes which may be levied against any and all interests in the Portion A Site and any Improvements during the Term, and not merely the assessed value of the leasehold interest in the Portion A Site; provided, however, that Lessee may apply for and receive any applicable exemption from the payment of property taxes and assessments. Lessor shall use reasonable efforts to cause the Portion A Site to be assessed as a separate parcel.

8. OWNERSHIP OF IMPROVEMENTS, FIXTURES AND FURNISHINGS.

8.1 Ownership During Term. All Improvements constructed on the Portion A Site by Lessee as provided in the AHA and as permitted by this Lease shall, during the Term, be and remain the property of Lessee and owned in fee by Lessee; provided, however, that Lessee shall have no right to waste the Improvements, or to destroy, demolish or remove the Improvements except as otherwise permitted pursuant to this Lease; and provided further that Lessee's rights and powers with respect to the Improvements are subject to the terms and limitations of this Lease. City and Lessee covenant for themselves and all persons claiming under or through them that the Improvements are real property. City agrees that Lessee shall have the exclusive right during the Term to deduct, claim, retain and enjoy any and all rental income, appreciation gain, depreciation, amortization, and tax credits for federal and state tax purposes relating to the Improvements and any additions thereto, substitutions therefor, fixtures therein, and property relating thereto, and City shall treat Lessee as the tax owner of the Improvements for federal income tax purposes and shall not file any tax returns inconsistent with such treatment.

8.2 Ownership at Termination. Upon termination of this Lease, whether by expiration of the Term or otherwise, all Improvements, fixtures and furnishings shall, without compensation to Lessee, then become City's property, free and clear of all liens, encumbrances, and claims to or against them by Lessee or any third person, firm or entity, including but not limited to any mortgagee or lender, unless otherwise approved by City in writing at its discretion. At the option of City, the City may require the Lessee to demolish and remove any improvements to the Portion A Site which have not previously been approved by the City.

9. MECHANICS LIENS; FAITHFUL PERFORMANCE.

Lessee shall not suffer or permit any mechanics' or materialmen's liens to be enforced against the fee simple estate in reversion of City as to the Portion A Site and Improvements, nor against Lessee's leasehold interest therein by reason of work, labor, services or materials supplied or claimed to have been supplied to Lessee or anyone holding the Portion A Site and the Improvements, or any part thereof, through or under Lessee, and Lessee agrees to defend, indemnify, and hold City and its officers, officials, employees, agents, and representatives, harmless against such liens. If any such lien

shall at any time be filed against the Portion A Site or any Improvements, Lessee shall, within thirty (30) days after notice to Lessee of the filing thereof, cause the same to be discharged of record; provided, however, that Lessee shall have the right to contest the amount or validity, in whole or in part, of any such lien by appropriate proceedings but in such event, Lessee shall notify City and promptly bond such lien in the manner authorized by law with a responsible surety company qualified to do business in the State of California or provide other security acceptable to City. Lessee shall prosecute such proceedings with due diligence. Nothing in this Lease shall be deemed to be, nor shall be construed in any way to constitute, the consent or request of City, express or implied, by inference or otherwise, to any person, firm or limited partnership for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of or to the Portion A Site, the Improvements, or any part thereof. Prior to commencement of reconstruction of the Improvements on the Portion A Site, or any repair or alteration thereto having a cost in excess of $10,000, Lessee shall give City not less than thirty (30) days advance notice in writing of intention to begin said activity in order that nonresponsibility notices may be posted and recorded as provided by State and local laws.

10. MAINTENANCE AND REPAIR; CAPITAL REPLACEMENT RESERVE.

Lessee agrees to assume full responsibility for the management, operation and maintenance of the Improvements and the Portion A Site throughout the Term without expense to City, and to perform all repairs and replacements necessary to maintain and preserve the Improvements and the Portion A Site in good repair, in a neat, clean, safe and orderly condition reasonably satisfactory to City and in compliance with all applicable laws. Lessee agrees that City shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Improvements and the Portion A Site. Lessee hereby waives all rights to make repairs or to cause any work to be performed at the expense of City as provided for in Section 1941 and 1942 of the California Civil Code.

The following standards shall be complied with by Lessee and its maintenance staff, contractors or subcontractors:

(1) Lessee shall maintain the Improvements, including individual Affordable Units, all common areas, all interior and exterior facades, and all exterior project site areas, in a safe and sanitary fashion suitable for a high quality, rental housing project. The Lessee agrees to provide utility services, administrative services, supplies, contract services, maintenance, maintenance reserves, and management for the entire project including interior tenant spaces, common area spaces and exterior common areas. The services provided by the Lessee shall include, but not be limited to, providing all common area electricity, gas, water, television, cable television, property, fire and liability insurance in the amounts set forth in this Lease, all property taxes and personal property taxes, any and all assessments, maintenance and replacement of all exterior landscaping, and all administration and overhead required for the Property Manager.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing, edging, and trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and optimum irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all private paths, parking areas, driveways and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

(4) The Improvements shall be maintained in conformance and in compliance with the approved construction and architectural plans and design scheme, as the same may be amended from time to time with the approval of the City (and City, if such approval is required).

(5) All maintenance work shall conform to all applicable federal and state Occupational Safety and Health Act standards and regulations for the performance of maintenance.

(6) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied only by persons in strict accordance with all governing regulations.

(7) Parking lots, lighting fixtures, trash enclosures, and all areas shall be kept free from any accumulation of debris or waste materials by regularly scheduled maintenance.

(8) Lessee shall, or shall cause the Property Manager to, set aside in an Operating Reserve, which shall be maintained as a separate interest-bearing trust account, in an amount as prescribed under the Primary Permanent Loan and the Partnership Agreement. To the extent this Lease requires that an Operating Reserve be funded at a level in excess of that required under the Primary Permanent Loan and the Partnership Agreement, such excess amount shall be funded by Lessee from the Developer Percentage. Lessee shall provide, on not less than an annual basis, evidence reasonably satisfactory to City Manager of compliance herewith, and shall thereafter cause such amount to be retained in the Operating Reserve, to cover shortfalls between Improvements income and actual project operating expenses. The Operating Reserve shall be replenished to the full amount prior to any further disbursement of Residual Receipts to the Lessee. Commencing as of the first anniversary of the January 1st which first occurs after conversion, no Gross Revenues thereafter generated shall be used to fund the Operating Reserve excepting as necessary to restore the Operating Reserve to the original principal amount or, if applicable, the amount designated therefor by TCAC. Moneys, if any, in the Operating Reserve which are not expended as of the termination of this Lease shall be treated as Residual Receipts.

(9) Lessee shall also, or cause the Property Manager or permanent lender to, commencing as of the first month following the first anniversary of the completion of the first Housing Unit (as such completion is evidenced by the issuance of a certificate of occupancy by the City as to the corresponding building) set aside the Capital Replacement Reserve. The Capital Replacement Reserve shall be deposited into a separate interest-bearing trust account. Funds in the Capital Replacement Reserve shall be used for capital replacements to the Improvements' fixtures and equipment which are normally capitalized under generally accepted accounting principles. As capital repairs and improvements of the Project become necessary, the Capital Replacement Reserve shall be the first source of payment therefor; provided, however, that Lessee may first use other funds for payment with the prior consent of City Manager, which approval shall not be unreasonably withheld. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve

Lessee of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Portion A Site in the manner prescribed in this Section 10 and the AHA. Lessee, at its expense, shall submit to City on not less than an annual basis an accounting for the Capital Replacement Reserve. Any amounts of the Capital Replacement Reserve in excess of the level of such reserve required by the Approved Permanent Lender shall be funded from Residual Receipts. Any moneys in the Capital Replacement Reserve which are not expended as of the termination of this Lease shall be treated as Residual Receipts.

Capital repairs to and replacement of the Improvements shall include only those items with a long useful life, including without limitation the following:

(a) Appliance replacement;

(b) Hot water heater replacement;

(c) Plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets;

(d) Air conditioning and heating replacement;

(e) Asphalt replacement;

(f) Roofing replacement;

(g) Landscape tree replacement and irrigation pipe and controls replacement;

(h) Gas line pipe replacement;

(i) Lighting fixture replacement; and

(j) Miscellaneous motors and blowers.

Lessee shall arrange for a manager to be on site at the Portion B Area (adjacent to the Portion A Site) who is responsible for day-to-day management of the Portion A Site; Lessee shall be responsible for management of the Portion A Site without regard to whether a manager is resident at the Portion B Area.

11. ENVIRONMENTAL MATTERS.

11.1 Definitions. For the purposes of this Lease, unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified:

(a) The term "Hazardous Material" or "Hazardous Materials" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20,

Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in Paragraph (c) of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq*., specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those product and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

(b) The term "Hazardous Materials Contamination" means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or under the Portion A Site by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Date of Agreement) emanating from the Portion A Site in violation of Governmental Requirements.

(c) The term "Governmental Requirements" means all past, present and future laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the city, or any other political subdivision in which the Portion A Site is located, and any other state, county city, political subdivision, City, instrumentality or other entity exercising jurisdiction over City, Lessee or the Site.

11.2 Site Evaluation. Lessee assumes any and all responsibility and Liabilities (as defined in and subject to the limitations in Section 11.3 of this Lease) for all Hazardous Materials Contamination of the Portion A Site which occurs during the Term of this Lease or extension thereof.

11.3 Indemnification; Lessee's Indemnity. Lessee shall save, protect, pay for, defend (with counsel acceptable to City), indemnify and hold harmless City, and its elected and appointed officials, officers, employees, attorneys, representatives, volunteers, contractors and agents (collectively, "Indemnitees") from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses,

costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs and third-party claims or costs) (the foregoing are hereinafter collectively referred to as "Liabilities") that may now or in the future be incurred or suffered by Indemnitees by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of: (i) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, the Portion A Site occurring during the Term or caused by Lessee; (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, the Portion A Site; (iii) the physical and environmental condition of the Portion A Site in violation of Governmental Requirements occurring during the Term or caused by Lessee, and (iv) any Liabilities caused or contributed to by acts or omissions of the Lessee relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Portion A Site caused by Lessee or occurring during the Term. The foregoing indemnification shall continue in full force and effect regardless of whether such condition, liability, loss, damage, cost, penalty, fine, and/or expense shall accrue or be discovered before or after the termination of the Term. This indemnification supplements and in no way limits the indemnification set forth in Section 6.7 of the AHA. Lessee's obligations under this Section 11.3 shall survive the expiration of this Lease and shall not merge with any grant deed. Notwithstanding the foregoing, Lessee shall not be obligated to indemnify the City with respect to the consequences of any act of gross negligence or willful misconduct of the City.

11.4 Duty to Prevent Hazardous Material Contamination. Lessee shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment in violation of Governmental Requirements. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Lessee shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the standards generally applied by apartment complexes in Placer County, California as respects the disclosure, storage, use, removal, and disposal of Hazardous Materials. Lessee shall notify City, and provide to City a copy or copies of any notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to all Environmental Laws and other Governmental Requirements, and Lessee shall report to City, as soon as possible after each incident, any unusual or potentially important incidents in the event of a release of any Hazardous Materials into the environment.

11.5 Obligation of Lessee to Remediate Premises. Notwithstanding the obligation of Lessee to indemnify City pursuant to Section 11.3 of this Lease, Lessee shall, at its sole cost and expense, promptly take (i) all actions required by any federal, state, regional, or local governmental authority or political subdivision or any Governmental Requirements and (ii) all actions necessary to make full economic use of the Portion A Site for the purposes contemplated by this Lease, which requirements or necessity arise from the presence upon, about or beneath the Portion A Site of any Hazardous Materials in violation of Governmental Requirements or Hazardous Materials Contamination caused by Lessee or arising during the Term. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Portion A Site, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Lessee shall take all actions necessary to promptly restore the Portion A Site in compliance with

all applicable Governmental Requirements. Lessee's obligations under this Section 11.5 shall not apply to any Hazardous Materials or Hazardous Materials Contamination arising prior to the Term.

11.6 Storage or Handling of Hazardous Materials. Lessee, at its sole cost and expense, shall comply with all Governmental Requirements for the storage, use, transportation, handling and disposal of Hazardous Materials on or about the Portion A Site. In the event Lessee does store, use, transport, handle or dispose of any Hazardous Materials in violation of Governmental Requirements, Lessee shall notify City in writing at least ten (10) days prior to their first appearance on the Portion A Site and Lessee's failure to do so shall constitute a material default under this Lease. Lessee shall conduct all monitoring activities required or prescribed by applicable Governmental Requirements, and shall, at its sole cost and expense, comply with all posting requirements of Proposition 65 or any other similarly enacted Governmental Requirements. In addition, in the event of any complaint or governmental inquiry with respect to Lessee's storage, use, transportation, handling and disposal of Hazardous Materials on or about the Portion A Site, or if otherwise deemed necessary by City in its reasonable judgment, City may require Lessee, at Lessee's sole cost and expense, to conduct specific monitoring or testing activities with respect to Hazardous Materials on the Portion A Site. Lessee's monitoring programs shall be in compliance with applicable Governmental Requirements, and any program related to the specific monitoring of or testing for Hazardous Materials on the Portion A Site, shall be satisfactory to City, in City's reasonable discretion. Lessee shall further be solely responsible, and shall reimburse City, for all costs and expenses incurred by City arising out of or connected with the removal, clean-up and/or restoration work and materials necessary to return the Portion A Site and any property adjacent to the Portion A Site affected by Hazardous Materials emanating from the Portion A Site during the Term (or as otherwise caused by Lessee) to their condition existing at the time of the Lessee's Portion A Site Evaluation. Lessee's obligations hereunder shall survive the termination of this Lease and shall not merge with any grant deed.

11.7 Environmental Inquiries. Lessee shall notify City upon receipt, and provide to the City a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to the Portion A Site and the Development: notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws and other applicable Governmental Requirements relating to Hazardous Materials and underground tanks, and Lessee shall report to City, as soon as possible after each incident, all material information relating to or arising from such incident, including, but not limited to, the following:

(a) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;

(b) All notices of suspension of any permits relating to Hazardous Materials;

(c) All notices of violation from federal, state or local environmental authorities relating to Hazardous Materials;

(d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;

(e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;

(f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;

(g) All complaints and other pleadings filed against Lessee relating to Lessee's storage, use, transportation, handling or disposal of Hazardous Materials on or about the Portion A Site; and

(h) Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a materially adverse effect on the Portion A Site or the City's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Lessee shall, as soon as possible after the release, furnish to City a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of City, but subject to any limitations imposed by law or by court order, Lessee shall furnish to City a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Portion A Site in Lessee's possession and/or shall notify City of any environmental entitlements or inquiries relating to or affecting the Portion A Site within Lessee's actual or constructive knowledge if Lessee is not in possession of same, including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

12. ALTERATION OF IMPROVEMENTS.

Upon completion of the Improvements, Lessee shall not make or permit to be made any material structural alteration of, addition to or change in the Improvements (which shall be deemed to be material if the cost or value of such alteration(s) or addition(s) exceeds $50,000.00 as to any item or $125,000.00 as all such items are aggregated), nor demolish all or any part of the Improvements without the prior written consent of City; provided, however, that the foregoing shall not prohibit or restrict the repair and/or replacement of the Improvements by Lessee in accordance with Section 10 hereof. In requesting such consent Lessee shall submit to City detailed plans and specifications of the proposed work and an explanation of the need and reasons therefor.

This provision shall not limit or set aside any obligation of Lessee under this Lease to maintain the Improvements and the Portion A Site in a clean and safe condition, including structural repair and restoration of damaged Improvements. City shall not be obligated by this Lease to make any improvements to the Portion A Site or to assume any expense therefor.

Lessee shall not commit or suffer to be committed any waste or impairment of the Portion A Site or the Improvements, or any part thereof, except as otherwise permitted pursuant to this Lease. Lessee agrees to keep the Portion A Site and the Improvements clean and clear of refuse and obstructions, and to dispose of all garbage, trash and rubbish in a manner satisfactory to City.

13. DAMAGE OR DESTRUCTION.

13.1 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. Subject to Section 13.3 below, if the Improvements shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against and recoverable by insurance proceeds held by such policy(ies) maintained by Lessee, Lessee shall proceed to obtain

insurance proceeds as soon as practicable and take all steps necessary to begin reconstruction and, upon receipt of insurance proceeds as soon as practicable, to commence the repair or replacement of the Improvements to substantially the same condition as the Improvements are required to be maintained in pursuant to this Lease, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Lessee shall complete the same as soon as practicable thereafter so that the Improvements can continue to be operated and occupied as an affordable housing project in accordance with this Lease. Subject to Section 26.23, in no event shall the repair, replacement, or restoration period exceed thirty (30) months from the date Lessee obtains one hundred percent (100%) of the insurance proceeds unless City Manager, in his or her reasonable discretion, approves a longer period of time. City shall cooperate with Lessee, at no expense to City, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Portion A Site do not permit the repair, replacement, or restoration, Lessee may (with the consent of the Limited Partner so long as the Partnership Agreement remains in effect) elect not to repair, replace, or restore the Improvements by giving notice to City (in which event, subject to the terms of all of Lessee's Mortgages, Lessee will be entitled to all insurance proceeds but Lessee shall be required to remove all debris from the Portion A Site) or Lessee may reconstruct such other improvements on the Portion A Site as are consistent with applicable land use regulations and approved by the City, Limited Partner (so long as the limited Partnership Agreement remains in effect) and the other governmental City or agencies with jurisdiction. In the event Lessee elects not to repair, replace, or restore and give City notice of such election as provided herein, this Lease shall, subject to Section 1.3(a) of Exhibit E to this Lease, terminate.

13.2 Continued Operations. During any period of repair, Lessee shall continue, or cause the continuation of, the operation of the Improvements on the Portion A Site to the extent reasonably practicable from the standpoint of prudent business management.

13.3 Damage or Destruction Due to Cause Not Required to be Covered by Insurance. If the Improvements are completely destroyed or substantially damaged by a casualty for which Lessee is not required to (and has not) insured against, then Lessee shall not be required to repair, replace, or restore such improvements and may elect (with the consent of the Limited Partner so long as the Partnership Agreement remains in effect) not to do so by providing City with written notice of election not to repair, replace, or restore within ninety (90) days after such substantial damage or destruction. In such event, Lessee shall remove all debris from the Portion A Site. As used in this Section 13.3, "substantial damage" caused by a casualty not required to be (and not) covered by insurance means damage or destruction which is twenty-five percent (25%) or more of the replacement cost of the improvements comprising the Improvements. In the event Lessee does not timely elect not to repair, replace, or restore the Improvements as set forth in the first sentence of this Section 13.3, Lessee shall be conclusively deemed to have waived its right not to repair, replace, or restore the Improvements and thereafter Lessee shall promptly commence and complete the repair, replacement, or restoration of the damaged or destroyed Improvements in accordance with Section 13.1 above and continue operation of the Improvements during the period of repair (if practicable) in accordance with Section 13.2 above. In the event Lessee elects not to repair, replace, or restore, and gives City notice of such election as provided herein, subject to Section 1.3 of Exhibit E to this Lease, this Lease shall terminate.

14. SALE, ASSIGNMENT, SUBLEASE OR OTHER TRANSFER.

Except for (a) leases of particular dwelling Units to tenants, and (b) the lease of or grant of an easement or license to the City, Lessee shall not sell, assign, sublease, or otherwise transfer this Lease

or any right therein, nor make any total or partial sale, assignment, sublease, or transfer in any other mode or form of the whole or any part of the Portion A Site or the Improvements (each of which events is referred to in this Lease as an "Assignment"), without prior written approval of City. The term "Assignment" shall be deemed to include (without limitation) all refinancing thereof and any other loans approved by City, excepting to the extent loans have been previously approved from one or more approved Construction and/or Permanent Lenders (with respect to such loans); provided that a change in limited partners shall not be deemed to constitute an Assignment. Any purported assignment without the prior written consent of City shall be made null and void and shall confer no rights whatsoever upon any purported assignee or transferee. Notwithstanding the foregoing, Exhibit E shall be enforceable in accordance with its terms.

Notwithstanding any other provision of this Lease to the contrary, the City shall not unreasonably withhold its approval of an assignment of this Lease or conveyance of the Portion A Site or Improvements, or any part thereof, in connection with any of the following:

(a) Any transfers to an entity or entities in which Lessee retains a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retains management and control of the transferee entity or entities.

(b) The conveyance or dedication of any portion of the Portion A Site to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Improvements. In the event of a proposed assignment by Lessee under subparagraphs (a) through (c), inclusive, above, Lessee agrees that at least thirty (30) days prior to such assignment it shall give written notice to City including a request for approval of such assignment and satisfactory evidence that the assignee has assumed the obligations of this Lease, subject to the provisions of the following paragraph.

City agrees that it will consider in good faith a request for City's consent to a transfer made pursuant to this Section 14 after the achievement of occupancy of ninety percent (90%) or more of the Housing Units in conformity with this Lease following the issuance by City of a Certificate of Completion for the last building to be constructed as part of the Improvements, provided Lessee delivers written notice to City requesting such approval and provided further that, the Regulatory Agreement remain in full force and effect (unless the same have been extinguished or terminated by operation of such documents or under another document as may be hereafter executed by City). Such notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, and its financial commitments and resources, and the financial terms of such Assignment (including the consideration proposed to flow to the Developer or a Related Entity and/or the Principals) in sufficient detail to enable City to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 14, and as reasonably determined by City. City shall evaluate such proposed transferee or assignee on the basis of its development qualifications and experience and/or qualifications and experience in the operation of facilities similar to the Improvements, and its financial commitments and resources, and may reasonably disapprove any proposed transferee or assignee, which City reasonably determines does not possess sufficient qualifications. An assignment and assumption agreement in form satisfactory to City's legal counsel shall also be required for all proposed assignments. The Lessee agrees and acknowledges that in connection with any such assignment approved by the City pursuant to this Lease, the Lessee shall remain liable for performance pursuant to this Lease for a period of five (5) years following such assignment; provided that the five-year limitation shall not apply (and the ongoing liability of Developer shall not be thereby limited) in connection with the transfer of limited partnership

interests to tax credit investors. For the avoidance of doubt, no transfer of limited partner interests in Lessee shall require the approval of City. Within thirty (30) days after the receipt of the Lessee's written notice requesting approval of an assignment or transfer pursuant to this Section 14, City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, the Lessee shall promptly furnish to City such further information as may be reasonably requested.

Notwithstanding any provision in this Section 14 to the contrary, in no event shall Lessee make any assignment which would or could be effective beyond the Term without the prior consent of the City. Notwithstanding anything contained in this Section 14 to contrary effect, transfers or assignments otherwise permitted in Section 8.3 of the AHA shall not be limited by the terms of this Section 14 or require City consent and in the event of any conflict between the terms of this Section 14 and Section 8.3 of the AHA with respect to transfers or assignments under the purview of Section 8.3, Section 8.3 of the AHA shall control; provided that Lessee shall promptly inform City in writing of any such transfers.

15. ANCILLARY DUTIES.

The City and the Lessee intend that this Lease be a so called "triple net" lease, and that except as expressly provided herein all costs, expenses and obligations with respect to the Portion A Site during the Term shall be borne by the Lessee and not by the City. Unless this Lease provides otherwise, all Ancillary Duties shall be satisfied and/or paid with the next applicable payment of Rent. "Ancillary Duties" shall include, without limitation: (i) the payment of all taxes and assessments, including without limitation those taxes (whether characterized as possessory interest taxes or otherwise) described in Section 7.4 of this Lease, which become due and owing during the Term (provided that Lessee shall not hereby be precluded from applying for or obtaining any applicable exemption from property tax); (ii) an amount equal to one hundred fifteen percent (115%) of the amounts paid by City for insurance premiums or costs to repair and maintain the Development upon the failure by Lessee to timely and fully provide such insurance and maintenance; (iii) Reporting Amount(s) (as described in Section 6.6 hereof); and (iv) in the event an Audited Financial Statement shows an underpayment to the City of five percent (5%) or greater of the amount paid to the City for the corresponding Lease Year, the Developer shall pay to the City: (a) the City's costs (including accountant and consultant fees, attorneys' fees, and a reasonable estimation of the cost of staff time) incurred in connection with the City's audit of Lessee under Section 26.5 of this Lease, and (b) an amount equal to twenty-five percent (25%) of the shortfall as a penalty which shall not be deemed to constitute an Operating Expense for the purposes of this Lease; and (iv) the Reporting Amount(s), which Reporting Amount(s) shall not be deemed to constitute an Operating Expense for the purposes of this Lease.

16. INDEMNITY.

During the Term, Lessee agrees that City, its agents, officers, representatives and employees, shall not be liable for any claims, liabilities, penalties, fines or for any damage to the goods, properties or effects of Lessee, its sublessees or representatives, agents, employees, guests, licensees, invitees, patrons or clientele or of any other person whomsoever, nor for personal injuries to, or deaths of any persons, whether caused by or resulting from any act or omission of Lessee or its sublessees or any other person on or about the Portion A Site and the Improvements, or in connection with the operation thereof, or from any defect in the Portion A Site or the Improvements, or from any displacement of tenants or liability for relocation assistance pursuant to Government Code Section 7260, *et seq*., due to

the acts of Lessee hereunder. Lessee agrees to indemnify and save free and harmless City and its authorized agents, officers, representatives and employees against any and all claims, actions, damages, liability (including reasonable expenses and attorneys' fees) concerning loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Portion A Site and/or the Improvements or the occupancy or use by Lessee of the Portion A Site and/or the Improvements or any part thereof, or arising from or out of Lessee's failure to comply with any provision of this Lease or otherwise occasioned wholly or in part by any act or omission of Lessee, its agents, representatives, contractors, employees, servants, customers or licensees. Lessee shall not be responsible for (and such indemnity shall not apply to) any acts, errors or omissions of City or its agents, officers, representatives or employees.

17. INSURANCE.

17.1 Insurance to be Provided by Lessee. Commencing as of first day of the Term and continuing throughout the Required Covenant Period, and, in addition at all times during which Lessee is conducting work on the Portion A Site or any portion thereof, including times prior to the Leasehold Transfer, Lessee shall maintain at Lessee's sole expense, with insurers reasonably approved by City, the following policies of insurance in form and substance reasonably satisfactory to City: (i) at all times commencing with the Leasehold Transfer and continuing throughout the Required Covenant Period, Lessee shall provide those coverages described in the "Insurance During Lease Term" (Note: to be conformed to Affordable Housing Agreement); and (ii) at all times during the period commencing with the Leasehold Transfer and ending as of end of the Required Covenant Period when construction is taking place on the Portion A Site, the Lessee shall additionally provide those coverages set forth in the "Insurance During Construction" (to be conformed to the Affordable Housing Agreement).

17.2 Definition of "Full Insurable Value". The term "Full Insurable Value" as used in this Section 17 means the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the Improvements, including the cost of construction of the Improvements, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, Lessee shall cause the Full Insurable Value to be determined from time to time by appraisal by the insurer or, if no such appraisal is available, by an appraiser mutually acceptable to City and Lessee, not less often than once every five (5) years.

17.3 General Insurance Provisions. All policies of insurance provided for in this Section 17, except for the workers' compensation insurance, shall name Lessee as the named insured and loss payee and City and its officers, employees, agents, and representatives, as additional insureds (for general liability and excess liability insurance), as their respective interests may appear. All property casualty insurance policies shall include the interest of any Lessee's Mortgagees and may provide that any loss is payable to Lessee's Mortgagee in which event such policies shall contain standard mortgage loss payable clauses. Lessee agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Lessee agrees to submit policies of all insurance required by this Section 17 of this Lease, or certificates evidencing the existence thereof, to City on or before the effective date of this Lease, indicating full coverage of the contractual liability imposed by this Lease. At least thirty (30) days prior to expiration of any such policy, copies of renewal policies, or certificates evidencing the existence thereof shall be submitted to City. All policies of insurance required of Lessee herein shall be issued by insurance companies with a general policy holder's rating of not less than A and a financial rating of not less that Class XVII as rated in the most current available "Best's Key Rating Guide", and which are approved to do business in the State of California. All

policies or certificates of insurance shall also: (i) provide that such policies shall not be canceled or limited in any manner without at least thirty (30) days prior written notice to City; and (ii) provide that such coverage is primary and not contributing with any insurance as may be obtained by City and shall contain a waiver of subrogation for the benefit of City.

Coverage provided hereunder by Lessee shall be primary insurance and not be contributing with any insurance maintained by City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the City. None of the above-described policies shall require Developer to meet a deductible or self-insured retention amount of more than One Hundred Thousand Dollars ($100,000.00) or such other amount as may be approved by the City Manager in writing in connection with the Financing Plan. All policies shall be written by good and solvent insurers approved to do business in California and shall have a policyholder's rating of A or better in the most recent edition of "Best's Key Rating Guide – Property and Casualty." The required certificate shall be furnished by Lessee at the time set forth herein.

17.4 Failure to Maintain Insurance. If Lessee fails or refuses to procure or maintain insurance as required by this Lease, City shall have the right, at City's election, and upon ten (10) days prior notice to Lessee, to procure and maintain such insurance. The premiums paid by City shall be treated as added rent due from Lessee, to be paid on the first day of the month following the date on which the premiums were paid. City shall give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

17.5 Insurance Proceeds Resulting from Loss or Damage to Improvements. All proceeds of insurance with respect to loss or damage to the Improvements during the term of this Lease shall be payable, under the provisions of the policy of insurance, to Lessee, and said proceeds shall be used for the restoration, repair and rebuilding of the Improvements in accordance with plans and specifications approved in writing by City and as further described in Section 13 of this Lease. To the extent that such proceeds exceed the cost of such restoration, repair or rebuilding, then such proceeds shall be retained by the party that purchased the insurance. Notwithstanding the foregoing, within the period during which there is an outstanding mortgage upon the Improvements, such proceeds shall be payable in accordance with Section 17.3 of this Lease.

In the event this Lease is terminated by mutual agreement of City and Lessee and said Improvements are not restored, repaired or rebuilt, the insurance proceeds shall be applied first to any payments due under this Lease from Lessee to City, second to restore the Portion A Site and Improvements to their original condition and to a neat and clean condition, and finally any excess shall be apportioned between Lessee and City as their interests may appear; provided, however, that within any period when there is an outstanding mortgage upon the Improvements, such proceeds shall be applied first to discharge the debt secured by the mortgage and then for the purposes and in the order set forth above in this paragraph, subject to the requirements of Lessee's mortgagees.

18. EMINENT DOMAIN.

In the event that the Portion A Site and/or the Improvements or any part thereof shall be taken for public purposes by any public agency other than the City by condemnation as a result of any action or proceeding in eminent domain, then, as between City and Lessee (or mortgagee, if a mortgage is then in effect), and subject to the requirements of any Leasehold Mortgagee, the interests of City and Lessee (or mortgagee) in the award and the effect of the taking upon this Lease shall be as follows:

(a) Lessor shall provide notice of any pending condemnation proceeding (of which City has actual knowledge) to the holder of any Leasehold Mortgage of which City has prior written notice in accordance with Exhibit E attached hereto. Lessor and Lesse acknowledge and agree that a holder of a Leasehold Mortgage may participate in any such condemnation proceeding.

(b) In the event of such taking of only a part of the Portion A Site, leaving the remainder of the Portion A Site in such location and in such form, shape and size as to be used effectively and practicably for the conduct thereon of the uses permitted hereunder, this Lease shall terminate and end as to the portion of the Portion A Site so taken as of the date title to such portion vests in the condemning authority, but shall continue in full force and effect as to the portion of the Portion A Site not so taken and from and after such date the rental required by this Lease to be paid by Lessee to City shall be reduced in the proportion which the number of square feet so taken bears to the total number of square feet in the Portion A Site.

(c) In the event of taking of only a part of the Portion A Site, leaving the remainder of the Portion A Site in such location, or in such form, shape or reduced size as to render the same not effectively and practicably usable, for the conduct thereon of the uses permitted hereunder, this Lease and all right, title and interest thereunder shall cease on the date title to the Portion A Site or the portion thereof so taken vests in the condemning authority.

(d) In the event the entire Portion A Site is taken, this Lease and all of the right, title and interest thereunder, shall cease on the date title to the Portion A Site so taken vests in the condemning authority.

(e) Promptly after a partial taking, at Lessee's expense and in the manner specified in provisions of this Lease related to maintenance, repairs, alterations, Lessee shall restore the Improvements, to the extent of condemnation proceeds received by Lessee and allowed to be used for such purpose by Lessee's Mortgages, so as to place them in a condition suitable for the uses and purposes for which the Portion A Site was leased.

(f) In the event of any taking under subparagraphs (a), (b) or (c) hereinabove, that portion of any award of compensation attributable to the fair market value of the Portion A Site or portion thereof taken, valued as subject to this Lease, shall belong to City. That portion of any award attributable to the fair market value of Lessee's leasehold interest in the Portion A Site pursuant to this Lease as determined by taking into account the limitation on rents and income levels as set forth in Sections 6.1 through 6.7 hereof and, in the event a Foreclosure Event has occurred, Section 3 of Exhibit E hereof, shall belong to Lessee. That portion of any award attributable to the fair market value of the Improvements or portion thereof taken shall belong to City and Lessee, as their interests may appear, except that in the event of a partial taking, where this Lease remains in effect and Lessee is obligated to restore or repair the Improvements, then Lessee shall be entitled to any portion of the award attributable to severance damages to the remaining Improvements to the extent necessary to restore or repair the Improvements and any remaining severance damages shall be payable to City and Lessee as their interests may appear. Said award shall be used for the restoration, repair or rebuilding of the Improvements in accordance with plans and specifications approved in writing by City to the extent necessary to restore or repair the Improvements and any remaining severance damages shall be payable to Lessee; except that, during the last ten (10) years of the Term, any remaining severance damages shall be payable to City. The value of each interest for the purpose of apportionment under this Section shall be the fair market value of such interests at the time of the taking.

(g) Provided, however, that within the period during which there is an outstanding mortgage on the Improvements, the mortgagee shall be entitled to any portion of the award attributable to the fair market value of Lessee's leasehold interest in the Portion A Site as determined by taking into account the limitation on rents and income levels as set forth in Sections 6.1 through 6.7 hereof and, in the event a Foreclosure Event has occurred, Section 3 of Exhibit E hereof, and the value of the Improvements, to the extent of its interest therein. Any excess portion of the award attributable to the condemnation of the Improvements shall be payable as provided in this Section 18.

(h) Notwithstanding the foregoing provisions of this Section, City may, in its discretion and without affecting the validity and existence of this Lease, transfer City's interests in the Portion A Site in lieu of condemnation to any authority entitled to exercise the power of eminent domain. In the event of such transfer by City, Lessee (or mortgagee if a mortgage is then in effect) and City shall retain whatever rights they may have to recover from said authority the fair market value of their respective interests in the Portion A Site, as the value of Lessee's interest is determined taking into account the limitation on rents and income levels as set forth in Sections 6.1 through 6.7 hereof and, in the event a Foreclosure Event has occurred, Section 3 of Exhibit E hereof, the Improvements taken by the authority.

(i) All valuations to be made pursuant to this Section 18 shall be made by mutual agreement of City and Lessee.

(j) The City and the City agree that during the Term, provided that this Lease shall remain in effect, neither the City nor the City shall exercise eminent domain powers as to the Portion A Site or the Improvements.

19. OBLIGATION TO REFRAIN FROM DISCRIMINATION.

There shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Portion A Site and the Improvements, and Lessee itself or any person claiming under or through it shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees thereof or any portion thereof, or in the providing of goods, services, facilities, privileges, advantages and accommodation.

Lessee shall refrain from restricting the rental, sale, or lease of the Portion A Site and the Improvements, or any portion thereof, on the basis of sex, marital status, race, color, creed, religion, ancestry or national origin of any person. All such leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In Leases:

"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision

(m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(b) In Contracts:

"There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

20. NONDISCRIMINATION IN EMPLOYMENT.

Lessee, for itself and its successors and assigns, agrees that during the operation of the Improvements provided for in this Lease, and during any work of repair or replacement, Lessee shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, physical or mental disability, sexual orientation, ancestry or national origin, or on the basis of any other category or status not permitted by law.

21. CITY PURCHASE OPTION.

In addition to and without limitation as to all other rights and remedies the City has under this Lease, the City shall have an option to purchase and Lessee shall be obligated to sell the leasehold and improvements as more particularly described in the AHA. This option to purchase shall be subordinate in all respects to the rights of any senior lender. The City's option to purchase is a material part of this Lease but for which the City would not have entered into this Lease.

22. COMPLIANCE WITH LAW.

Lessee agrees, at its sole cost and expense, to comply and secure compliance by all contractors and tenants of the Portion A Site and Improvements with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the Portion A Site and the Improvements, as well as operations conducted thereon, and to faithfully observe and secure compliance by all contractors and tenants of the Portion A Site and Improvements with, in the use of the Portion A Site and the Improvements all applicable county and municipal ordinances and state and federal statutes now in force or which may hereafter be in force, and to pay before delinquency all taxes, assessments, and fees, if any, assessor levied upon Lessee or the Portion A Site or the Improvements, including the land and any buildings, structures, machines, appliances or other

improvements of any nature whatsoever, erected, installed or maintained by Lessee or by reason of the business or other activities of Lessee upon or in connection with the Portion A Site and the Improvements. Lessee shall use good faith efforts to prevent tenants from maintaining any nuisance or other unlawful conduct on or about the Property and shall take such actions as are reasonably required to abate any such violations by tenants of the Portion A Site and Improvements. The judgment of any court of competent jurisdiction, or the admission of Lessee or any sublessee or permittee in any action or proceeding against them, or any of them, whether City be a party thereto or not, that Lessee, sublessee or permittee has violated any such ordinance or statute in the use of the Portion A Site or the Improvements shall be conclusive of that fact as between City and Lessee, or such sublessee or permittee. Lessee shall comply with all applicable laws, regulations, and any applicable labor standards, all of which laws and regulations shall be deemed to be incorporated herein by reference. Lessee shall comply with the Tax Credit Rules.

23. ENTRY AND INSPECTION.

In addition to and without limitation to such rights as the City may have as a matter of law, the City reserves and shall have the right between the hours of 8:00 a.m. and 8:00 p.m., upon twenty-four (24) hours prior notice (except in cases of emergency in which case entry may be made at any time and without notice) to Lessee by the City Manager, to enter the Portion A Site and the Improvements for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the Portion A Site and the Improvements or to inspect the operations conducted thereon. In exercising such rights, the City shall endeavor to avoid any unreasonable interference with the use or operation of the Development.

24. RIGHT TO MAINTAIN.

In the event that the entry or inspection by City pursuant to Section 23 hereof discloses that the Portion A Site or the Improvements are not in a decent, safe, and sanitary condition, City shall have the right, after thirty (30) days written notice to Lessee (except in case of emergency, in which event no notice shall be necessary), to have any necessary maintenance work done for and at the expense of Lessee and Lessee hereby agrees to pay promptly any and all costs incurred by City in having such necessary maintenance work done in order to keep the Portion A Site and the Improvements in a decent, safe and sanitary condition. The rights reserved in this Section shall not create any obligations on City or increase obligations elsewhere in this Lease imposed on City.

25. EVENTS OF DEFAULT AND REMEDIES.

25.1 Events of Default by Lessee. The occurrence of any one (1) or more of the following shall constitute an event of default hereunder:

(a) Lessee shall fail to construct the Improvements in accordance with the AHA and within the times set forth in the AHA; or

(b) Lessee shall abandon or surrender the Portion A Site, or the Improvements after sixty (60) days written notice to Lessee; or

(c) Lessee shall fail or refuse to pay, within fifteen (15) days of written notice from City that the same is due, any installment of rent or any other sum required by this Lease to be paid by Lessee; or

(d) Lessee shall fail to perform any covenant or condition of this Lease other than as set forth in subparagraphs (a) or (b) above or paragraphs (e), (h), (i) or (j) below, and any such failure shall not be cured within thirty (30) days following the service on Lessee of a written notice from City specifying the failure complained of, or if it is not practicable to cure or remedy such failure within such thirty (30) day period, then Lessee shall not be deemed to be in default if Lessee shall commence such cure within such thirty (30) day period and thereafter diligently prosecute such cure to completion; or

(e) Subject to any restrictions or limitations placed on City by applicable laws governing bankruptcy, Lessee's (i) application for, consent to or suffering of the appointment of a receiver, trustee or liquidator for all or for a substantial portion of its assets; (ii) making a general assignment for the benefit of creditors; (iii) admitting in writing its inability to pay its debts or its willingness to be adjudged a bankrupt; (iv) becoming unable to or failing to pay its debts as they mature; (v) being adjudged a bankrupt; (vi) filing a voluntary petition or suffering an involuntary petition under any bankruptcy, arrangement, reorganization or insolvency law (unless in the case of an involuntary petition, the same is dismissed within ninety (90) days of such filing); (vii) convening a meeting of its creditors or any class thereof for purposes of effecting a moratorium, extension or composition of its debts; or (viii) suffering or permitting to continue unstayed and in effect for sixty (60) consecutive days any attachment, levy, execution or seizure of all or a portion of Lessee's assets or of Lessee's interest in this Lease; or

(f) Lessee shall charge or accept rent that is in excess of the Affordable Rents; provided however, if any such default shall not be cured within thirty (30) days following the service on Lessee of a written notice from City specifying the default complained of, or if it is not practicable to cure or remedy such default within such thirty (30) day period, then Lessee shall not be deemed in default if Lessee shall commence such cure within such thirty (30) day period and thereafter diligently prosecute such cure to completion, in any event within thirty (30) additional days. A cure of a default by the Limited Partner shall be accepted as if made of tendered by the Lessee; or

(g) Lessee shall rent a Required Affordable Unit to a tenant, or allow occupancy by a person or household, that is not an Extremely Low Income Household, a Very Low Income Household or a Lower Income Household in accordance with the Prescribed Income Levels; provided, however, if such default shall not be cured within sixty (60) days following the service on Lessee of a written notice from City identifying the default complained of because it is impractical to do so, then Lessee shall not be deemed in default if lessee commences to cure within such sixty (60) day period and thereafter diligently prosecutes such cure to completion, in any event within thirty (30) additional days; or

(h) Lessee shall repeatedly rent one or more Units not in compliance with the Tenant Selection and Tenant Services Plan; provided, however, if such default shall not be cured within sixty (60) days following the service on Lessee of a written notice from City identifying the default complained of because it is impractical to do so, then Lessee shall not be deemed in default if lessee commences to cure within such thirty (30) days period and thereafter diligently prosecutes such cure to completion, in any event within thirty (30) additional days;

then, upon notice having been given by City and the failure to cure within thirty (30) of such notice or such longer period as provided above in this Section 25.1, such event shall constitute an event of default under this Lease. Any cure provided by any Limited Partner of the Lessee shall be treated as a cure by

the Lessee. A copy of any default notice delivered hereunder to Lessee shall also be delivered to its Limited Partner at the address set forth herein.

25.2 Remedies of City.

In the event of any default as described in Section 25.1 which default has not been timely cured, the City may, at its option:

(1) Correct or cause to be corrected said default and charge the costs thereof (including costs incurred by the City in enforcing this provision) to the account of Lessee, which charge shall be due and payable within thirty (30) days after presentation by the City of a statement of all or part of said costs;

(2) Correct or cause to be corrected said default and pay the costs thereof (including costs incurred by the City in enforcing this provision) from the proceeds of any insurance;

(3) Exercise its right to maintain any and all actions at law or suits in equity to compel Lessee to correct or cause to be corrected said default;

(4) Have a receiver appointed to take possession of Lessee's interest in the Portion A Site and the Improvements, with power in said receiver to administer Lessee's interest in the Portion A Site and the Improvements, to collect all funds available to Lessee in connection with its operation and maintenance of the Portion A Site and the Improvements; and to perform all other activities consistent with Lessee's obligations under this Lease as the court deems proper;

(5) Maintain and operate the Portion A Site and the Improvements, without terminating this Lease; or

(6) Terminate this Lease by written notice to Lessee of its intention to do so; or

(7) Exercise its rights under the City Promissory Note and/or the City Deed of Trust.

25.3 Right of City in the Event of Termination of Lease. Upon termination of this Lease pursuant to Section 25.2, it shall be lawful for City to re-enter and repossess the Portion A Site and the Improvements and Lessee, in such event, does hereby waive any demand for possession thereof, and agrees to surrender and deliver the Portion A Site and the Improvements peaceably to City immediately upon such termination in good order, condition and repair, except for reasonable wear and tear. Lessee agrees that upon such termination, title to all the Improvements on the Portion A Site shall vest in City pursuant to Section 8.2.

Even though Lessee has breached this Lease and abandoned the Portion A Site, this Lease shall continue in effect for so long as City does not terminate Lessee's right to possession, and City may enforce all of its right and remedies under this Lease, including, but not limited to, the right to recover the rent as it becomes due under this Lease. No ejectment, re-entry or other act by or on behalf of City shall constitute a termination unless City gives Lessee notice of termination in writing.

Termination of this Lease shall not relieve or release Lessee from any obligation incurred pursuant to this Lease prior to the date of such termination. Termination of this Lease shall not relieve Lessee from the obligation to pay any sum due to City or from any claim for damages against Lessee.

25.4 Damages. Should City elect to terminate this Lease pursuant to the provisions of this Section 25, City may recover from Lessee, as damages, the following: (a) The worth at the time of the award of any unpaid rent which had been earned at the time of the termination, plus (b) the worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of rent loss Lessee proves could have been reasonably avoided, plus (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of rent loss that Lessee proves could be reasonably avoided, plus (d) any other amounts necessary to compensate City for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom including, but not limited to, any costs or expenses incurred by City in (i) retaking possession of the Portion A Site and the Improvements, including reasonable attorneys' fees therefor, (ii) maintaining or preserving the Portion A Site and the Improvements after default, (iii) preparing the Portion A Site and the Improvements for reletting to a new tenant, including repairs or alterations to the Portion A Site and the Improvements, (iv) leasing commissions, or (v) any other costs necessary or appropriate to relet the Portion A Site and the Improvements, plus I at City's election, any other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the law of the State of California.

As used in subparagraphs (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the maximum lawful rate. As used in subparagraph (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Portion A Site at the time of the award plus one percent (1%).

25.5 Rights and Remedies are Cumulative. The remedies provided by this Section 25 are not exclusive and shall be cumulative to all other rights and remedies possessed by City. The exercise by City of one or more such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by Lessee.

26. MISCELLANEOUS.

26.1 Governing Law; Interpretation. The laws of the State of California shall govern the interpretation and enforcement of this Lease.

This Lease shall be reasonably interpreted in light of its purposes to provide affordable housing and to afford the City those rents and other revenues as are provided for herein.

This Lease shall be interpreted as if jointly prepared by both parties.

This Lease shall be construed as consistent with the AHA and the Regulatory Agreement to the greatest extent feasible; in the event of conflict this Lease shall control.

26.2 Legal Actions. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Lease. Such legal actions must be instituted in the

Superior Court of Placer County, State of California, in any other appropriate court in that County, or in the Federal District Court in the District of California in which the Portion A Site is located.

26.3 Acceptance of Service of Process. In the event that any legal action is commenced by Lessee against City, service of process on City shall be made by personal service upon the Chairman of the City or the City Manager, or in such other manner as may be provided by law.

In the event that any legal action is commenced by City against Lessee, service of process on Lessee shall be made by personal service upon Lessee or in such other manner as may be provided by law and shall be effective whether made within or without the State of California.

26.4 Attorneys' Fees And Court Costs. In the event that either City or Lessee shall bring or commence an action to enforce the terms and conditions of this Lease or to obtain damages against the other party arising from any default under or violation of this Lease, then the prevailing party shall be entitled to and shall be paid reasonable attorneys' fees and court costs therefor in addition to whatever other relief such prevailing party may be entitled.

26.5 Financial Statement; Inspection of Books and Records. Lessee shall submit to the City on an annual basis, not later than ninety (90) days after the last day of each Lease Year, an Audited Financial Statement for the operation of the Portion A Site and Improvements, which is prepared by a certified public accounting firm, including without limitation the information described in Section 6.6 hereof. In addition, City shall have the right (at Lessee's office, upon not less than forty-eight (48) hours' notice, and during normal business hours) to inspect the books and records of Lessee pertaining to the Portion A Site as pertinent to the purposes of this Lease and the AHA. Lessee also has the right (at City's office, upon not less than forty-eight (48) hours' notice, and at all reasonable times) to inspect the books and records of City pertaining to the Portion A Site as pertinent to the purposes of this Lease and the AHA.

26.6 Interest. Any amount due City that is not paid when due shall bear interest from the date such amount becomes due until it is paid. Interest shall be at a rate equal to the lesser of (i) ten percent (10%) per annum, compounded annually, on the first day of the month such amount becomes due, and (ii) the maximum rate permitted by applicable law.

26.7 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) mailing in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

City: City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

with a copy to each:	(delivery of which copies shall not constitute notice to City)
	Office of City Attorney 3970 Rocklin Road Rocklin, California 95677
Lessee:	Pacific Street Housing Associates Four, L.P., c/o Community HousingWorks 3111 Camino del Rio North, Suite 350 San Diego, California 92108 Attention: Kevin Leichner
with a copy to:	(delivery of which copy shall not constitute notice to Lessee) Gubb & Barshay 235 Montgomery Street, Suite 1110 San Francisco, California 94104 Attention: Nicole Kline
and a copy to:	NEF Assignment Corporation 540 W. Madison Street, Suite 1990 Chicago, Il 60661 Attention: General Counsel
and a copy to:	Bocarsly Emden Cowan Esmail & Arndt 633 West 5th Street, Suite 5880 Los Angeles, CA 90071 Attention: Rachel Rosner
and a copy to:	Cedar Rapids Bank and Trust Company 500 First Avenue NE, Suite 100 Cedar Rapids, Iowa 52401 Attention: Brad Curtin
and a copy to:	Winthrop & Weinstine, P.A. 225 South Sixth Street, Suite 3500 Minneapolis, Minnesota 55402 Attention: Robert P. Singleton

or to such other address as either party shall later designate for such purposes by written notice to the other party.

Notices shall be deemed effective upon receipt provided that the party to whom notice is being given has notified the other party of its current address, and otherwise upon the earlier of personal receipt or within seven (7) days after delivery thereof to the address(es) as provided above; provided, however that refusal to accept delivery after reasonable attempts thereto shall constitute receipt. Any notices attempted to be delivered to an address from which the receiving party has moved without notice to the delivering party shall be effective on the third day after the attempted delivery or deposit in the United States mail. Lessee and City hereby agree that any cure of any default made or tendered

by Lessee's limited partners shall be deemed to be a cure by Lessee and shall be accepted or rejected on the same basis as if made or tendered by Lessee.

26.8 Time is of the Essence. Time is of the essence in the performance of the terms and conditions of this Lease.

26.9 Non-Merger of Fee and Leasehold Estates. If both City's and Lessee's estates in the Portion A Site or the Improvements or both become vested in the same owner, this Lease shall nevertheless not be destroyed by application of the doctrine of merger except at the express election of City and Lessee's Mortgagee. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of City, terminate all or any existing sublease or subtenancies or may, at the option of City, operate as an assignment to City of any or all such existing subleases or subtenancies.

26.10 Holding Over. The occupancy of the Portion A Site after the expiration of the Term of this Lease shall be construed to be a tenancy from month to month, and all other terms and conditions of this Lease shall continue in full force and effect.

26.11 Conflict of Interest. No member, official or employee of City shall have any personal interest, direct or indirect, in this Lease nor shall any such member, official or employee participate in any decision relating to this Lease which affects his personal interests or the interests of any limited partnership, partnership or association in which he is directly or indirectly interested.

Lessee warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Lease.

26.12 Non-Liability of City Officials And Employees. No member, official, officer, employee, agent, or representative of City shall be personally liable to Lessee, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Lessee or successor or on any obligations under the terms of this Lease.

26.13 Relationship. The relationship between the parties hereto shall at all times be deemed to be that of landlord and tenant. The parties do not intend nor shall this Lease be deemed to create a partnership or joint venture.

26.14 Transactions with Affiliates. Lessee shall not have the right to enter into transactions with subsidiaries, affiliates and other related entities for the purpose of leasing space, providing cleaning, maintenance and repair services, insurance policies and other purposes related to the use and development of the Portion A Site and the Improvements, without the prior written approval of the City, which approval shall be given only if the City reasonably concludes that all such costs, charges and rents are competitive with the costs, charges, rent and other sums which would be paid by or to, as the case may be, an unrelated third party.

The City acknowledges that Lessee is entering into or has entered into a property management agreement with [to come], substantially in the form dated as of [to come], a copy of which is on file with the City (the "Designated Management Agreement"), on terms and conditions which have been reviewed by City, and City hereby expressly approves and consents to Lessee entering into the Designated Management Agreement. The approval of the Designated Management Agreement shall

not amend or modify any provision of this Lease. The final Designated Management Agreement shall be maintained on file with the City.

26.15 Waivers And Amendments. All waivers of the provisions of this Lease must be in writing and signed by the appropriate authorities of City or Lessee. The waiver by City of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by City shall not be deemed to be a waiver of any preceding breach of Lessee of any term, covenant or condition of this Lease, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent. Failure on the part of City to require or exact full and complete compliance with any of the covenants or conditions of this Lease shall not be construed as in any manner changing the terms hereof and shall not prevent City from enforcing any provision hereof.

All amendments or modifications hereto must be in writing and signed by the appropriate authorities of City and Lessee and, so long as the Partnership Agreement remains in effect, approved by the Limited Partner. The Leasehold Mortgagees permitted by this Lease shall not be bound by any waiver, modification, or amendment to this Lease without such Leasehold Mortgagee having given its prior written consent to same.

The Lessee's mortgagee permitted by this Lease shall not be bound by any waiver or amendment to this Lease without Lessee's mortgagee giving its prior written consent.

26.16 Non-Merger With AHA. None of the terms, covenants or conditions agreed upon in writing in the AHA and other instruments between the parties to this Lease with respect to obligations to be performed, kept or observed by Lessee or City in respect to the Portion A Site or any part thereof, shall be deemed to be merged with this Lease.

26.17 Entire Agreement; Duplicate Originals; Counterparts. Except as set forth in Section 26.16, this Lease sets forth the entire understanding of the parties with respect to Lessee's ground lease of the Portion A Site. This Lease is executed in three (3) duplicate originals and counterparts, each of which is deemed to be an original. This Lease includes forty-eight (48) pages, plus signature pages, and nine (9) exhibits, Exhibits A, B, C, D, E, F, G, H and I. The Exhibits are incorporated by reference herein.

26.18 Severability. If any provision of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforceable to the greatest extent permitted by law.

26.19 Terminology. All personal pronouns used in this Lease, whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of sections are for convenience only and neither limit nor amplify the provisions of this Lease itself. Except for terms expressly defined in this Lease, all terms shall have the same meaning as set forth in the AHA.

26.20 Recordation. A short form memorandum of this Lease, in the form attached hereto as Exhibit C, shall be recorded concurrently with the Closing. The failure to record such Memorandum shall not affect this Lease.

26.21 Binding Effect. This Lease, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

26.22 Estoppel Certificate. Each of the parties shall at any time and from time to time, but not more frequently than twice during any calendar year, upon not less than twenty (20) days' prior notice by the other, execute, acknowledge and deliver to such other party a statement in writing certifying that this Lease is unmodified and is in full force and effect (or if there shall have been modifications that this Lease is in full force and effect as modified and stating the modifications), and the dates to which the rent has been paid (which may be based upon the best knowledge of the party providing the certificate), and stating whether or not to the best knowledge of the signer of such certificate such other party is in default in performing or observing any provision of this Lease, and, if in default, specifying each such default of which the signer may have knowledge, and such other matters as such other party may reasonably request, it being intended that any such statement delivered by Lessee may be relied upon by City or any successor in interest to City or any prospective mortgagee or encumbrancer thereof, and it being further intended that any such statement delivered by City may be relied upon by any prospective assignee of Lessee's interest in this Lease or any prospective mortgagee or encumbrancer thereof. Reliance on any such certificate may not extend to any default as to which the signer of the certificate shall have had no actual knowledge.

26.23 Force Majeure. The time within which City or Lessee is obligated herein to perform any obligation hereunder, other than an obligation that may be performed by the payment of money, shall be extended and the performance excused when the delay is caused by fire, earthquake or other acts of God, pandemics, quarantine restrictions, strike, lockout, acts of public enemy, riot, insurrection or other cause beyond the control of the applicable party.

26.24 Quiet Enjoyment. City does hereby covenant, promise and agree to and with Lessee that Lessee, for so long as Lessee is not in default hereof, shall and may at all times peaceably and quietly have, hold, use, occupy and possess the Portion A Site throughout the Term.

26.25 City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by City, the City Manager or his or her designee is authorized to act on behalf of City unless specifically provided otherwise or the law otherwise requires.

26.26 No Third Parties Benefited Except for City, Limited Partner, and Approved Leasehold Mortgagee. This Lease is made for the purpose of setting forth rights and obligations of Lessee and City, and no other person (except for the City) shall have any rights hereunder or by reason hereof. Except for the City, the Limited Partner, and each leasehold mortgagee approved by City, each of which shall be deemed to be a third party beneficiary of this Lease, there shall be no third party beneficiaries of this Lease. City, in addition to City, shall have the authority to enforce this Lease.

26.27 Lessee's Limited Partners. Lessee has advised the City that concurrently with the execution of this Lease, the Limited Partner will be admitted to Lessee's partnership pursuant to the Partnership Agreement.

(a) Notwithstanding anything to the contrary contained in this Lease or the AHA, the respective interests of the Limited Partner shall be freely transferable and any amendment to Lessee's Partnership Agreement, to the extent such amendment effectuates such transfers, shall not

require City consent; provided that the Limited Partner and/or investor limited partner inform the City in writing of any such transfers.

(b) Notwithstanding anything to the contrary contained in this Lease or the AHA, the removal, or withdrawal in lieu of removal and replacement thereof, of Lessee's general partner(s) for cause in accordance with Partnership Agreement shall not require the consent of the City and/or the City and shall not constitute a default under this Lease or the AHA. Any amendment to Lessee's Partnership Agreement, to the extent such amendment effectuates such removal and/or withdrawal, and such admission of the substitute general partner shall not require Lessor consent.

(c) Notwithstanding anything to the contrary contained in this Lease or the AHA, if a default or event of default occurs under the terms of any of this Lease, prior to exercising any remedies thereunder, Lessor will give lessee and its Limited Partner written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Lessee shall have such period to effect a cure prior to exercise of remedies by Lessor under this Lease, or such longer period of time as may be specified in this Lease. If the default is such that it is not reasonably capable of being cured within thirty (30) days (or such longer period if so specified), and if Lessee (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Lessee shall have such additional time as is reasonably necessary to cure the default prior to the exercise of any remedies by Lessor.

Notwithstanding any provision of this Lease to contrary effect (including without the preceding portion of this Section 26.27), approval by the Limited Partner and notice to the Limited Partner shall not be required as of such time as Limited Partner does not hold an interest in the Project or Lessee's rights under this Lease.

26.28 Bankruptcy

If any case commenced by or against Lessor under Title 9 or 11 of the United States Code (the "Bankruptcy Code"), and Lessor elects to reject this Lease pursuant to the provisions of the Bankruptcy Code, such rejection will not terminate this Lease but will be treated only as a breach of this Lease by Lessor. Lessor further agrees that in any such bankruptcy case, Lessee shall be deemed in possession of the Project for purposes of Section 365(h) of the Bankruptcy Code, whether Lessee has retained actual occupancy and use, or has by sublease, assignment or license permitted third parties to occupy and use portions of the Project; and as a result, upon a rejection of the Lease by Lessor, Lessee shall have the right to elect to remain in possession of the Project under Section 365(h), Lessor acknowledges that the Approved Construction Lender and/or Permanent Lender, as applicable, shall have a lien on any rights and interests acquired or retained by Lessee as a result of Lessor's rejection of the Lease. Lessor further agrees that following rejection of the Lease, if Lessee assigns to Approved Construction Lender and/or Permanent Lender, or any third party its interest in the Lease or its interest or right to remain in possession of the leasehold estate under Section 365(h) of the Bankruptcy Code, then such assignee shall have all of the rights of Lessee, and Lessor will not assert that this Lease has been terminated, nor will Lessor otherwise attempt to limit, modify or prohibit the assignment of such interests. Lessor acknowledges that any Approved Construction Lender and/or Permanent Lender has in such bankruptcy case a power of attorney or other right to act for and on behalf of Lessee in relation to any proposed rejection or assumption of this Lease, and as such any Approved Construction Lender and/or Permanent Lender shall have standing to appear and act as a party to this Lease for purposes of Section 365 of the Bankruptcy Code (but no Approved Construction Lender and/or Permanent Lender shall have any obligations under this Lease unless such Leasehold Mortgagees expressly assumes the

same). Lessor shall, during its bankruptcy case, serve on each Approved Construction Lender and/or Permanent Lender and the Limited Partner a copy of all notices, pleadings or documents which would otherwise be given to Lessee, and service shall be contemporaneous with and in the same manner as given to Lessee.

26.29 Liens on Lessor's Fee Estate.

(a) Lessor represents and warrants to any Approved Construction and/or Permanent Lender that as of the date of this Lease, (i) Lessor has not caused Lessor's fee interest in the Portion A Site to be subject to a lien, and (ii) Lessor's predecessor-in-interest has not caused Lessor's fee interest in the Portion A Site to be subject to a lien.

(b) This Lease, and any first leasehold mortgage encumbering the leasehold interest created by this Lease, shall be and remain superior in priority to any fee mortgage hereafter encumbering the Portion A Site, and Lessor shall cause any fee mortgagee to execute and deliver to the holder of such first leasehold mortgage a written subordination agreement in form and substance satisfactory to such leasehold mortgagee providing further assurance of the superior priority of this Lease and the leasehold mortgage.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their lawfully authorized officers.

LESSOR:

CITY OF ROCKLIN, a municipal corporation

By:_____
Aly Zimmermann, City Manager

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

APPROVED AS TO FORM:

_____
Mark Huebsch, Consulting Attorney

[*signatures continue on following page*]

[*signatures continue from previous page*]

LESSEE:

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership

By: CHW Pacific Street Four LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President of Housing and Real Estate Development

EXHIBIT A

PORTION A SITE MAP

[to come]

EXHIBIT B

PORTION A SITE LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PLACER, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

[to come]

Assessor's Parcel Number:

EXHIBIT C

MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO (and mail tax statement to): City of Rocklin 3970 Rocklin Road Rocklin, CA 95677 Attention: City Manager	

Exempt from Recording Fee Pursuant to Government Code Section 27383.
Documentary transfer tax: $

APNs: _____

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is hereby made and dated as of _____ __, 202_ by and between the **CITY OF ROCKLIN**, a municipal corporation (the "City"), and **PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P.,** a California limited partnership (the "Lessee" or "Developer").

RECITALS

A. City and the Lessee have entered into an unrecorded ground lease dated as of _____ __, 202_, for that certain parcel of real property (the "Property") which is legally described in Addendum A attached hereto and incorporated herein by reference (the ground lease, as amended is hereafter referred to as the "Lease"). A copy of the Lease is on file as a public record with the City office at 3970 Rocklin Road, Rocklin, California. The term of the Lease is fifty-seven (57) years unless extended by action of City; in the event any such extension is granted by City, the extension will be effective without regard to whether City causes to be recorded a modification of this Memorandum. The Lease implements that certain unrecorded agreement between City and Lessee entitled "Amended and Restated Affordable Housing Agreement" dated as of October __, 2025 (the "AHA"); a copy of the AHA is on file with the City office as a public record.

B. The Lease provides that a short form memorandum of the Lease shall be executed and recorded in the Official Records of Placer County, California.

C. The Lease includes restrictions which limit the rents chargeable, the incomes of renters, as more fully set forth in the Lease. The Lease includes an option to purchase by the City, as referenced in the Lease and the AHA.

D. The Lease provides that Lessee shall pay taxes upon the assessed value of the entire Property, and not merely a leasehold interest, as provided pursuant to Section 33673 of the California Health and Safety Code, to the extent such Section 33673 is applicable.

NOW, THEREFORE, the parties hereto certify as follows:

City, pursuant to the Lease, has leased the Property to the Lessee upon the terms and conditions provided for therein. This Memorandum of Lease is not a complete summary of the Lease and shall not be used to interpret the provisions of the Lease.

CITY

CITY OF ROCKLIN,
a municipal corporation

By: _____
Aly Zimmermann, City Manager

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

LESSEE

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership

By: CHW Pacific Street Four LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President of Housing and Real Estate Development

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ADDENDUM A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PLACER, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

[to come]

Assessor's Parcel Number:

EXHIBIT D

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

TO: City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

The undersigned, _____, being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of [name to be conformed to Lease] [(the "Developer")], hereby represents and warrants that:

1. He/she has read and is thoroughly familiar with the provisions of that certain agreement entitled "Affordable Housing Agreement" by and between the City of Rocklin (referred to herein as "City") and the Developer dated as of [AHA Date] (the "AHA"), including without limitation the Regulatory Agreement, the City Lease, and other attachments thereto. Capitalized terms used herein shall have the same meaning as that set forth in the AHA; and

2. As of the date of this Certificate, the following number of completed residential units at the Portion A Site: (i) are currently occupied by Extremely Low Income Households at Affordable Rent; (ii) are currently occupied by Very Low Income Households at Affordable Rent; (iii) are currently occupied by Lower Income Households at Affordable Rent; (iv) are currently vacant and being held available for occupancy by an Extremely Low Income Household at Affordable Rent; (v) are currently vacant and being held available for occupancy by a Very Low Income Household at Affordable Rent; (vi) are currently vacant and being held available for occupancy by a Lower Income Household and have been so held continuously since the date a Lower Income Household vacated such unit. Developer shall also delineate which Units are occupied by Locals by means of annotations to the categories set forth below (and/or the submittal of additional reports, which shall be based upon the same reporting period, and which designate income levels, and availability as well as occupancy by households within such category [namely, Locals]):

Occupied at an Affordable Rent by:

i. Extremely Low Income Households (30%) _____# of Units, Nos.: _____
ii. Very Low Income Households (50%) _____# of Units, Nos: _____
iii. Low Income Households (60%) _____ # of Units, Nos.: _____

Vacant:

a. Held for occupancy by:

i. Extremely Low Income Households (30%) _____ # of Units, Nos.: _____
ii. Very Low Income Households (50%) _____ # of Units, Nos.: _____
iii. Lower Income Households (60%) _____ # of Units, Nos.: _____

b. Last occupied by:

i. Extremely Low Income Households (30%) _____# of Units, Nos.: _____
ii. Very Low Income Households (50%) _____ # of Units, Nos.: _____
ii. Lower Income Households (60%) _____ # of Units, Nos.: _____

3. At no time since the date of filing of the last Certification of Continuing Program Compliance have less than one hundred percent (100%) of the Required Affordable Units as completed units in the Project been occupied by, or been last occupied, or have been available for occupancy by Extremely Low Income Households, Very Low Income Households and/or Lower Income Households at an Affordable Rent.

4. The Developer is not in default under the terms of the AHA, including without limitation the attachments thereto (such as the City Lease and the City Regulatory Agreement).

(DEVELOPER)

PACIFIC STREET HOUSING ASSOCIATES FOUR, L.P., a California limited partnership

By: CHW Pacific Street Four LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President of Housing and Real Estate Development

EXHIBIT E

GROUND LEASE RIDER

THIS GROUND LEASE RIDER (the "Rider") is attached to and forms a part of that certain Ground Lease (the "Lease") by and between the City of Rocklin, as lessor (the "Landlord") and Pacific Street Housing Associates Four, L.P., a California limited partnership, as lessee (the "Tenant"). All capitalized terms used herein and not otherwise defined in this Rider shall have the meanings given that term in the Lease.

1. **TENANT'S RIGHT TO MORTGAGE:**

1.1 In addition to the Primary Construction Loan and the Primary Permanent Loan (which loans have been approved by Landlord prior to the commencement of the Term of the Lease), Tenant shall have the right, with Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed subject to Section 14 of the Lease, to mortgage the Lease and Tenant's leasehold interest by one or more deeds of trust (each, together with the mortgages of the Primary Construction Loan and the Primary Permanent Loan, a "Leasehold Mortgage"). Landlord shall base its review upon: (i) agreement by the new lender to be subject to the Lease, and the Regulatory Agreement to the same extent as the original (or, if applicable, subsequent) Approved Construction and/or Permanent Lender; (ii) agreement by the new lender to provide City with prior written notice and a reasonable opportunity to cure defaults; (iii) agreement by the new lender to provide City with the right to purchase from the lender such lender's interest in the event of foreclosure or deed of assignment in lieu of foreclosure for the outstanding amount of such loans as of foreclosure and such costs as such lender incurs in processing such foreclosure or deed or assignment in lieu of foreclosure; (iv) treatment of Cost Savings, if any, shall be in accordance with the AHA; (v) lender to be an Approved Permanent Lender; and (vi) the new loan will not reduce the debt service coverage below 1.15 to 1.00 or add additional bases for acceleration compared to the loan it replaces. No foreclosure (or deed or other transfer in lieu of foreclosure) under any Leasehold Mortgage shall require the consent of the Landlord under, or constitute a breach or default under, the Lease. In the event a Leasehold Mortgagee shall acquire title to Tenant's leasehold interest by foreclosure (or deed or other transfer in lieu of foreclosure), such Leasehold Mortgagee may freely assign such leasehold interest to an assignee agreeing unconditionally to be bound by and be subject to the Lease as well as covenants of record as to the subject property after notice to but without the consent of Landlord, and thereupon Leasehold Mortgagee shall be released from all liability for performance or observance of the covenants and conditions in the Lease from and after the date of such assignment.

1.2 If Tenant shall mortgage the Lease and Tenant's leasehold estate hereunder, then Tenant or the holder (each, a "Leasehold Mortgagee") of such mortgage shall forward to Landlord:

(a) an executed counterpart of the mortgage or mortgages, in form proper for recording, or, at Tenant's option, a true copy of such mortgage or mortgages; and

(b) a written notice setting forth the name and address of the holder of such mortgage.

In the event of any assignment of the mortgage or mortgages held by a Leasehold Mortgagee, or change in its name and/or address, the assignee of the Leasehold Mortgagee shall give written notice thereof to Landlord, changing the name of the Leasehold Mortgagee and/or the address to which copies of notices are to be sent.

1.3 Until the time, if any, that each Leasehold Mortgage shall be satisfied of record, or each Leasehold Mortgagee shall give to Landlord written notice that the Leasehold Mortgage held by it has been satisfied:

a. no surrender or acceptance of the Property, or cancellation, termination, amendment or modification of the Lease, shall be binding upon any Leasehold Mortgagee, or affect any Leasehold Mortgage, if the same is effectuated without the prior written consent of such Leasehold Mortgagee;

b. if Landlord shall give any notice of default and/or termination to Tenant under the Lease, Landlord shall, at the same time and in the same manner, give a copy of such notice to each Leasehold Mortgagee at the respective address theretofore designated by each of them; and

c. no notice of default and/or termination given by Landlord to Tenant shall be binding upon, or affect, any Leasehold Mortgagee, unless a copy of such notice shall be given to such Leasehold Mortgagee.

1.4 Each Leasehold Mortgagee shall be afforded the right, but not the obligation, to perform any term, covenant, or condition of the Lease to be performed by Tenant, as well as to remedy any default by Tenant hereunder, and Landlord shall accept such performance by any Leasehold Mortgagee with the same force and effect as if furnished by Tenant, provided, however, that the Leasehold Mortgagee shall not thereby or hereby be subrogated to the rights of Landlord. Additionally, Tenant may delegate irrevocably to any Leasehold Mortgagee(s) the authority to exercise any or all of Tenant's rights hereunder, including, but not limited to the right of the Leasehold Mortgagee to participate (in conjunction with or to the exclusion of Tenant) in any proceeding, arbitration or settlement involving condemnation or eminent domain affecting Tenant's leasehold interest in the Property, but no such delegation shall be binding upon Landlord unless and until either Tenant or the Leasehold Mortgagee in question shall give to Landlord a true copy of a written instrument effecting such delegation, in form required for recording. Such delegation of authority may be effected by the terms of a Leasehold Mortgage itself, in which event the service upon Landlord of an executed counterpart or certified copy of the Leasehold Mortgage in accordance with Section 2, together with a written notice specifying the provisions therein that delegate such authority to such Leasehold Mortgagee, shall be sufficient to give Landlord notice of such delegation. Any provision of the Lease that gives a Leasehold Mortgagee the privilege of exercising a particular right of Tenant hereunder on condition that Tenant shall have failed to exercise such right shall not be deemed to diminish any privilege that any Leasehold Mortgagee may have, by virtue of a delegation of authority from Tenant, to exercise such right without regard to whether or not Tenant shall have failed to exercise such right. No foreclosure (or deed or other transfer of foreclosure) under any Leasehold Mortgage shall require the consent of Landlord under, or constitute a breach or default under, the Lease.

1.5 If:

(a) Tenant shall default under the provisions of the Lease and Landlord shall give notice of such default as provided under the provisions of the Lease;

(b) such default shall not be remedied within any applicable grace and/or cure period pursuant to the provisions of the Lease; and

(c) Landlord, by reason of such default, shall become entitled to (i) re-enter the Property or the improvement thereon, or (ii) terminate the Lease or (iii) bring a proceeding to dispossess Tenant and/or any other occupants of the Property or improvements thereon, re-enter the Property and/or improvements thereon and/or terminate the Lease,

then, before so re-entering the Property or the improvements, terminating the Lease or commencing such proceeding, and as a condition precedent thereto, Landlord shall:

(x) give to each Leasehold Mortgagee not less than sixty (60) days additional written notice as to a monetary default (specifying the amount and description thereof to the extent then known to Landlord) or default in furnishing any insurance required to be furnished by Tenant hereunder, or ninety (90) days' additional written notice of any non-monetary default (which shall specify in detail the nature of such default); and

(y) allow each Leasehold Mortgagee:

(A) such sixty (60) days or ninety (90) days (as the case may be) within which to cure the default; or

(B) if such default is a non-monetary default (other than a default in furnishing any insurance required to be furnished by Tenant hereunder) and cannot, with the exercise of due diligence, be cured by such Leasehold Mortgagee within such ninety (90) day period, then provided:

(i) prior to the expiration of such ninety (90) day period, such Leasehold Mortgagee has delivered to Landlord an instrument in writing duly executed and acknowledged wherein it agrees to use reasonable efforts to cure such default; and

(ii) such default is susceptible of being cured by Leasehold Mortgagee without regard to whether Leasehold Mortgagee has possession of the Property and such Leasehold Mortgagee shall, prior to the expiration of such ninety (90) day period, have commenced curing such default, then such ninety (90) day period shall be extended, as long as such Leasehold Mortgagee diligently pursues the curing of such default with continuity, for such period as may be necessary to cure same provided that such period of time shall not be so extended if to do so would subject Landlord to any criminal or civil liability or the cancellation of any insurance required to be maintained by Tenant or the inability to obtain any such insurance.

Nothing herein contained shall affect the right of Landlord, upon occurrence of any subsequent default, to exercise any right or remedy herein reserved to Landlord, subject, however, to the provisions of this Section.

1.6 If:

(a) Tenant shall default in the performance or observance of any term, covenant, or condition of the Lease on Tenant's part to be performed or observed, other than a term, covenant or condition requiring the payment of a sum of money; and

(b) such default is of such a nature that the same either:

(i) cannot practicably be cured by a Leasehold Mortgagee without taking possession of the Property and/or the improvements thereon; or

(ii) is not susceptible of being cured by any Leasehold Mortgagee, then Landlord shall not:

(x) re-enter the Property and/or the improvements thereon or serve a notice of election to terminate the Lease;

(y) bring a proceeding to dispossess Tenant and/or any other occupants of the Property or the improvements, re-enter the Property and/or the improvements and/or terminate the Lease; or

(z) otherwise terminate the leasehold estate of Tenant hereunder,

If, and for so long as:

(A) a Leasehold Mortgagee shall deliver to Landlord, prior to the date on which Landlord shall be entitled to give notice of election to terminate the Lease or re-enter the Property and/or the improvements, a written instrument, duly executed and acknowledged, in which the Leasehold Mortgagee agrees that:

(X) it will use reasonable efforts to cure such default to the extent the same is susceptible of being cured by the Leasehold Mortgagee, nominee or purchaser; and

(Y) if the Lease thereafter is terminated, or Landlord thereafter re-enters the Property and/or the improvements prior to the curing of such default, the Leasehold Mortgagee shall pay to Landlord the cost of curing such default; and

(B) if the default is of such a nature that same cannot practicably be cured by a Leasehold Mortgagee without taking possession of the Property and/or the improvements, a Leasehold Mortgagee shall proceed diligently, subject to any stay in any proceedings involving the insolvency of Tenant or any other proceeding, stay or injunction, to obtain possession of the Property and/or the improvements by foreclosure or deed in lieu of foreclosure, and, upon obtaining such possession, shall promptly cure such default; and

(C) if the default is of such a nature that the same is not susceptible of being cured by such Leasehold Mortgagee, a Leasehold Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion, subject to any stay in any proceedings involving the insolvency of Tenant or other proceeding, stay or injunction (unless, in the meantime, the Leasehold

Mortgagee shall acquire Tenant's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure).

1.7 No Leasehold Mortgagee shall be required to continue to proceed to obtain possession, or to continue in possession as mortgagee, of the Property or the Improvements pursuant to subsection (b)(B) of Section 1.6 or to continue to prosecute foreclosure proceedings pursuant to subsection (b)(C) of Section 1.6 if and when Tenant's default shall be cured. Nothing contained in Section 1.6 shall preclude Landlord from exercising any of its rights or remedies with respect to any other default by Tenant during any period of Landlord's forbearance under Section 1.6 but, in such event, if any Leasehold Mortgagee, any nominee thereof, or any purchaser at a foreclosure sale shall:

(a) acquire title to Tenant's leasehold estate hereunder; and

(b) thereafter exercise reasonably diligent efforts to cure all non-monetary defaults of Tenant hereunder that are susceptible of being cured by such Leasehold Mortgagee, nominee or purchaser, as the case may be; the defaults of any prior holder of Tenant's leasehold estate hereunder that are not susceptible of being cured by such Leasehold Mortgagee, nominee or purchaser exercising such efforts shall no longer be deemed to be defaults hereunder; and

(c) If the initial construction of the Improvements on the Property is not yet complete, Leasehold Mortgagee or any purchaser at a foreclosure sale shall have thirty-six (36) months from the date of acquiring the Tenant's leasehold estate to complete construction of the Development in accordance with the terms of this Lease.

1.8 If, for any reason, the Lease shall be terminated prior to the Expiration Date, Landlord will give each Leasehold Mortgagee written notice of such fact and shall also, on the written request of any Leasehold Mortgagee made within sixty (60) days of such termination (or, if later, within sixty (60) days after Landlord gives each Leasehold Mortgagee written notice of such termination), enter into a new lease of the Property with such Leasehold Mortgagee, within thirty (30) days after the receipt of such request, for the remainder of the term, effective as of the date of such termination, at the rent, and upon the other terms, covenants and conditions herein contained, subject, however, to the rights, if any, of the parties then in possession of any part of the Property, and provided that all then existing defaults shall be deemed cured.

In the event that more than one Leasehold Mortgagee qualifies to receive a new lease pursuant to the terms of this Section, such new lease shall be entered into with the holder of the Leasehold Mortgagee that is most senior in priority. Upon the execution and delivery of such new lease, any subleases that may have theretofore been assigned and transferred to Landlord shall thereupon be assigned and transferred, without recourse by Landlord, to the new tenant; and

(a) after such termination and cancellation of the Lease and prior to the expiration of the period within which Leasehold Mortgagee may elect to obtain a new lease from Landlord, Landlord shall refrain from terminating any existing sublease or otherwise encumbering the Property without the prior written consent of Leasehold Mortgagee. Any new lease granted Leasehold Mortgagee shall be in the form substantially similar to the Lease and shall enjoy the same priority in time and in right as the Lease over any lien, encumbrance or other interest created by Landlord before or after the date of such new lease and shall vest in Leasehold Mortgagee all right, title, interest, power and privileges of Tenant hereunder in and to the Property, including, without limitation, the assignment

of Tenant's interest in and to all then existing subleases and sublease rentals and the automatic vesting of title to all Improvements, fixtures and personal property of Lessee in Leasehold Mortgagee. Such new lease shall provide, with respect to each and every permitted sublease which immediately prior to the termination of the Lease was superior to the lien of the Leasehold Mortgagee that Leasehold Mortgagee shall be deemed to have recognized the sublessee under the sublease, pursuant to the terms of the sublease as though the sublease had never terminated but had continued in full force and effect after the termination of the Lease, and to have assumed all the obligations of the sublessor under the sublease accruing from and after the termination of the Lease, except that the obligation of the new lessee, as sublessor, under any covenant of quiet enjoyment, expressed or implied, contained in any such sublease shall be limited to the acts of such new lessee and those claiming by, under or through such new lessee.

1.9 The rights hereunder of the Leasehold Mortgagees shall be exercisable by them in order of priority of lien of their respective Leasehold Mortgages. The liability of any Leasehold Mortgagee acquiring Tenant's interest hereunder shall be limited to such Leasehold Mortgagee's then interest in the Property.

1.10 No Leasehold Mortgagee shall be liable, as tenant, under the provisions of the Lease unless and until such time as it becomes, and then only for as long as it remains, the owner of Tenant's interest hereunder.

1.11 Notwithstanding anything to the contrary contained in the Lease, all proceeds arising from any casualty insurance, business interruption insurance, rental loss insurance or similar insurance policy relating to the Property and/or any improvements now or hereafter located thereon, and all proceeds of any award or payment made in connection with any condemnation or eminent domain proceeding (or deed or other transfer under threat of the same or in lieu thereof) involving all or any part of the Property and/or any improvements now or hereafter located thereon, shall be paid to the Leasehold Mortgagees for application in accordance with their respective Leasehold Mortgages.

1.12 Landlord shall, within thirty (30) days after the written request of any Leasehold Mortgagee:

(a) acknowledge in writing to them, or to any of them, the receipt by Landlord of any notice or instrument given, sent, or delivered to Landlord pursuant to the provisions of this Article; and/or

(b) furnish to them, or to any of them, a written statement, duly acknowledged, of the following items:

(i) the amount of net rental due, if any, and amounts due in connection with the failure by Lessee to satisfy the Ancillary Duties or any other provisions of this Lease;

(ii) whether the fire and other insurance required by the Lease have been supplied in compliance therewith;

(iii) whether the Lease is unmodified and in full force and effect (or, if there have been modifications, that the same are in full force and effect as modified and stating the modifications);

(iv) whether, to the best knowledge and belief of Landlord, Tenant is in default, specifying the nature of any known default and any pertinent facts with respect thereto;

(v) whether Landlord has given Tenant any notice of default under the lease, and if given, whether the default set forth therein remains uncured; and

(vi) such other matters as the Leasehold Mortgagee may reasonably request.

Any such statement shall be for the sole benefit of the Leasehold Mortgagee and shall have no effect, as an estoppel or otherwise, with respect to any third party.

2. Notwithstanding anything to the contrary contained elsewhere herein, upon the acquisition by any Leasehold Mortgagee of leasehold title to the Property, whether by foreclosure, deed in lieu of foreclosure, acceptance of a new lease pursuant to the terms of the Lease or otherwise, (i) the obligation to pay past due rent under the Lease (or any such new lease) and to pay any other amounts then due by the original Tenant, shall irrevocably terminate, excepting only in the event [to come: Lessee], CHW, or an Affiliated Person other than an Approved Construction and/or Permanent Lender shall become owner of the Portion A Site (whether of a leasehold or greater interest) in which event rent will be restored to the rent set forth in Section 5.1 of the Lease and (ii) rent shall be payable prospectively in the manner and at the amounts determined under the Lease.

3. Notwithstanding anything to the contrary set forth in this Lease, commencing upon the completion of a Foreclosure Event and continuing for the remainder of the Term hereof, but expressly subject to compliance with the Regulatory Agreement, Tenant shall only be required to make available, restrict occupancy to, and rent all of the Required Affordable Units to Lower Income Households at Affordable Rent; provided that the foregoing portion of this Section 3 shall cease to be effective and the Affordability Requirements shall be restored to effectiveness in the manner originally set forth as to the Prescribed Income Levels in the event [to come], CHW or an Affiliated Person other than an Approved Construction and/or Permanent Lender shall become owner of the Portion A Site (whether of a leasehold or greater interest).

EXHIBIT F

Insurance During Construction

Lessee shall procure or provide evidence to confirm that Lessee or contractor(s) has procured and will maintain for the duration of the contract, *and for 5 years thereafter* [City will review insurance requirements as part of review of the Proof of Financing Commitments], insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Lessee and/or Lessee's contractor, his agents, representatives, employees, or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$5,000,000** per occurrence. Such limits may be achieved through the combination of primary general lability and one or more umbrella/excess liability policy(ies).
2. **Automobile Liability**: Insurance Services Office Form CA 0001 covering all owned (if any), non-owned and hired automobiles, with limits no less than **$5,000,000** per accident for bodily injury and property damage. Such limits may be achieved through the combination of primary general liability and one or more umbrella/excess liability policy(ies).
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **$1,000,000** per accident for bodily injury or disease.
4. **Builder's Risk** (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
5. **Surety Bonds** as described below.
6. **Professional Liability** (if Design/Build), with limits no less than **$2,000,000** per occurrence or claim, and **$2,000,000** policy aggregate. This coverage is to be provided by the architect and/or design-build general contractor providing such professional services
7. **Contractors' Pollution Liability** and/or Asbestos Legal Liability (if project involves environmental hazards) with limits no less than **$1,000,000** per occurrence or claim, and **$2,000,000** policy aggregate. This coverage may be provided by the general contractor.

If the Lessee or contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the either. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Lessee or contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be

satisfied by either the named insured or City. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds $100,000 unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Lessee or contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Lessee or contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named Insured. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Lessee or contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Lessee or contractor. General liability coverage can be provided in the form of an endorsement to the Lessee or contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
2. For any claims related to this project, the **Lessee or contractor's insurance coverage shall be primary and non-contributory** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Lessee or contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.
3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City.

Builder's Risk (Course of Construction) Insurance

Lessee or contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall **name the City as a loss payee** as their interest may appear.

Claims Made Policies

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
3. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Lessee or contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the City for review.

5. If the services involve lead-based paint or asbestos identification/remediation, the Lessee or contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Lessee or contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Umbrella or Excess Policies

The Lessee or contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Lessee or contractor's primary and excess liability policies are exhausted.

Acceptability of Insurers

Insurance is to be placed with insurers approved to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City.

Waiver of Subrogation

Lessee or contractor hereby agrees to waive rights of subrogation which any insurer of Lessee or contractor may acquire from Lessee or contractor by virtue of the payment of any loss. Lessee or contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the City for all work performed by the Lessee or contractor, its employees, agents and subcontractors or contractors.

Verification of Coverage

Lessee or contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee or contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Lessee or contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Lessee or contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors or contractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

Duration of Coverage

CGL & Excess liability policies **for any construction related work, including, but not limited to, maintenance, service, or repair work**, shall continue coverage for a minimum of 5 years for Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***

Surety Bonds
Lessee or contractor shall provide the following Surety Bonds:

1. Performance Bond
2. Payment Bond
3. Maintenance Bond

The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, approved to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Special Risks or Circumstances
City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

EXHIBIT G

Insurance During Remainder of Lease Term

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee. [City will review insurance requirements as part of review of the Proof of Financing Commitments].

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **$1,000,000** per accident for bodily injury or disease. (This applies to lessees with employees).
3. **Property insurance** against risks of loss (ISO "Special Form" perils) to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Lessee.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the **Lessee's insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation

Lessee hereby grants to City a waiver of any right to subrogation which any insurer of said Lessee may acquire against the City by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Lessee to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds $100,000 unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Lessee who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Lessee to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with insurers approved to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Lessee shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

EXHIBIT H

Map of the Adjacent City Parking Area

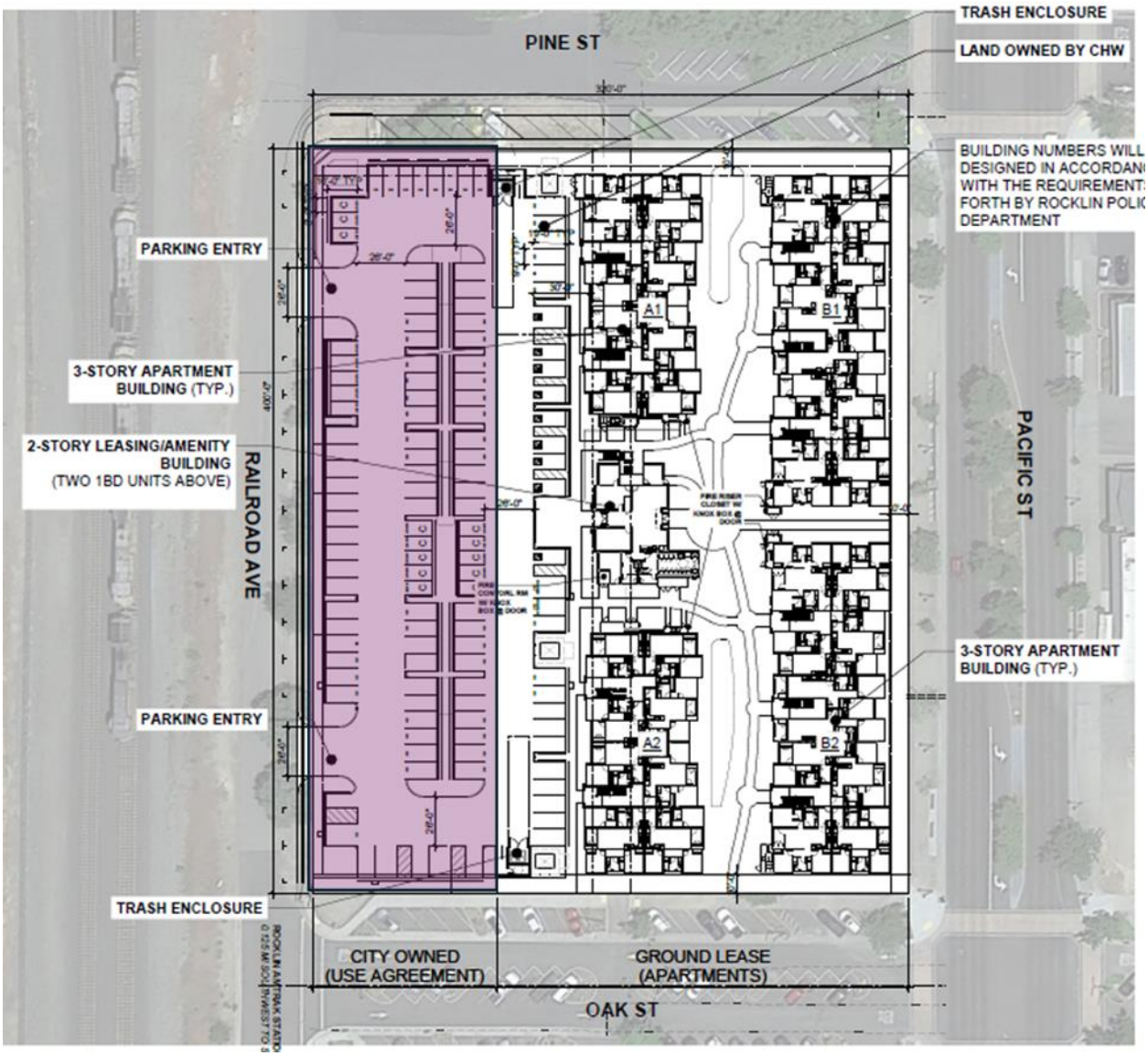
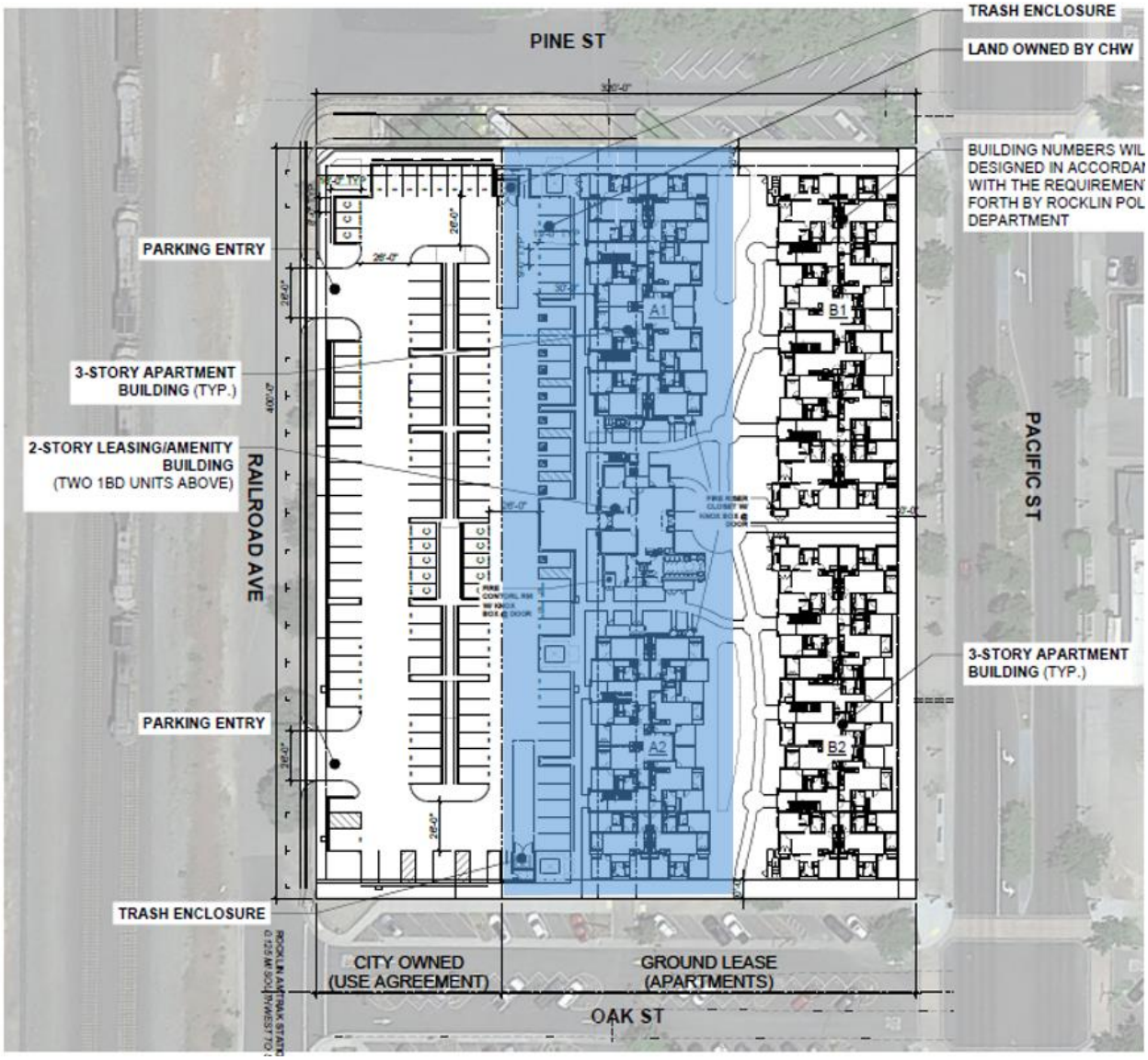


EXHIBIT I

Map of the Portion B Area



CITY OF ROCKLIN

RESOLUTION NO. 2025-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROCKLIN APPROVING AN AFFORDABLE HOUSING AGREEMENT BY AND BETWEEN THE CITY AND PACIFIC STREET HOUSING ASSOCIATES NINE, L.P., A CALIFORNIA LIMITED PARTNERSHIP

WHEREAS, the City of Rocklin ("City") previously established a redevelopment agency within the corporate limits of the City, which redevelopment agency was known as the "Rocklin Redevelopment Agency" (the "Former Agency"); and

WHEREAS, in connection with the exercise of its public functions, including utilizing certain revenues of the Former Agency to promote affordable housing, the Former Agency established and maintained a low and moderate income housing fund (the "LMIHF"); and

WHEREAS, the State of California eliminated all redevelopment agencies within the State, including without limitation the Former Agency. In connection with activities related to the dissolution of the Former Agency, the City was designated as the housing successor entity to the Former Agency related to affordable housing; the City received the LMIHF moneys as well as certain land which had been acquired by the Fonner Agency, including without limitation certain land located generally at Pacific, Oak and Pine, and is more particularly described in the "Affordable Housing Agreement" as defined below; that property is referred to herein as the "Original Property"; and

WHEREAS, the City has desired to attract an experienced developer and operator of affordable rental housing to accomplish the development of the Original Property for affordable rental housing; and

WHEREAS, as part of the efforts of the City with regard to the Original Property, the City issued a notice of availability as to the Original Property and conducted further efforts in furtherance of California laws and regulations pertaining to the disposition of surplus property; and

WHEREAS, after various proposals were evaluated, the City identified Community HousingWorks, a California nonprofit public benefit corporation ("CHW") as the respondent with the highest number of proposed units and deepest levels of affordability, and staff entered into negotiations toward an agreement providing for the disposition of the Original Property and its operation for affordable rental housing purposes; and

WHEREAS, the City and CHW entered into an agreement entitled “Affordable Housing Agreement”, dated as of November 8, 2022 (the “Original Agreement”) under which it was contemplated that the City would ground lease the Original Property to CHW or one or more subsidiaries of CHW upon which the construction of improvements dedicated to affordable rental housing to households of limited income will be accomplished on the Original Property.

The Original Agreement included a commitment of certain moneys previously committed by the City as such commitment was made by letter in May of 2022 (the "Original Funding Commitment"); and

WHEREAS, subsequent to entering into the Original Agreement, CHW provided a proposal under which property generally conforming to the Original Property would be divided into two portions, an approximately 0.42 acre parcel (the "Portion A Site") and a second area comprised of approximately 2.51 acres (the "Portion B Area"). CHW created two separate entities, with the first (Pacific Street Housing Associates Four, L.P., a California limited partnership [herein the "9% Developer"]) to develop an affordable housing project on the Portion A Site, and a second entity (Pacific Street Housing Associates Nine, L.P., a California limited partnership [herein, the "9% Developer"]) to develop the Portion B Area; and

WHEREAS, under the Original Agreement, it was contemplated that CHW would apply for and secure a commitment of federal low income housing tax credits ("Tax Credits") for each of the Portion A Site and the Portion B Area; and

WHEREAS, the 9% Developer has proposed to City to enter into an agreement with City entitled "Affordable Housing Agreement" (the "9% Agreement") in the form submitted herewith; and

WHEREAS, under the 9% Agreement, the 9% Developer would construct improvements referenced in the 9% Agreement (including without limitation all requirements under land use approvals by City (whether made heretofore or hereafter) and to construct fifty (50) rental housing units thereon, all of which would be restricted to households of limited income as more particularly set forth in the 9% Agreement; and

WHEREAS, the 9% Agreement furthers the affordable housing goals of the Former Agency as well as the affordable housing goals of the City as it will facilitate the creation of affordable rental housing; and

WHEREAS, the Legislature declares in Health and Safety Code Section 36000, et seq., that new forms of cooperation with the private sector, such as leased housing, disposition of real property acquired through redevelopment, development approvals, and other forms of housing assistance may involve close participation with the private sector in meeting housing needs, without amounting to development, construction or acquisition of low rent housing projects as contemplated under Article XXXIV of the State Constitution; and

WHEREAS, Health and Safety Code Section 37001.5 provides that a public body does not develop, construct or acquire a low rent housing project under Article XXXIV of the State Constitution when the public body provides assistance to a low rent housing project and monitors construction or rehabilitation of the project to the extent of carrying out routine governmental functions, performing conventional activities of a lender, and imposing constitutionally mandated or statutorily authorized conditions accepted by a grantee of assistance; and

WHEREAS, under the 9% Agreement, the City would ground lease the Portion B Area to the 9% Developer, would act as the local land use authority, and would impose restrictions on incomes and rents consistent with the requirements of the sources of the funding that will be utilized by the City; and

WHEREAS, the 9% Agreement provides for the City's monitoring of construction of the Project to the extent of carrying out routine governmental functions, performing conventional activities of a lender, and imposing constitutionally mandated or statutorily authorized conditions accepted by a grantee of assistance; and

WHEREAS, subsequent to the approval of the Original Agreement, State law has been amended to the effect that affordable housing projects funded in whole or in part using Tax Credits are exempt from the requirement of obtaining Article XXXIV approval; and

WHEREAS, under the 9% Agreement, the 9% Developer shall lease the Portion B Area from the City at rent described in a report to the City and City Council concerning the 9% Agreement (the "Report"); the Report, which has been on file with the City Clerk prior to the meeting at which the 9% Agreement is to be considered, contains information similar to that described in Section 33433 of the California Health and Safety Code. The financial participation, if any, by the City under the 9% Agreement (including the ground leasing of the Portion B Area at the rental rate provided therein) is in consideration of the particular uses required by the 9% Agreement to be conducted by the 9% Developer on the Portion B Area as well as the 9% Developer's undertakings concerning the development and operation of improvements for affordable rental housing; and

WHEREAS, the City, as a municipal corporation and as a housing successor entity, 1s authorized to ground lease the Portion B Area on the basis described herein; and

WHEREAS, a public hearing of the City Council on the proposed Agreement was duly noticed substantially in the manner described at Health and Safety Code Sections 33431 and 33433; and

WHEREAS, the proposed 9% Agreement, and a summary report were available for public inspection prior to the public hearing; and

WHEREAS, on November 18, 2025, the City Council held a public hearing on the proposed 9% Agreement, at which time the City Council reviewed and evaluated all of the information, testimony, and evidence presented during the public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereafter "CEQA") requires analysis of agency approvals of discretionary "projects". Under Section 15378 of the California Code of Regulations, Title 14,

Division 6, Chapter 3 (“CEQA Guidelines"), a "project" may include "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment"; and

WHEREAS, City staff has reviewed the proposed 9% Agreement in relation to the provisions of the California Environmental Quality Act (CEQA) and has determined that the approval of the 9% Agreement is exempt from additional environmental processing at this time in view of the rationale provided below; and

WHEREAS, the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the development of the Portion B Area pursuant to the 9% Agreement is in the best interests of the City of Rocklin and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROCKLIN DOES RESOLVE AS FOLLOWS:

Section 1. The proposed 9% Agreement is not subject to review under CEQA pursuant to CEQA Guidelines Sections 15060(c)(2) and 15061 (b)(3) of the California Does of Regulations, Title 14, Division 6, Chapter 3 ("CEQA Guidelines") as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and there is no possibility the activity in question may have a significant effect on the environment.

Section 2. The City Council hereby determines that the assistance to be provided pursuant to the 9% Agreement does not constitute development, construction or acquisition of a low-rent housing project within the meaning of Article XXXIV of the State Constitution. This Resolution is hereby deemed to constitute a final approval of a proposal which may result in housing assistance benefiting persons of low income, within the meaning of Health and Safety Code Section 36005 in the event an exemption based upon use of Tax Credits in funding a housing project is for any reason inapplicable.

The City Council hereby determines, in the alternative, that the proposed project is exempt from the application of Article XXXIV based upon the circumstances that the proposed project is to be funded in whole or in part utilizing Tax Credits.

Section 3. The City Council finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the City's disposition of the Portion B Area by ground lease pursuant to the terms and conditions of the 9% Agreement is not less than the fair reuse (lease) value at the use and with the covenants and conditions and development costs authorized by the 9% Agreement.

Section 4. The City Council finds and determines that the statements set forth in the preceding Recitals hereof are true and correct.

Section 5. The City Council approves the 9% Agreement in substantially the

form presented to the City Council, subject to such revisions as may be made by the City Manager of the City or the City Manager's designee. A copy of the 9% Agreement when executed by the City shall be placed on file in the office of the City Clerk.

Section 6. The City Manager, or the City Manager's designee, is hereby authorized to execute the 9% Agreement as well as instruments necessary or convenient to implement its terms, and to approve all financial transactions, budgets, and appropriations needed to carry out the financing in connection with the 9% Agreement in accordance with the law and City policy.

APPROVED AND ADOPTED this 18th day of November, 2025.

By: _____

Avinta Singh, City Clerk

STATE OF CALIFORNIA)
COUNTY OF PLACER)
CITY OF ROCKLIN)

I, Avinta Singh, City Clerk of the City of Rocklin, do hereby certify that the foregoing Resolution No. 2025-___ was introduced and adopted at a regular meeting provided by law of the City Council of the City of Rocklin held on the 18th day of November, 2025, by the following vote of the members thereof:

AYES:
NOES:
ABSENT:
ABSTAIN:

AFFORDABLE HOUSING AGREEMENT

by and between the

CITY OF ROCKLIN

and

PACIFIC STREET HOUSING ASSOCIATES NINE, L.P., a California limited partnership

(Portion B Area: 9% Tax Credits)

TABLE OF CONTENTS

Page

1. DEFINITIONS AND INTERPRETATION 2
   - 1.1 Defined Terms 2
   - 1.2 Singular and Plural Terms 14
   - 1.3 References and Other Terms 14
   - 1.4 Exhibits Incorporated 14
   - 1.5 Representations and Warranties 14
   - 1.6 Condition of the Portion B Area 16

2. THE PORTION B AREA, SCOPE OF DEVELOPMENT AND SCHEDULE OF PERFORMANCE 19
   - 2.1 The Portion B Area 19
   - 2.2 Scope of Development 19

3. DISPOSITION OF THE PORTION A SITE 19
   - 3.1 Tentative Map and Final Map 19
   - 3.2 Lease of the Portion of the Portion B Area 20
   - 3.3 Escrow 20
   - 3.4 Review of Title 22
   - 3.5 Title Insurance 23
   - 3.6 Financing Package 23

4. CONDITIONS TO DEVELOPER POSSESSION OF THE PORTION A SITE 23
   - 4.1 City Conditions Precedent 23
   - 4.2 Developer Conditions Precedent 25

5. SCOPE OF DEVELOPMENT; INSURANCE AND INDEMNITY, FINANCING 26
   - 5.1 Scope of Development 26
   - 5.2 Time of Performance; Progress Reports 27
   - 5.3 Cost of Development 28
   - 5.4 [RESERVED] 28
   - 5.5 Insurance Requirements 28
   - 5.6 Obligation to Repair and Restore Damage Due to Casualty 28
   - 5.7 Indemnity 29
   - 5.8 Rights of Access 30
   - 5.9 Compliance With Laws 30
   - 5.10 Nondiscrimination in Employment 31
   - 5.11 Taxes and Assessments 31
   - 5.12 Liens and Stop Notices 31
   - 5.13 Certificate of Completion 32
   - 5.14 Further Assurances 32
   - 5.15 Financing of the Improvements 32
   - 5.16 Holder Not Obligated to Construct Improvements 38
   - 5.17 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure 38
   - 5.18 Failure of Holder to Complete Improvements 38
   - 5.19 Right of City to Cure Mortgage or Deed of Trust Default 39

6. COVENANTS AND RESTRICTIONS 39
6.1 Use Covenants 39
6.2 Affordable Housing Requirements 40
6.3 [Reserved] 43
6.4 Maintenance of the Portion B Area 43
6.5 Nondiscrimination Covenants 43
6.6 Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction 44

7. DEVELOPER'S GENERAL REPRESENTATIONS AND WARRANTIES 45
7.1 Formation, Qualification and Compliance 45
7.2 Execution and Performance of Project Documents 45
7.3 Covenant Not to Transfer Except in Conformity 45

8. DEFAULTS, REMEDIES, AND TERMINATION 46
8.1 Default Remedies 46
8.2 Institution of Legal Actions 46
8.3 Termination by Developer 46
8.4 Termination by City 47
8.5 Acceptance of Service of Process 47
8.6 Rights and Remedies Are Cumulative 48
8.7 Inaction Not a Waiver of Default 48
8.8 Applicable Law 48
8.9 Covenant Provisions; Certain Amendments 48
8.10 Enforced Delay; Extension of Times of Performance 48
8.11 Transfers of Interest in Agreement or of the Portion B Area 49
8.12 Non-Liability of Officials and Employees of City 50
8.13 Relationship Between City and Developer 50
8.14 City Approvals and Actions 51
8.15 Real Estate Brokers 51
8.16 Attorneys' Fees 51
8.17 Non-recourse Liability of Developer 51

9. MISCELLANEOUS 51
9.1 Obligations Unconditional and Independent 51
9.2 Notices 51
9.3 Survival of Representations and Warranties 52
9.4 No Third Parties Benefited Except for City; AB 987 53
9.5 Binding Effect; Assignment of Obligations 53
9.6 Option 53
9.7 Mandatory Assignment 55
9.8 Counterparts 55
9.9 Prior Agreements; Amendments; Consents 55
9.10 Governing Law 56
9.11 Severability of Provisions 56
9.12 Headings 56
9.13 Conflicts 56
9.14 Time of the Essence 56
9.15 Conflict of Interest 56

9.16 Cure by Limited Partner 56
9.17 Warranty Against Payment of Consideration 57

ATTACHMENTS

ATTACHMENT NO. 1 THE PORTION B AREA MAP
ATTACHMENT NO. 2 LEGAL DESCRIPTION OF THE PORTION B AREA
ATTACHMENT NO. 3 SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 4 CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE
ATTACHMENT NO. 5 NOTICE OF AFFORDABILITY RESTRICTIONS
ATTACHMENT NO. 6 CITY LEASE
ATTACHMENT NO. 7 CALCULATION OF AFFORDABLE RENTS
ATTACHMENT NO. 8 REQUEST FOR NOTICE OF DEFAULT
ATTACHMENT NO. 9 SCOPE OF DEVELOPMENT
ATTACHMENT NO. 10 CERTIFICATE OF COMPLETION
ATTACHMENT NO. 11 CITY REGULATORY AGREEMENT
ATTACHMENT NO. 12 INCOME VERIFICATION
ATTACHMENT NO. 13 [RESERVED]
ATTACHMENT NO. 14 [RESERVED]
ATTACHMENT NO. 15 INSURANCE DURING REMAINDER OF LEASE TERM
ATTACHMENT NO. 16 INSURANCE DURING CONSTRUCTION
ATTACHMENT NO. 17 MAP OF THE PORTION A SITE
ATTACHMENT NO. 18 MAP OF THE ADJACENT CITY PARKING AREA

AFFORDABLE
HOUSING AGREEMENT

This **AFFORDABLE HOUSING AGREEMENT** (the "Agreement"), dated, for identification purposes only, as of _____ __, 2025 (the "Date of Agreement"), is entered into by and between the **CITY OF ROCKLIN**, a municipal corporation ("City"), and **PACIFIC STREET HOUSING ASSOCIATES NINE, L.P.**, a California limited partnership ("Developer").

R E C I T A L S

A. City, as part of its functions as a general law city duly organized and existing under and by virtue of the laws of the State of California and in connection with its municipal code (the "City Code"), is authorized to promote the provision of affordable housing for all income segments of the community. Pursuant to the City Code and resolutions adopted pursuant thereto, City is authorized to defer receipt of all or a portion of its development impact fees chargeable in relation to various projects. City is authorized to enter into agreements in connection therewith.

B. City previously activated the Rocklin Redevelopment Agency, a public body, corporate and politic (the "Redevelopment Agency"); the Redevelopment Agency operated under the California Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code (the "Redevelopment Law").

C. City is the housing successor entity to the Redevelopment Agency and in such capacity acquired the "Portion B Area" (as defined below) in connection with the dissolution of the Redevelopment Agency.

D. The Redevelopment Plan for the Rocklin Redevelopment Project (herein, the "Redevelopment Project") was adopted by Ordinance No. 549 by the City Council of the City of Rocklin on June 10, 1986, and was subsequently amended (as amended, the "Redevelopment Plan"). The Redevelopment Plan, as amended, is on file with City as a public record.

E. Prior to the Date of Agreement, City acquired certain real property consisting of approximately 2.51 acres (the "Portion B Area") and an additional approximately 0.42 acres (the "Portion A Site") located within the Project Area and within the corporate limits of City. The Portion B Area is depicted on the "Portion B Area Map" (Attachment No. 1 hereto). The legal description of the Portion B Area is attached hereto as Attachment No. 2. The Portion A Site is depicted on the "Map of the Portion A Site" (Attachment No. 17 hereto).

F. City and Community HousingWorks, a California nonprofit public benefit corporation ("CHW", as also defined below) previously entered into an unrecorded agreement entitled "Affordable Housing Agreement" dated as of October 17, 2022 (the "Original Agreement"). A copy of the Original Agreement is on file with City as a public record. Under the Original Agreement, City committed the sum of Two Million Six Hundred Thousand Dollars ($2,600,000) in funding which was to be a loan in support of construction of improvements contemplated under the Original Agreement.

G. CHW is experienced in the development and operation of affordable multi-family housing.

H. Under the Original Agreement, Developer proposed that City would transfer a ground leasehold interest in the Portion A Site and the Portion B Area, respectively, to Developer or one or more assignees of Developer hereafter approved by City, with the City ground leasing either the

Portion A Site and the Portion B Area as a whole or in two parts, whereupon Developer or assignees as shall have been approved in writing by City would be required to develop a designated number of those dwelling units, as more particularly set forth herein, to be rented at "Affordable Rent" and in conformity with the "Prescribed Income Levels" throughout the "Required Covenant Period" (as those capitalized terms were defined in the Original Agreement).

I. Subsequent to the Original Agreement, CHW applied for a preliminary reservation of 4% federal low income housing tax credits as generally provided for under Section 42 of the Internal Revenue Code with respect to the development of the Portion A Site; CHW additionally applied for a preliminary reservation of 9% federal low income housing tax credits with respect to the development of the Portion B Area. As contemplated under the Original Agreement and as continues to be the case, CHW intends (and Developer concurs) that the Portion A Site and the Portion B Area, respectively, shall be developed by different development entities, each an affiliate (including single asset entities) of Developer; the financing for each of the development of the Portion A Site and the Portion B Area would be separate and without cross defaults.

J. By its approval of this Agreement, City approves the Developer as a single asset entity having been formed by CHW and which will develop the Portion B Area as provided under this Agreement.

K. Subject to the satisfaction of the applicable conditions in this Agreement, City will make available the aggregate amount of the City Loan (as defined below) to Developer or to an "Approved Assignee" for the Portion A Site as described below. The City Loan Amount shall be made available to defray a portion of the cost of the Improvements to the Portion A Site.

L. In the event the financing plan hereafter submitted by Developer with respect to some or all of the Improvements includes the use of newly issued multifamily housing bonds, the issuer shall be the City or another governmental entity designated for such purpose by City acting at its sole discretion. Any such new issuance of bonds by City shall be accomplished in conformity with the City's practices and procedures for conduit financings and in strict conformity with this Agreement.

M. This Agreement is in the vital and best interest of the City of Rocklin, California, and the health, safety and welfare of its residents and furthers the public policies of City.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms. As used in this Agreement (and in all other Project Documents, unless otherwise defined), the following capitalized terms shall have the following meanings:

"**Adjacent City Parking Area**" means that certain area referenced in the Scope of Development and more fully described in the Map of the Adjacent City Parking Area.

"**Affiliated Person**" means, when used in reference to a specific person, any person that directly or indirectly controls or is controlled by or under common control with the specified person, any person that is an officer or director of a trustee of, or a general partner, managing member or operator in, the specified person or of which the specified person is an officer, director, trustee, general partner or managing member, or any person that directly or indirectly is the beneficial owner of ten percent (10%) or more of any class of the outstanding voting securities of the specified person.

"**Affordable Rent**" has the following meaning: For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the Unit. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the Unit. For a Lower Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of the Median Income for the Area for a household size appropriate to the Unit. The maximum monthly rental amount of the Units shall be adjusted annually by the formula set forth above upon the promulgation of revised Placer County median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent a cost not in excess of the lesser of (i) that rent which may be charged the applicable Eligible Person or Family pursuant to Section 50053 of the California Health and Safety Code and (ii) the limits as set forth in this Agreement. Notwithstanding the foregoing, in the event a reservation of Tax Credits is obtained for the Project, affordable rents, including a reasonable utility allowance, shall not exceed the rent prescribed by deed restrictions or regulatory agreements imposed by TCAC.

"**Allowable Closing Costs**" means actual, reasonable costs of escrow for the Closing, including but not limited to any payable transfer taxes, recording fees, notary fees, the premium for the City Loan Policy, and all other charges paid which are customarily paid for similar transactions in the County.

"**Applicable Federal Rate**" means the interest rate set by the United States Treasury from time to time for the purpose of determining applicable Low Income Housing Tax Credit interest rates. The Applicable Federal Rate is published by the Internal Revenue Service in monthly revenue rulings.

"**Applicable Interest Rate**" means the following rates: (a) as to amounts paid when due, three percent (3%) simple interest per annum, and (b) as to amounts not paid when due, the lesser of (i) ten percent (10%) per annum, compounded annually, and (ii) the maximum rate permitted by applicable law.

"**Applicable Percentage of Residual Receipts**" means fifty percent (50%) of Residual Receipts; provided that if public agencies other than the City infuse moneys into the Project on a residual receipts loan basis, the percentage payable to the City will be subject to adjustment by City to reflect the ratable contribution by such other entities.

"**Approved Assignee(s)**" means such entity, if any, as hereafter approved by City as an assignee of Developer, with City acting at its sole discretion in this regard.

"**Approved Construction and/or Permanent Lender**" means Cedar Rapids Bank and Trust Company, an Iowa state-chartered banking corporation ("CRBI") or one or more entities included under the definition of Approved Construction Lender, an Institutional Lender, or any other lender approved by the City Manager. Each of California Community Reinvestment Corporation and the County of Placer acting through the Health and Human Services Agency is an Approved Permanent Lender.

"**Area**" means Placer County, or such area including Placer County as may be periodically defined by HUD.

"**Audit**" is defined in Section 6.21 hereof.

"**Audited Financial Statement**" means an audited financial statement, including without limitation a profit and loss statement, generated by Leaf & Cole, LLP, or another third party certified public accountant acceptable to City in its reasonable discretion, showing, for the previous Lease Year, on a monthly basis and in an easily readable format, Gross Revenues, Operating Expenses, Debt Service, Operating Reserve, Capital Replacement Reserve, General Partner Fee, Limited Partner Fee and Residual Receipts.

"**Bank Deed of Trust**" means a deed of trust, among one or more Approved Construction and/or Permanent Lender, as beneficiary and Developer as trustor and a trustee, which may be an affiliate of the holder of the Bank Deed of Trust, in connection with the construction loan provided by an Approved Construction Lender, and upon the take out of the construction loan, a deed of trust by an Approved Permanent Lender to Developer, as well as any swap deed of trust entered into in connection with the Primary Permanent Loan which does not include cross-collateralization or a change in the security.

"**Base Pro Forma**" means a pro forma dated as of October 30, 2025 concerning the Development. The Base Pro Forma is on file with the City.

"**Basic Concept Drawings**" is described in Section 6.1 hereof.

"**Bond Counsel**" means such counsel as shall be selected by City at its discretion for all purposes associated with this Agreement and the implementation hereof.

"**Bond Regulatory Agreement**" means the regulatory agreement, as prepared by Bond Counsel, which it is contemplated may be required to be recorded against the Portion A Site with respect to the issuance of new multifamily housing bonds in the event an allocation is obtained for the Improvements on the Portion B Area from CDLAC and Bonds are used in connection with the financing of such improvements. The Bond Regulatory Agreement shall include affordability restrictions not less restrictive than those set forth in the City Regulatory Agreement.

"**Bond Rules**" means Section 103(b) of the Internal Revenue Code, the rules and regulations applied by CDLAC in connection with the private activity bond allocation or the issuance of bonds thereunder and as set forth in the indenture of trust (or similar instrument approved for such purpose by City) in connection with the issuance of the Bonds.

"**Bonds**" means multifamily conduit revenue bonds issued in connection with the Improvements (or portions thereof) by City.

"**Building Permit**" means the building permit(s) issued by City and required for the Improvements.

"**Calculation of Affordable Rents**" means Attachment No. 7 to this Agreement.

"**CDLAC**" means the California Debt Limit Allocation Committee.

"**Capital Replacement Reserve**" means a reserve fund to be established by the Lessee under the City Lease as a capital reserve for the Improvements in the amount established therefor by the Lease. To the extent Developer is required to maintain a Capital Replacement Reserve by any Approved Construction and/or Permanent Lender or Investor, Developer shall receive a credit hereunder for such amounts maintained by it in compliance with such Approved Construction and/or Permanent Lender capital replacement reserve requirement.

"**Certificate of Completion**" means Attachment No. 10 to this Agreement.

"**Certificate of Continuing Program Compliance**" means the Certificate to be filed by Developer or its property manager on behalf of Developer with City, which Certificate shall be substantially in the form attached hereto as Attachment No. 4.

"**Chargeable Reserves**" means each of the following, within the respective parameters therefor set forth in the City Lease: (i) Capital Replacement Reserve; and (ii) Operating Reserve.

"**CHW**", as defined above, means Community HousingWorks, a California nonprofit public benefit corporation.

"**City**," as defined in the first paragraph hereof, means the City of Rocklin, a municipal corporation.

"**City Code**," as defined in the Recitals hereto, is the Municipal Code of the City of Rocklin as may be amended from time to time and includes, without limitation, the Uniform Codes.

"**City Conditions Precedent**" is set forth in Section 4.1 hereof.

"**City Documents**" means, collectively, this Agreement, the City Lease, the City Regulatory Agreement, and all other documents required to be executed by Developer in connection with the transaction contemplated by this Agreement.

"**City Escrow**" is described in Section 3.3 hereof.

"**City Fees**" means fees charged by the City in connection with the construction of the Improvements where such fees are not collected by City on behalf of another governmental agency. City Fees includes, without limitation, City Impact Fees, building permit fees and inspection fees.

"**City Impact Fees**" means those facility fees, road improvement fees, and other fees identified by City as development impact fees, including street improvements and/or street improvement fees, required by City and retained by City in connection with the development of the Project.

"**City Lease**" means a ground lease in the form of Attachment No. 6 to this Agreement, which shall grant Developer a leasehold interest in the Portion B Area and a fee interest in the Improvements.

"**City Manager**" means the City Manager of City or his or her designee or delegate.

"**City Regulatory Agreement**" means Attachment No. 11 to this Agreement.

"**Closing**" is defined in Section 3.3.4 of this Agreement.

"**Commencement Date of the City Lease**" shall have the meaning established therefor in the City Lease.

"**Cost Overrun Amounts**" means amounts incurred and expended by Developer in connection with construction under this Agreement to the extent that: (i) total construction and demolition costs exceed the amounts set forth therefor in the Base Pro Forma; (ii) such amounts have not been defrayed by moneys provided by City; and (iii) the City Manager, acting in good faith and upon consultation

with Developer, confirms that such amounts were reasonably incurred and were not unreasonable as to amount.

"**Cost Savings**" is defined in Section 6.21 hereof.

"**County**" means the County of Placer, California.

"**Date of Agreement**" means _____ __, 202_.

"**Debt Service**" means required debt service payments for the Primary Construction Loan and/or the Primary Permanent Loan including the funding obligations in respect of all reserves or escrows required thereunder and scheduled payments as approved as part of the Final Financing Package.

"**Default**" is defined in Section 7.1 hereof.

"**Deferred Developer Fee**" means that portion of the Developer Fee for which payment to CHW is deferred. The amount of the Deferred Developer Fee shall be finally determined in connection with the Final Financing Plan.

"**Developer**" means Pacific Street Housing Associates Nine, L.P., a California limited partnership.

"**Developer Area**" means that certain area conveyed by CHW to City during 2025.

"**Developer Conditions Precedent**" is defined in Section 4.2 hereof.

"**Developer Contracting Parties**" is defined in Section 1.6.1 hereof.

"**Developer Fee(s)**" means the sum of such amounts delineated as developer fees in the Base Pro Forma, but not to exceed those amounts designated by TCAC as developer fees.

"**Developer Percentage**" means fifty percent (50%) of Residual Receipts.

"**Development**" or "**Project**" means the new apartment complex and associated improvements as required by this Agreement to be: (i) constructed by Developer upon the Portion A Site, with related offsite improvements, as more particularly described in the Scope of Development and (ii) operated as an affordable housing complex in conformity with the City Lease(s), the City Regulatory Agreement(s).

"**Entitlements**" means all development rights as determined under Administrative Determination AD-2025-0004 as approved May 8, 2025 by the Community Development Director of the City of Rocklin (including without limitation all conditions contained therein), and additional and use approvals for the development of the Portion B Area, if any, as may hereafter be approved by the City acting in the exercise of its police power.

"**Environmental Laws**" means all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq.*; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 9601, *et seq.*; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended

(including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601, *et seq.*; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 *et seq.*; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 *et seq.*; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 *et seq.*; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f *et seq.*; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, City, or any other political subdivision in which the Portion A Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Developer, or the Portion A Site.

"**Escrow Holder**" means Stewart Title Guaranty Company or another mutually acceptable escrow holder.

"**Event of Default**" has the meaning set forth in Section 9.1 hereof.

"**Excess Amount**" is defined in Section 6.15 hereof.

"**Extremely Low Income Households**" means households earning not greater than thirty percent (30%) of Median Income for the Area pursuant to the Health and Safety Code Section 50106.

"**Extremely Low Income Unit**" means a Unit occupied at Affordable Rent by an Extremely Low Income Household.

"**Final Development Budget**" means a detailed enumeration of all projected costs of construction of the Development, including all costs and offsite improvements required to be constructed under this Agreement.

"**Final Financing Package**" is defined in Section 6.15 hereof.

"**General Partner**" means the general partner of Developer.

"**General Partner Fee**" or "**Asset Management Fee**" means a fee if charged by the general partner not to exceed the amounts so delineated therefor in the Base Pro Forma; provided that the initial annual amount of such fee shall be limited to increases of three percent (3.0%) annually; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Lease Year exceed the amount permitted under the City Lease for the Partnership Fees (as such fees are aggregated). The foregoing shall not limit the amounts which Developer may pay to its General Partner from the Developer Percentage.

"**Gross Revenues**" shall have the meaning set forth therefor in the City Lease.

"**Hazardous Material**" or "**Hazardous Materials**" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a

"hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.* (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq.* (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in Paragraph (c) of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq.*, specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those products and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

"**Hazardous Materials Contamination**" means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or under the Portion A Site by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Date of Agreement) emanating from the Portion A Site.

"**HCD**" means the Housing and Community Development Department of the State of California.

"**Housing Rent**" means the total of monthly payments by the tenants of a Unit for (a) use and occupancy for the Unit and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants of the Units, other than security deposits, (c) a reasonable allowance for utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity and gas, as determined by regulation of Housing Authority of the County of Placer pursuant to 24 C.F.R. Section 5.600 *et seq.* or by the California Utility Allowance Calculator as permitted by TCAC, and (d) possessory interest, taxes or other fees or charges assessed for the use of the Units and facilities associated therewith by a public or private entity other than Developer; provided that the rent charged as to any Required Affordable Unit shall not exceed Affordable Rent.

"**Improvements**" means all of the improvements described in the Scope of Development.

"**Income Verification**" means Attachment No. 12 to this Agreement.

"**Indemnitees**" is defined in Section 1.6.3.

"**Investor**" means the Developer's investor limited partner.

"**Lease Rider**" means a lease rider agreement provided by TCAC in a form customarily used by TCAC.

"**Lease Year**" means the period commencing as of the Commencement Date of the City Lease and ending as of December 31 of that calendar year, then each succeeding calendar year thereafter during the Term of the City Lease; provided that the final Lease Year may be a portion of a calendar year.

"**Leasehold Transfer**" means the transfer of a leasehold interest in the Portion A Site and fee interest in the Improvements to Developer by the terms of the City Lease upon commencement of the Term of the City Lease.

"**Legal Description of the Portion B Area**" means Attachment No. 2 to this Agreement.

"**Lessee**" means Developer or other lessee under the City Lease(s).

"**Lessee's Title Policy**" is defined in Section 3.5 hereof.

"**Limited Partner**" means NEF Assignment Corporation or its affiliate.

"**Limited Partner Fee**" or "**Partnership Management Fee**" means fees as so denominated in the Base Pro Forma; provided that such fees may not increase by more than by three percent (3.0%) annually so long as the Partnership Agreement is in effect; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Lease Year exceed the amount permitted under this Lease for the Partnership Fees (as such fees are aggregated). The foregoing shall not limit the amounts which Developer may pay as Limited Partner Fee or Partnership Management Fee from the Developer Percentage.

"**Low and Moderate Income Housing Funds**" means moneys which were required under the Redevelopment Law to be deposited into a fund created under Health and Safety Code Section 33334.2 and 33334.3.

"**Low Income Households"** or "**Lower Income Households**" means households earning not greater than sixty percent (60%) of Median Income.

"**Low Income Unit**" or "**Lower Income Unit**" means a Unit occupied at Affordable Rent by a Low Income Household.

"**Map of the Adjacent City Parking Area**" means Attachment No. 18.

"**Map of the Portion A Site**" means Attachment No. 17.

"**Materially Adverse Conditions**" are surface or subsurface conditions of the Portion A Site which: (i) are not apparent from a visual inspection of the surface of the Portion A Site; and (ii) (a) include the presence of Hazardous Materials at the Portion A Site in excess of currently applicable levels permitted under federal or state law or regulations, or (b) include the presence of conditions not typically found in properties within City and which a mutually acceptable independent

third party geotechnical and/or environmental assessment and remediation firm retained by Developer estimates will increase development costs by over One Hundred Thousand Dollars ($100,000.00).

"**Median Income**" means Median Income for the Area (namely, Placer County), as set forth by regulation of the California Department of Housing and Community Development pursuant to Health and Safety Code Sections 50079.5 and 50105.

"**Notice**" means a notice in the form prescribed by Section 10.2 hereof.

"**Notice of Affordability Restrictions**" means Attachment No. 5.

"**Official Records**" means, unless the context otherwise requires, the official land records of the County Recorder of the County of Placer.

"**Operating Expenses**" has the meaning established therefor in the City Lease.

"**Operating Reserve**" has the meaning set forth therefor in the City Lease.

"**Partnership Agreement**" has the meaning set forth therefor in the City Lease.

"**Partnership Fees**" means the General Partner Fee and the Limited Partner Fee.

"**Permitted Senior Lien**" means collectively, the deeds of trust securing the Primary Construction Loan and the Primary Permanent Loan.

"**Portion B Area**" means that real property depicted on the Portion B Area Map and described with greater particularity by the Legal Description of the Portion B Area.

"**Portion B Area Map**" means Attachment No. 1 to this Agreement. The Portion B Area Map depicts the Portion A Site (which is to be developed under this Agreement).

"**Prescribed Income Levels**" means: (i) for six (6) one bedroom Units, thirty percent (30%) of Median Income; (ii) for two (2) two bedroom Units, thirty percent (30%) of Median Income; (iii) for six (6) two-bedroom Units, thirty percent (30%) of Median Income; (iv) for thirteen (13) one bedroom Units, fifty percent (50%) of Median Income; (v) for five (5) two bedroom Units, fifty percent (50%) of Median Income; (vi) for six (6) three bedroom Units, fifty percent (50%) of Median Income; (vii) for five (5) one bedroom Units, sixty percent (60%) of Median Income; (viii) for eight (8) two bedroom Units, sixty percent (60%) of Median Income; and (ix) for eight (8) three bedroom Units, sixty percent (60%) of Median Income. There shall additionally be one manager's unit; the manager's unit shall not be restricted on the basis of income.

"**Primary Construction Loan**" means, collectively, the mortgage loans and letters of credit obtained by Developer from an Approved Construction Lender.

"**Primary Permanent Loan**" means, collectively, the mortgage loans obtained by Developer from an Approved Permanent Lender in an amount limited to satisfaction of the outstanding balance of the Primary Construction Loan or in an amount in excess of such outstanding balance so long as such excess proceeds are used to pay (or prepay) the Developer Fee, Cost Overrun Amounts and outstanding development costs.

"**Principals**" means Kevin Leichner and CHW.

"**Project Documents**" means, collectively, this Agreement, the City Regulatory Agreement, the City Lease, all other Attachments to this Agreement, and any other agreement, document, or instrument that City requires in connection with the execution of this Agreement or from time to time to effectuate the purposes of this Agreement.

"**Reciprocal Easement and Joint Use Agreement**" means an agreement to be entered into among the Developer, Pacific Street Housing Associates Four, L.P., a California limited partnership (the "Portion A Site Entity"), and the City, which shall include provisions satisfactory to City concerning: (i) ingress, egress, and access as to the Portion A Site for residents of the Portion B Area; (ii) ingress, egress, and access as to the Portion B Area for the residents of the Portion A Site; (iii) access of residents of each of the Portion B Area and the Portion A Site to common area facilities including joint use facilities; (iv) access to the manager to be on site at the Portion B Area for residents of the Portion A Site; (v) access to parking for residents of the Portion A Site and residents of the Portion B Area; (vi) an agreement by City that if the developer of the Portion B Area defaults and the ground lease as to the Portion B Area is terminated, City will make diligent efforts to provide access to residents of the Portion A Site to the Portion B Area; and (vii) a provision that the Reciprocal Easement and Joint Use Agreement may not be amended without the prior written approval of City, which City may grant, conditionally grant, or withhold in its sole discretion.

"**Recordable Documents**" means the following: (i) the City Lease (or a Memorandum thereof prepared by City); (ii) the City Regulatory Agreement; (iii) the Bank Deed(s) of Trust; (iv) 1-UCC Financing Statement by Developer in favor of an Approved Construction and/or Permanent Lender (as construction lender) for filing as a fixture filing among Official Records; (v) the Notice of Affordability Restrictions; and (vi) such other instruments, if any, as shall be approved by City Manager (upon consultation with City's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing).

"**Redevelopment Plan**" means the Redevelopment Plan for the Rocklin Redevelopment Project (the "Redevelopment Project") first approved by Ordinance No. 549 adopted by the City Council of the City on June 10, 1986, as subsequently amended. The Redevelopment Plan, as amended, is on file with City as a public record.

"**Refinancing Net Proceeds**" means the proceeds of any refinancing of any of the Primary Construction Loan or the Primary Permanent Loan or other approved financing secured by interest of Developer in the Portion B Area, net of: (i) the amount of the existing financing which is satisfied out of such proceeds; (ii) reasonable and customary costs and expenses incurred in connection with the refinancing; (iii) the funding of reasonable reserves and costs of improvements to the Portion B Area which constitute the Development, including hard and soft costs to the extent approved in writing by the City Manager prior to the closing of the refinancing; (iv) the balance of loans to the Development made by the Limited Partner(s) of Developer for development or operating deficits, amounts expended to maintain compliance with the Tax Credit Rules, or contributions for capital expenditures in excess of available Project revenues, if any, including interest at the Applicable Federal Rate; (v) the balance, if any, of operating loans or development loans made by the general partners of Developer to the Development, including interest at the Applicable Federal Rate; (vi) payment of unpaid Tax Credit adjustment amounts or reimbursement of Tax Credit adjustment amounts paid by the general partner and/or the guarantors to the Development pursuant to the approved Partnership Agreement, if any; and (vii) the payment to the general partner of Developer of a refinancing fee, which fee is and shall be subject to the approval of the City Manager at the time of each refinancing and which shall not exceed five percent (5%) of the amount of the approved refinancing.

"**Related Entity**" means CHW, a Principal or an entity in which any interest is held by Developer or one or more of the Principals.

"**Relocation**" or "**Relocation Laws**" means all applicable federal and state relocation laws and regulations, including without limitation, (i) the relocation obligations of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), 42 U.S.C. 4201–4655, and the implementing regulations thereto set forth in 49 C.F.R. Part 24, (ii) the California Relocation Assistance Act, Government Code Section 7260, *et seq.* and the implementing regulations thereto set forth in Title 25, Section 6000, *et seq.* of the California Code of Regulations, and (iii) any other applicable federal, state or local enactment, regulation or practice providing for relocation assistance, benefits, or compensation for moving and for property interests (including without limitation goodwill and furnishings, fixtures and equipment, and moving expenses), and (iv) any federal law or regulation prohibiting payment of relocation benefits or assistance to persons ineligible for relocation benefits or assistance. City shall be responsible for any costs or expenses as a result of the application of the Relocation Laws to the Development or this Agreement.

"**Reporting Amounts**" means the sum of Two Hundred Fifty Dollars ($250.00) per unit per year for each dwelling unit as to which Lessee fails to deliver to City, during any Lease Year, a full and adequate report that conforms to Section 33418 of the California Health and Safety Code.

"**Request for Notice of Default**" means an instrument substantially in the form of Attachment No. 8.

"**Required Affordable Units**" means all of the Units required to be developed on the Portion B Area under this Agreement other than one manager's unit. The final delineation of affordable units shall be accomplished in connection with approval of the Final Financing Plan (provided that the number of units generated and income levels shall in no event be less beneficial to City than that set forth herein as the Prescribed Income Levels).

"**Required Covenant Period**" means an eighty-seven (87) year period concurrent with the Term of the City Lease.

"**Required Submittal Modifications**" means modifications to a Required Submittal which are reasonably calculated to achieve a reservation of Tax Credits in an amount of not less than the Tax Credit Amount in the next round of Tax Credits; provided that such modifications shall not include any infusion of City moneys other than those amounts expressly set forth in this Agreement for such purpose.

"**Residual Receipts**" for a particular Lease Year means Gross Revenues for the corresponding Lease Year less (i) Debt Service payments made during such Lease Year on the Primary Construction Loan or the Primary Permanent Loan, including payments under escrow and reserve provisions thereunder in amounts not in excess of the amounts due and payable during such month (and not including prepayments), and (ii) the sum of Operating Expenses and, to the extent funded, payments made to Chargeable Reserves as made during the corresponding Lease Year, and payments of Deferred Developer Fee as made to CHW and any approved Assignee during the corresponding Lease Year. All calculations of Residual Receipts shall be made annually, on or before May 15 for the preceding Lease Year, on a cash (and not accrual) basis and the components thereof shall be subject to verification and approval, on an annual basis, based upon conformity with the terms of this AHA and the City Lease, by the City Manager on behalf of the City.

"**Schedule of Performance**" means Attachment No. 3 to this Agreement. The Schedule of Performance sets forth the dates by which City and Developer are to perform certain obligations under this Agreement.

"**Scope of Development**" means Attachment No. 9 to this Agreement. The Scope of Development is subject to modification as provided in Section 2.2.

"**Tax Credit Amount(s)**" means the amounts so delineated therefor in the Base Pro Forma, namely: not less than Twenty Four Million Dollars ($24,000,000.00) in federal tax credits; this amount represents the projected yield from the marketing of the Tax Credits under the Base Pro Forma and may not correspond to the amount of tax credits ultimately available.

"**Tax Credit Application**" means that application for Tax Credits previously submitted by CHW to TCAC to obtain an allocation of 9% Tax Credits for the Development or such other financing as may be applied for pursuant to Section 6.15.

"**Tax Credit Deadline**" means December 30, 2025.

"**Tax Credit Rent**" means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this agreement (such as 50% of Median Income) under the Tax Credit Rules.

"**Tax Credit Rules**" means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, including without limitation the program regulations promulgated by TCAC.

"**Tax Credits**" means 9% Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

"**TCAC**" means the Tax Credit Allocation Committee of the State of California.

"**Tenant Selection and Tenant Services Plan**" has the meaning established therefor in Section 7.2.3 of this Agreement.

"**Term of the City Lease**" or "**Term**" means that eighty-seven (87) year period as more particularly set forth in the City Lease.

"**Title Company**" shall be Stewart Title Guaranty Company or another title insurer mutually acceptable to City and Developer.

"**Uniform Codes**" means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for the Abatement of Dangerous Buildings.

"**Unit**" means each of the dwelling units required to be developed by Developer under this Agreement.

"**Universal Application Package**" means a packet so designated by City staff which includes comprehensive plans for the development of the Portion B Area; Universal Application Package is further described in Section 6.1 of this Agreement.

"**Very Low Income Households**" means households earning not greater than fifty percent (50%) of Median Income for the Area pursuant to the Health and Safety Code Section 50105.

"**Very Low Income Unit**" means a Unit occupied at Affordable Rent by an Extremely Low Income Household.

"**Year**" means the period commencing as of the Leasehold Transfer and ending as of December 31 of that calendar year, then each succeeding calendar year thereafter during the Required Covenant Period terminating as of the last day of the Required Affordable Period.

1.2 Singular and Plural Terms. Any defined term used in the plural in this Agreement or any Project Document shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 References and Other Terms. Any reference to this Agreement or any Project Document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections and Exhibits shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" mean "including (include) without limitation."

1.4 Exhibits Incorporated. All attachments and exhibits to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

1.5 Representations and Warranties.

1.5.1 City Representations. City represents and warrants to Developer as follows:

(a) City. City is a municipal corporation, acting as a housing authority existing pursuant to the Housing Authorities Law, which has been authorized to transact business pursuant to action of City. City has full right, power and lawful authority to lease the Portion B Area as provided herein and the execution, performance, and delivery of this Agreement by City has been fully authorized by all requisite actions on the part of City. The parties who have executed this Agreement on behalf of City are authorized to bind City by their signatures hereto.

(b) Litigation. To the best of City's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings including the City affecting the Portion B Area or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. City's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which it is bound.

(d) Condition of the Portion B Area as of the Leasehold Transfer. The condition of the Portion B Area as of the Leasehold Transfer (including but not limited to the condition of title and the physical condition, excepting to the extent, if any, that these are modified due to activities of Developer) will not be materially different from that existing as of the Date of Agreement.

(e) No City Bankruptcy. City is not the subject of a bankruptcy proceeding.

Until the Leasehold Transfer, City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.5.1 not to be true as of the Leasehold Transfer, immediately give written notice of such fact or condition to Developer. Such exception(s) to a representation shall not be deemed a breach by City hereunder, but shall constitute an exception which Developer shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the Portion B Area. If Developer elects to accept the Leasehold Transfer and possession of the Portion B Area following disclosure of such information, City's representations and warranties contained herein shall be deemed to have been made as of the Leasehold Transfer, subject to such exception(s). If, following the disclosure of such information, Developer elects to not accept the Leasehold Transfer of and possession of the Portion B Area, then this Agreement shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.5.1 shall survive the Leasehold Transfer.

1.5.2 Developer Representations. Developer represents and warrants to City as follows:

(a) Authority. Developer is a duly organized California nonprofit public benefit corporation organized within and in good standing under the laws of the State of California. Developer has full right, power and lawful authority to lease and accept title to and possession of the Portion B Area and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by Developer has been fully authorized by all requisite actions on the part of Developer. The parties who have executed this Agreement on behalf of Developer are authorized to bind Developer by their signatures hereto.

(b) Litigation. To the best of Developer's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting Developer, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. Developer's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound.

(d) No Developer Bankruptcy. Developer is not the subject of a bankruptcy proceeding.

(e) Developer Experience; Sophisticated Party. Developer and each of the Principals of Developer are sophisticated parties, with substantial experience in the acquisition, rehabilitation, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, including rental projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. Developer is familiar with and has reviewed all laws and regulations pertaining to the development and operation of the Development,

including without limitation the Tax Credit Rules, and has obtained advice from any advisers of its own choosing in connection with this Agreement.

(f) Due Authorization and Execution; Studies Completed. Developer has duly authorized the execution of this Agreement, and prior to the Leasehold Transfer (in the event Developer proceeds with the Leasehold Transfer) will duly authorize the City Regulatory Agreement, and the City Lease. Prior to the Leasehold Transfer, Developer shall execute and deposit with City (to be held pending satisfaction of the City Conditions Precedent as set forth in Section 3.1 hereunder) the City Regulatory Agreement, and all documents necessary to effectuate the Leasehold Transfer hereunder.

Until the Leasehold Transfer, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.5.2 not to be true as of the Leasehold Transfer, immediately give written notice of such fact or condition to City. Such exception(s) to a representation shall not be deemed a breach by Developer hereunder, but shall constitute an exception which City shall have a right to approve or disapprove if such exception would have an effect on the development and/or operation of the Portion B Area. If City elects to proceed with the Leasehold Transfer following disclosure of such information, Developer's representations and warranties contained herein shall be deemed to have been made as of the Leasehold Transfer, subject to such exception(s). If, following the disclosure of such information, City elects to not close Escrow, then this Agreement and the Escrow shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.5.2 shall survive the Leasehold Transfer.

1.6 Condition of the Portion B Area.

1.6.1 Studies and Reports. Prior to the Closing, Developer and its employees, agents, contractors and consultants (collectively, the "Developer Contracting Parties") may enter the Portion B Area as necessary during regular business hours to obtain data and make any other or additional surveys, tests, studies, and reports necessary to evaluate the suitability of the Portion B Area for the Development, including but not limited to invasive testing and the investigation of the environmental and physical condition of the Portion B Area (collectively, the "Studies"). Any studies undertaken on the Portion B Area by any of the Developer Contracting Parties prior to the Closing shall be done at the sole expense of Developer, and Developer shall make arrangements with City staff prior to undertaking such work and entering the Portion B Area. Any studies shall be undertaken only after Developer has secured the consent of the City and any necessary permits therefor from the appropriate governmental agencies, including without limitation City. Developer hereby agrees to promptly provide City with any and all Studies relating to the environmental condition of the Portion B Area upon Developer's acquisition thereof but without any representation as to the accuracy of such Studies or City's or City's rights to rely thereon. Following the completion of the tests and investigations described in this section, Developer shall restore the surface of the Property to substantially the condition existing prior to the performance of any such tests or investigations. Developer shall also indemnify, defend and hold City and its board members, council members, officers, and employees harmless against any claims for damage to person or property arising from entry on or activities of any of Developer Contracting Parties pursuant to this section, except and to the extent resulting from the gross negligence or willful misconduct of City. This obligation to indemnify shall survive termination of this Agreement.

1.6.2 Approval of Condition of the Site. Developer shall notify City on or before the thirtieth day after the Date of Agreement and prior to the commencement of the term of the City

Lease to the following effect: (i) that Developer has determined that there are not Materially Adverse Conditions on the Portion B Area, or (ii) that there are Materially Adverse Conditions on the Portion B Area but Developer has located funding sources to remediate, remove or otherwise satisfy such Conditions and that Developer elects to proceed to accept the Leasehold Transfer and proceed with performance, (iii) that there are Materially Adverse Conditions on the Portion B Area and Developer elects to terminate pursuant to Section 7.3(a) hereof unless City and Developer agree, within (15) days following the date such notice is received by City to otherwise resolve such conditions to Developer's satisfaction, in Developer's sole and absolute discretion.

1.6.3 Indemnification. Developer shall save, protect, pay for, defend (with counsel acceptable to each of City), indemnify and hold harmless City and its elected and appointed officials, officers, employees, attorneys, representatives, volunteers, contractors and agents (collectively, "Indemnitees") from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs and third-party claims or costs) (the foregoing are hereinafter collectively referred to as "Liabilities") that may now or in the future be incurred or suffered by Indemnitees by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of: (i) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, the Portion B Area occurring after the Closing or caused or contributed to by Developer; (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, the Portion B Area by Developer or occurring after the Closing; (iii) the physical and environmental condition of the Portion B Area caused or contributed to by Developer or occurring after the Closing, and (iv) any Liabilities caused or contributed to by acts or omissions of Developer relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Portion B Area. The foregoing indemnification shall continue in full force and effect regardless of whether such condition, liability, loss, damage, cost, penalty, fine, and/or expense shall accrue or be discovered before or after the termination of the Required Covenant Period. This indemnification supplements and in no way limits the indemnification set forth in Article 6.

1.6.4 Duty to Prevent Hazardous Material Contamination. During the construction, development, operation and management of the Development, Developer shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Portion B Area. Such precautions shall include, but not be limited to, compliance with all Environmental Laws and other Governmental Requirements. Developer shall notify City, and provide to City a copy or copies of any notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to all Environmental Laws and other Governmental Requirements, and Developer shall report to City, as soon as possible after each incident, any unusual or potentially important incidents in the event of a release of any Hazardous Materials into the environment.

1.6.5 Release of Indemnitees by Developer. Developer hereby waives, releases and discharges forever the Indemnitees from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, including attorneys' fees, court and litigation costs and fees of expert witnesses, present and

future, arising out of or in any way connected with Developer's possession or use of the Portion B Area, improvement of the Portion B Area in accordance with this Agreement, the Scope of Development, and the land use entitlements obtained by Developer for the Development, and for the operation of the Development at the Portion B Area, of any Hazardous Materials on the Portion B Area from the activities of Developer or arising from and after the Closing, or the existence of Hazardous Materials contamination in any state on, under, or about the Portion B Area, from the activities of Developer or arising from and after the Closing. The foregoing indemnity shall not apply to the condition or use of the Portion B Area prior to the Closing, except and to the extent caused by any conditions which have been caused or exacerbated by any of the Developer Contracting Parties.

In connection with the foregoing, Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code that provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."**

As such relates to this Section 1.6.5, Developer hereby waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code.

Notwithstanding the foregoing, this waiver, discharge, and release shall not be effective in the event the presence or release of Hazardous Materials on the Portion B Area (i) occurs prior to the Closing and which is not caused or contributed to by Developer or (ii) as a result of the gross negligence or willful misconduct of City or their respective officers, employees, representatives and agents.

1.6.6 Environmental Inquiries. Developer shall notify City upon receipt, and provide to City a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to the Portion B Area and the Development: notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws and other applicable Governmental Requirements relating to Hazardous Materials and underground tanks, and Developer shall report to City, as soon as possible after each incident, all material information relating to or arising from such incident, including, but not limited to, the following:

(a) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;

(b) All notices of suspension of any permits relating to Hazardous Materials;

(c) All notices of violation from federal, state or local environmental authorities relating to Hazardous Materials;

(d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;

(e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;

(f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;

(g) All complaints and other pleadings filed against Developer relating to Developer's storage, use, transportation, handling or disposal of Hazardous Materials on or about the Portion B Area; and

(h) Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a materially adverse effect on the Portion B Area or City's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Developer shall, as soon as possible after obtaining knowledge of the release, furnish to City a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of City and/or City, but subject to any limitations imposed by law or by court order, Developer shall furnish to City a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Portion B Area in Developer's possession and/or shall notify City of any environmental entitlements or inquiries relating to or affecting the Portion B Area within Developer's actual or constructive knowledge if Developer is not in possession of same, including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

2. THE PORTION B AREA, SCOPE OF DEVELOPMENT AND SCHEDULE OF PERFORMANCE

2.1 The Portion B Area. The Portion B Area is described in Attachments No. 1 and No. 2. The Adjacent City Parking Area is not part of the Portion B Area.

2.2 Scope of Development. Developer shall develop the Portion B Area in conformity with the Scope of Development. The Scope of Development is subject to modification from time to time based upon the mutual written agreement of City and Developer; the City Manager is authorized by City to modify the Scope of Development to the extent such modifications are not material at the discretion of the City Manager without the need for further action by the City. Subsequent to the Date of Agreement, Developer will be applying to City for zoning action, environmental review associated with the development contemplated by this Agreement, any applicable mapping, and associated land use review. Land use review shall be subject to the customary City public hearing process.

3. DISPOSITION OF THE PORTION A SITE

3.1 Tentative Map and Final Map. City hereby agrees that Developer may file an application for a tentative parcel map and a final parcel map in order to reconfigure the Portion B Area. Developer shall proceed with such activities at its cost; any costs in connection with processing mapping shall be borne by Developer. Developer's ability to obtain a final parcel map reasonably acceptable to Developer, and the expiration of any applicable appeal periods without a successful appeal, are conditions precedent to the Closing. Developer's inability to obtain such a final parcel map shall not, to the extent the failure is not attributable to the acts or omissions of Developer, constitute a Default by Developer hereunder.

3.2 Lease of the Portion of the Portion B Area. All references in this Agreement to acreage are approximate; payments by Developer (including without limitation those payments required under the City Lease) will not change regardless of whether the actual acreage of the Portion B Area differs from the acreage figures set forth in this Agreement. Subject to the conditions and limitations set forth in the foregoing part of this Section 3.2 and further subject to the prior satisfaction of the City Conditions Precedent, the Leasehold Transfer of the Portion B Area is to be accomplished as set forth in Sections 3.2 to 3.5 hereof.

In consideration of City entering into the City Lease, Developer shall pay rent under the City Lease, and shall comply with and cause the use of the Portion B Area to conform to the City Lease and the City Regulatory Agreement throughout the Required Covenant Period.

3.3 Escrow. The parties shall open an escrow (the "City Escrow") with the Escrow Holder, by the time established therefor in the Schedule of Performance for the Leasehold Transfer, and the recordation and delivery of documents described in Article 3. City and Developer agree to execute such escrow instructions as may be reasonably required to implement this Section 3.3. The obligation of City to deliver the Memorandum of Lease (and a copy of the City Lease), as well as the Notice of Affordability Restrictions and, if not previously recorded, the City Regulatory Agreement, to escrow or to proceed with the Leasehold Transfer is contingent upon the satisfaction of the "City Conditions Precedent," as set forth in Section 4.1 of this Agreement.

3.3.1 Costs of Escrow. City and Developer shall pay their respective portions of the premium for the Title Policy as set forth in Section 3.5 hereof, City shall pay for the documentary transfer taxes, if any, due with respect to the Leasehold Transfer, and Developer and City each agree to pay one-half of all other usual fees, charges, and costs which arise from Escrow.

3.3.2 Escrow Instructions. The parties hereto agree to do all acts reasonably necessary to close this Escrow in the shortest possible time. Insurance policies for fire or casualty are not to be transferred, and City will cancel its own policies after the Leasehold Transfer. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account.

If in the opinion of any of Developer, City it is necessary or convenient in order to accomplish the Leasehold Transfer, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Leasehold Transfer shall take place when the City Conditions Precedent have been satisfied. Escrow Holder is instructed to release City's escrow closing and Developer's escrow closing statements to the respective parties.

3.3.3 Authority of Escrow Holder. Escrow Holder is authorized to, and shall:

(a) Pay and charge Developer and City for their respective shares of the premium of the Lessee's Title Policy as set forth in Section 3.5 and any amount necessary to place title in the condition necessary to satisfy Section 3.4 of this Agreement.

(b) Pay and charge Developer and City for their respective shares of any escrow fees, charges, and costs payable under Section 3.3.1 of this Agreement.

(c) Pay and charge Developer for any endorsements to the Lessee's Title Policy which are requested by Developer.

(d) Disburse funds, record and deliver the Recordable Documents in the order set forth in Section 3.3.6 and deliver such documents.

(e) Do such other actions as necessary to fulfill its obligations under this Agreement.

(f) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

3.3.4 Closing. The Leasehold Transfer and delivery of documents related shall close ("Closing") as soon as feasible following the parties' satisfaction of all of the City Conditions Precedent, but in no event later than the last day established therefor in the Schedule of Performance. The Schedule of Performance is subject to modification from time to time at the mutual concurrence of City and Developer, each acting at its sole discretion. The "Closing" means the time and day that all of the City Regulatory Agreement, the Notice of Affordability Restrictions, and the Memorandum of Lease have been recorded among Official Records. The "Closing Date" means the day on which the Closing occurs. Escrow Holder shall also cause to be recorded among the Official Records a Request for Notice of Default as to each deed of trust hereafter designated by the City Manager to Escrow Holder; provided that the recording of such Notice(s) of Default shall not be a condition precedent to Closing.

3.3.5 Termination. If Escrow is not in condition to close by the time established therefor in the Schedule of Performance, then a party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate this Agreement. If either party makes a written demand for return of documents or properties, this Agreement shall not terminate until five (5) days after Escrow Holder shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, Escrow Holder is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Developer, however, shall have the sole option to withdraw any money deposited by it with respect to the Closing less Developer's share of costs of Escrow. Termination of the Escrow shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no timely demands for termination are made, the Escrow Holder shall proceed with the Closing as soon as possible.

3.3.6 Closing Procedure. Escrow Holder shall close Escrow for the Leasehold Transfer as follows:

Record the following documents in this order: (i) the Memorandum of Lease; (ii) the City Regulatory Agreement; (iii) the Approved Construction and/or Permanent Lender's deed(s) of trust (including any swap deed(s) of trust which do not provide for cross-collateralization or a change in security); (iv) the Notice of Affordability Restrictions; and (v) such other instruments, if any, as shall be approved by City Manager (upon consultation with City's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing thereof), including any mutually approved subordination agreements (provided that the City Regulatory Agreement shall not be subordinated), with instructions for the Recorder of Placer County, California to deliver to City the City Regulatory Agreement, the Memorandum of Lease, and the Notice

of Affordability Restrictions and to deliver a certified copy of each to Developer. The order of recordation shall be subject to revision upon approval of the City Manager;

(a) Instruct the Title Company to deliver the Lessee's Title Policy to Developer, with a copy to City;

(b) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;

(c) Deliver the FIRPTA Certificate, if any, to Developer;

(d) Deliver documents as set forth in Section 3.3.3 hereof; and

(e) Forward to both Developer and City a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

3.4 Review of Title. City shall cause the Title Company to deliver to Developer a standard preliminary title report (the "Report") with respect to the leasehold interest in the Portion B Area under the City Lease within thirty (30) business days following the Date of Agreement, and City will endeavor to cause the Title Company to provide to Developer legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Report at such time. Developer shall have the right to reasonably approve or disapprove the Exceptions; provided, however, that Developer hereby approves the following Exceptions:

(a) The Redevelopment Plan.

(b) The lien of any non-delinquent property taxes and assessments (to be prorated at close of Escrow).

(c) The provisions of the City Regulatory Agreement, the City Lease (and the Memorandum of Lease), and the Notice of Affordability Restrictions.

(d) Any incidental easements or other matters affecting title which do not materially impact Developer's use of the Portion B Area as described in the Scope of Development.

Developer shall have thirty (30) business days from the date of its receipt of the Report to give written notice to City and Escrow Holder of Developer's approval or disapproval of any of such Exceptions. If Developer notifies City of its disapproval of any Exceptions in the Report, City shall have ten (10) business days from the receipt of written notice of disapproval by Developer to determine whether or not it will undertake the removal of any disapproved Exceptions. If City elects to remove such Exceptions, it shall diligently proceed to effect the removal of such Exceptions, provided that any such Exceptions shall be removed no later than the Closing as a condition precedent to Developer's obligation to enter into the Lease. If City cannot or does not elect to remove any of the disapproved Exceptions within that period, Developer shall have ten (10) business days after the expiration of such ten (10) business day period to either give City written notice that Developer elects to proceed with the ground leasing of the Portion B Area subject to the disapproved Exceptions or to give City written notice that Developer elects to terminate this Agreement. The Exceptions to title approved by Developer as provided herein shall hereinafter be referred to as the "Condition of Title." City shall promptly notify Developer of any additional and/or previously unreported Exceptions reported by the Title Company (which are not created by Developer) after Developer has approved the Condition of

Title for the Portion B Area, and Developer shall have the right to approve or disapprove any such additional Exceptions pursuant to the process described in this paragraph as a condition precedent to Developer's obligation to enter into the City Lease.

3.5 Title Insurance.

(a) Lessee's Policy of Title Insurance. Concurrently with recordation of the Memorandum of Lease, there shall be issued to Developer an ALTA leasehold owner's policy (extended coverage) of title insurance (the "Lessee's Title Policy"), based upon the City's or Redevelopment Agency's original cost to acquire the Portion B Area (or, if different, then-appraised value of the Portion B Area as of the Leasehold Transfer, or, at Developer's option, an amount equal to the total development costs of the Portion B Area), together with such endorsements as are reasonably requested by Developer, issued by the Title Company insuring that the title to a leasehold interest in the Portion B Area and fee interest in the Improvements are vested in Developer in the condition required by Section 2.4 of this Agreement. The Title Company shall provide City with a copy of the Lessee's Title Policy. The Lessee's Title Policy shall be based upon value described in this section. City shall pay that portion of the premium for the Lessee's Title Policy equal to the cost of a CLTA standard coverage title policy insuring a leasehold in the amount based upon the City's or Redevelopment Agency's original cost to acquire the Portion B Area without regard to any improvements thereto. Any additional costs, including the cost of an ALTA policy or any endorsements requested by Developer, shall be borne by Developer.

3.6 Financing Package. As required herein and as a City Condition Precedent to the Leasehold Transfer, as further set forth in Section 4.1 hereof, Developer shall submit to City evidence that Developer has obtained sufficient equity capital or has arranged for and obtained a binding commitment for construction financing necessary to undertake the development of the Portion B Area and the construction of the Improvements in accordance with this Agreement.

4. CONDITIONS TO DEVELOPER POSSESSION OF THE PORTION A SITE

4.1 City Conditions Precedent. City shall not effect the Leasehold Transfer, as provided pursuant to this Agreement, and Developer shall not take possession of a leasehold interest in the Portion B Area under the Leasehold Transfer (notwithstanding any provision of this Agreement to contrary effect) unless all of the following conditions precedent (the "City Conditions Precedent") has been fully satisfied, as determined in good faith by the City Manager (which condition, if it requires action by Developer, shall also be a covenant of Developer). City agrees to use diligent, good faith efforts to satisfy those City Conditions Precedent under the control of City.

(a) Recording of Certain Documents. Each of the City Regulatory Agreement, the City Lease or a memorandum of lease in form approved by the City Manager, and the Notice of Affordability Restrictions has been delivered to the Title Company for recording; any documents determined in connection with the Final Financing Package to be executed and delivered in connection with the acquisition of the Portion B Area have been so executed and delivered and, where required to be recorded, have been recorded.

(b) Evidence of Financing. Developer shall have provided written proof acceptable to City that Developer has sufficient internal funds and/or has obtained one or more loans or financing, subject to customary conditions, for construction of the Development, and City has approved such evidence of financing, in accordance with all of Section 6.15 hereof, including that a preliminary reservation of Tax Credits has been obtained for an amount of not less than the Tax Credit

Amount and the City shall have approved a Final Financing Package reflecting a high level of assurance that financing has been secured which is sufficient for the development of the Portion B Area and use at the rent levels and income levels required from all sources of financing as referenced in the last paragraph of Section 7.2. In the event Developer obtains a loan or financing for the construction of the Development, such construction loan or financing for the Development shall be ready to close, and shall close, and a portion of proceeds from the sale of Tax Credits, as provided for in this Agreement and under the Final Financing Package, shall be immediately available for use in constructing the Improvements.

(c) Construction Contract. Developer shall have provided to City a signed copy of a stipulated sum or guaranteed maximum price contract between Developer and the general contractor for the construction of the Development, certified by Developer to be a true and correct copy thereof, and City Manager shall have approved such contractor or contractors, and the construction contract or contracts, pursuant to Section 6.15 hereof. City hereby approves Sun Country Builders as the general contractor for the Project; any other contractor shall be subject to approval under Section 6.15.

(d) Payment, Performance and Completion Bonds. Developer or its general contractor shall have obtained payment bonds and performance and completion bonds for the Development, in an amount and from a surety company reasonably acceptable to the City Manager. All bonds shall be issued by good and solvent sureties qualified to do business in California and shall have a rating of A or better in the most recent edition of Best's Key Rating Guide.

(e) TCAC Approval. All TCAC approvals required in connection with the preliminary reservation of Tax Credits have been obtained in an amount not less than the Tax Credit Amount and remain in full force and effect.

(f) Insurance. City shall have received evidence, satisfactory to City Manager, that all of the insurance policies required by Section 6.5 below as well as coverages required by the City Lease, are in full force and effect.

(g) Parking Plan. Developer shall have submitted and shall have obtained City approval of a plan for parking for the Project. In the event any parking is provided at the Adjacent City Parking Area, no interest will be conveyed, no liens or restrictions may be imposed as to the Adjacent City Parking Area by Developer or any party providing financing for the Project (excepting therefrom City) and parking spaces would be available only on a non-exclusive basis to residents of the Project under a license agreement or other instrument acceptable to City. The parking plan shall include provisions for parking for each of residents and visitors to the Portion A Site, the Portion B Area, and members of the general public, as well as a plan for maintenance and operation of the Adjacent City Parking Area.

(h) Reciprocal Easement and Joint Use Agreement. Developer shall have presented and obtained the prior written approval of each of Pacific Street Housing Associates Four, L.P., a California limited partnership and the City to a Reciprocal Easement and Joint Use Agreement that meets all criteria set forth in the definition of Reciprocal Easement and Joint Use Agreement in this Agreement.

(i) Zoning and Land Use Entitlements. Developer shall have zoning and other land use entitlements, as well as mapping approval and environmental clearance, that would authorize the development of the Portion B Area consistent with this Agreement.

(j) Representations and Warranties. The representations and warranties of Developer contained in this Agreement shall be correct as of the Leasehold Transfer as though made on and as of that date, and City Manager shall have received a certificate to that effect signed by an officer of Developer.

(k) No Default. No Default by Developer shall have occurred under this Agreement or any other agreement between City and Developer and/or its officers or employees, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute a Default by Developer under this Agreement, and City Manager shall have received a certificate to that effect signed by an officer of Developer.

All conditions set forth in this Section 4.1, or to City's obligations hereunder, are for City's benefit only and City Manager may waive all or any part of such rights by written notice to Developer. If City Manager shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to City's approval, or if any of the conditions set forth in this Agreement are not met within the times called for, City may thereafter terminate this Agreement without any further liability on the part of City by giving written notice of termination to Developer.

4.2 Developer Conditions Precedent. Developer shall not be obligated to accept the Leasehold Transfer or take possession of a leasehold interest in the Portion B Area under the Leasehold Transfer (notwithstanding any provision of this Agreement to contrary effect) unless all of the following conditions precedent (the "Developer Conditions Precedent") has been fully satisfied, as determined in good faith by the Developer (which condition, if it requires action by City, shall also be a covenant of City); and the Developer agrees to use diligent, good faith efforts to attempt to satisfy the Developer Conditions Precedent:

(a) Financing Commitments. Developer shall have obtained binding commitments for one or more loans or financing, subject to customary conditions, for construction of the Development, and City has approved such evidence of financing, in accordance with all of Section 6.15 hereof, including that a preliminary reservation of Tax Credits has been obtained for an amount of not less than the Tax Credit Amount and the City shall have approved a Final Financing Package.

(b) TCAC Approval. All TCAC approvals required in connection with the preliminary reservation of Tax Credits have been obtained in an amount not less than the Tax Credit Amount and remain in full force and effect.

(c) Representations and Warranties. The representations and warranties of City contained in this Agreement shall be correct as of the Leasehold Transfer as though made on and as of that date, and Developer shall have received a certificate to that effect signed by an officer of the City.

(d) No Default. No Default by City shall have occurred under this Agreement or any other agreement between City and Developer and/or its officers or employees, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute a Default by City under this Agreement, and Developer shall have received a certificate to that effect signed by an officer of City.

(e) Condition of the Property. The condition of the Property, including but not limited to the physical condition and the condition of title, shall not be materially different than

that existing as of the Date of Agreement, subject only to matters caused by the activities of the Developer or any of the Developer Contracting Parties.

All conditions set forth in this Section 4.2, or to Developer's obligations hereunder, are for Developer's benefit only and Developer may waive all or any part of such rights by written notice to City. If Developer shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to Developer's approval, or if any of the conditions set forth in this Agreement are not met within the times called for, Developer may thereafter terminate this Agreement without any further liability on the part of Developer by giving written notice of termination to City.

4.2.1 **No Subordination of Regulatory Agreements. It is mutually contemplated that the City Regulatory Agreement shall not be subordinated with respect or during the Term of the City Lease.** The City Manager, on behalf of City, and the City Manager, on behalf of City, are each delegated the authority to and shall have the right to consider subordination as to periods of time other than the first fifty-five (55) years of the Term upon a compelling showing that: (i) such subordination is necessary to accomplish the financing of the Improvements; (ii) the party or parties requesting such subordination are acting reasonably; (iii) Developer has exhausted all reasonable efforts to successfully accomplish the financing of the Improvements; (iv) the provision of reasonable countervailing consideration to City has been considered and is made available to the extent feasible, such as expansions of the rights of City as set forth under Section 9.6(b) of this Agreement; (v) the resulting terms and conditions reasonably protect the interests of City (as determined by the City Manager and the City Manager, respectively); and (vi) without limitation as to other rights or remedies of City, City shall have those rights described in Section 9.6(b) of this Agreement. In addition to the foregoing portion of this Section 4.2.1, each of the City Manager and the City Manager is delegated authority to consider, at his or her respective discretion, such requests in connection with the provision of financing for the Development, as may be received to approve (at the discretion of each) accommodations similar to those which have previously been approved by City in connection with other affordable housing transactions within the five (5) years preceding the Date of Agreement.

5. SCOPE OF DEVELOPMENT; INSURANCE AND INDEMNITY, FINANCING

5.1 Scope of Development. Developer shall develop the Improvements in accordance the Entitlements as well as with the Scope of Development, as the Scope of Development may be amended under Section 2.2, and the approved plans, drawings and documents for the Improvements. Plans shall be subject to the City's development entitlement process, which may include, but is not limited to: design review, consideration of conditional use permit, lot line adjustment/parcel map, and CEQA compliance. In the event of any inconsistency between the Scope of Development and the plans for the Improvements which have been approved by City, the approved Development plans shall control. In connection with seeking land use approvals for development of the Portion B Area, Developer shall submit a packet commonly referred to by City as a "Universal Application Package" which will include basic concept drawings ("Basic Concept Drawings") for development of the Improvements. City will review the Basic Concept Drawings and the remainder of the Universal Application Package as submitted in accordance with the City's customary process, including design review consistent with the architectural guidelines for that area designated by City as the "Quarry District."

5.1.1 Existing Approvals. Prior to the Date of Agreement, Developer has obtained the Entitlements; Developer may construct in conformity with the Entitlements. If any changes are proposed, then, before commencement of construction of the Improvements or other works of improvement upon the Portion B Area (to the extent such construction would rely upon changes after the Entitlements were given in 2025), Developer shall submit to City a Universal Application Package

that will include any plans and drawings (collectively, the "Design Development Drawings") which may be required by City with respect to any permits and entitlements which are required to be obtained to develop the Improvements, which City shall comment on and return to Developer within thirty (30) days from the date of receipt thereof, or sixty (60) days in the case of design review; if the City takes longer to review plans, times for performance by Developer will be deemed extended by the time in excess of the foregoing time limits. Developer, on or prior to the date set forth in the Schedule of Performance, shall submit to City such plans for the Improvements as required by City in order for Developer to obtain building permits for the Improvements. Within thirty (30) days after City's disapproval or conditional approval of such plans (or sixty (60) days in the case of design review), Developer shall revise the portions of such plans identified by City as requiring revisions and resubmit the revised plans to City. Developer shall include in its plans a description of any joint or reciprocal use as between the Portion A Site and the Portion B Area, including without limitation ingress, egress, parking, and the use of common area facilities.

5.1.2 City Review and Approval. City shall have all rights to review and approve or disapprove all Design Development Drawings and other required submittals in accordance with the City Code, and nothing set forth in this Agreement shall be construed to constitute City's approval of any or all of the Design Development Drawings or other entitlements or to limit or affect City's review and right to approve, approve subject to conditions, or disapprove Design Development Drawings, plans, drawings, applications, or submittals.

5.1.3 Revisions. Any and all change orders or revisions required by City and its inspectors under the City Code and including without limitation all applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations shall be included by Developer in its Design Development Drawings and other required submittals and shall be completed during the construction of the Improvements.

5.1.4 Defects in Plans. City shall not be responsible either to Developer or to third parties in any way for any defects in the Design Development Drawings, nor for any structural or other defects in any work done according to the approved Design Development Drawings, nor for any delays reasonably caused by the review and approval processes established by this Section 5.1.4.

5.1.5 Land Use Approvals. Developer has obtained the Entitlements. If any changes are proposed, then before commencement of construction of the Improvements or other works of improvement upon the Portion B Area, Developer shall, at its own expense, secure or cause to be secured any and all land use and other entitlements, permits, and approvals which may be required for the Improvements by City or any other governmental agency affected by or having jurisdiction over such construction or work, except for those which are the responsibility of City to the extent, if any, as set forth herein, including without limitation a license agreement between Developer and City allowing entry onto the Portion B Area which indemnifies the Indemnitees from any claims made in connection with the activities of Developer. Developer shall, without limitation, apply for and secure, and pay all costs, charges and fees associated therewith, all permits and fees required by City, the County of Placer, and other governmental agencies with jurisdiction over the Improvements.

5.2 Time of Performance; Progress Reports. Developer shall submit all Design Development Drawings, commence and complete all construction of the Improvements, and satisfy all other obligations and conditions of this Agreement within the times established therefor in this Agreement. Construction of the Improvements shall be commenced on or before the time established therefor in the Schedule of Performance. Once construction is commenced, it shall continuously and diligently be pursued to completion and shall not be abandoned for more than thirty (30) days except

when due to causes beyond the control and without the fault of Developer as set forth in Section 8.10. During the course of construction and prior to issuance of the Certificate of Completion, Developer shall provide timely reports of the progress of construction when requested by the City Manager. Developer shall complete construction of all of the Improvements on the Portion B Area within twenty (20) months after the first to occur of (i) commencement of construction or (ii) the time established by this Agreement for commencement of construction.

5.3 Cost of Development. The cost of planning, designing, developing, and constructing the Improvements and the cost of any mapping the Portion B Area shall be borne solely by Developer. All fees imposed by any governmental entity in connection with the acquisition of the Portion B Area or the development of the Improvements shall be borne by Developer and shall be paid when due by Developer. City shall be responsible for and bear the costs, if any, associated with the application of Relocation Laws to the Development to the extent described above within the definition of "Relocation". In addition, in the event City desires to rent all or a portion of the Portion B Area for a period commencing after the Date of Agreement ("Post-Agreement Rentals"), any Post-Agreement Rental shall not interfere with Developer's rights under this Agreement, and City shall be responsible for compliance with Relocation Laws with respect to any such Post-Agreement Rentals in a manner which will not delay or otherwise interfere with the Closing or Developer's development of the Improvements, including but not limited to a requirement that the Portion B Area shall be free of all rights of occupancy or possession in any third parties no later than the Closing.

5.3.1 Impact Fees. Developer shall pay to City, or cause to be disbursed by the lender making the Primary Construction Loan to City, all of the City Impact Fees not later than concurrently with the closing of the Primary Construction Loan.

5.4 [RESERVED].

5.5 Insurance Requirements. Commencing as of Leasehold Transfer and continuing throughout the Required Covenant Period, and, in addition at all times during which Developer is conducting work on the Portion B Area or any portion thereof, including times prior to the Leasehold Transfer, Developer shall maintain at Developer's sole expense, with insurers reasonably approved by City, the following policies of insurance in form and substance reasonably satisfactory to City: (i) at all times commencing with the Leasehold Transfer and continuing throughout the Required Covenant Period, Developer shall provide those coverages described in the Insurance During Remainder of Term; and (ii) at all times during the period commencing with the Leasehold Transfer and ending as of end of the Required Covenant Period when construction is taking place on the Portion B Area, the Developer shall additionally provide those coverages set forth in the Insurance During Construction.

5.6 Obligation to Repair and Restore Damage Due to Casualty. If during the period of construction the Improvements shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against and recoverable by insurance proceeds held by such policy(ies) maintained by Developer, Developer shall proceed to obtain insurance proceeds as soon as practicable and take all steps necessary to begin reconstruction and, as soon as practicable upon receipt of insurance proceeds, to commence the repair or replacement of the Improvements to substantially the same condition as the Improvements are required to be constructed pursuant to this Agreement, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Developer shall complete the same as soon as practicable thereafter so that the Improvements can be occupied as an affordable housing project in accordance with this Agreement. City acknowledges that the availability of insurance proceeds is subject to rights of the Investor and the Approved Construction Lender. In no event shall the repair,

replacement, or restoration period exceed thirty (30) months from the date Developer obtains insurance proceeds unless the City Manager, in his or her sole and absolute discretion, approves a longer period of time. City shall cooperate with Developer, at no expense to City, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, then-existing laws of any other governmental agencies with jurisdiction over the Portion B Area do not permit the repair, replacement, or restoration, Developer may elect not to repair, replace, or restore the Improvements by giving notice to City (in which event Developer will be entitled to all insurance proceeds after paying to City from such proceeds an amount equal to any assistance expended by City but Developer shall be required to remove all debris from the Portion B Area) or Developer may reconstruct such other improvements on the Portion B Area as are consistent with applicable land use regulations and approved by City and the other governmental agency or agencies with jurisdiction, and City may pursue remedies of its choosing under this Agreement, including without limitation termination.

5.7 Indemnity. Developer shall defend (by counsel satisfactory to City), indemnify and save and hold harmless City and their officers, contractors, agents and employees (collectively, the "Indemnitees") from and against all claims, damages, demands, actions, losses, liabilities, costs and expenses (including, without limitation, attorneys' fees and court costs) arising from or relating to: (i) Developer's performance of its obligations under this Agreement; (ii) a claim, demand or cause of action that any person has or asserts against Developer; (iii) any act or omission of Developer, any contractor, subcontractor or material supplier, engineer, architect or other person under Developer's control or under contract with Developer with respect to the Portion B Area; (iv) the conditions, use, condition of title, or any claims associated with the acquisition by CHW or Developer of the Developer Area, the transfer of the Developer Area to City, or the transfer by City of a leasehold interest in the Developer Area under this Agreement; or (v) Developer's ownership, occupancy or use of the Portion B Area, including without limitation tenant selection. Notwithstanding the foregoing, Developer shall not be obligated to indemnify the Indemnitees with respect to the consequences of any act of gross negligence or willful misconduct of any of the Indemnitees. Developer's obligations under this Section 5.7 shall survive the issuance of the Certificate of Completion and termination of this Agreement; the requirements under this Section 5.7 are in addition to and do not limit the obligations of Developer under the City Lease.

Developer shall reimburse City immediately upon written demand for all costs reasonably incurred by City (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants, whether the same are independent contractors or employees of City) in connection with the enforcement of the Project Documents and all related matters including the following: (a) City's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Document, and (b) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which City is indemnified under the Project Documents. Such reimbursement obligations shall bear interest based upon the amounts and times of disbursement by City, provided that City gives written demand to Developer at the Applicable Interest Rate. Such reimbursement obligations shall survive the issuance of the Certificate of Completion and termination of this Agreement and are in addition to and do not limit the obligations of Developer under the City Lease.

Developer shall indemnify City from any real estate commissions or brokerage fees which may arise from this Agreement or the Portion B Area, including without limitation the acquisition of the Portion B Area by Developer, or the leasing of dwelling units on the Portion B Area; in addition, Developer shall indemnity City from any real estate commissions or brokerage fees which may arise from the acquisition by CHW (or Developer) of the Developer Area or the conveyance by CHW (or Developer) of the Developer Area to City.

In addition, and without limitation to the foregoing, Developer agrees to indemnify, defend and hold City harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Portion B Area caused or contributed to by Developer or which occurs after the Closing, or (ii) the violation, or alleged violation, by Developer or anyone acting by or through Developer, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Portion B Area which is caused or contributed to by Developer or which occurs after the Closing. This indemnity shall include, without limitation, any damage, liability, fine, penalty, parallel indemnity after closing cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. At the request of Developer, City shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that City shall not be obligated to incur any expense in connection with such cooperation or assistance. Notwithstanding anything contained herein to the contrary, Developer shall not indemnify City for any claims arising from City's gross and active negligence or City's willful misconduct.

5.8 Rights of Access. Prior to the issuance of the Certificate of Completion, for purposes of assuring compliance with this Agreement, representatives of City shall have the right of access to the Portion B Area, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Improvements so long as City representatives comply with all safety rules. City representatives shall, except in emergency situations, notify Developer prior to exercising its rights pursuant to this Section 5.8. In addition, representatives of City shall have access to the Portion B Area in connection with the enforcement of laws, including without limitation the City Code to the extent used in connection with the exercise of police powers of City without regard to any limitations otherwise set forth in this Section 6.8.

5.9 Compliance With Laws. Developer shall carry out the design, construction and operation of the Improvements in conformity with all applicable laws, including all applicable state labor standards and federal prevailing wage laws (including without limitation provisions for payment of prevailing wages in connection with all construction of the Improvements to the extent applicable), the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Code, and the Fair Housing Act, 42 U.S.C. Section 3601 *et seq.* (and 24 C.F.R. Part 100), the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, and the California Building Standards Code, Health and Safety Code Section 18900, *et seq.* Developer, including but not limited to its contractors and subcontractors, shall comply with Labor Code Section 1720, *et seq.*, and its implementing regulations, regarding the payment of prevailing wages (the "State Prevailing Wage Law") and, if applicable, federal prevailing wage law ("Federal Prevailing Wage Law" and, together with State Prevailing Wage Law, "Prevailing Wage Laws") with regard to the construction of the Improvements, but only if and to the extent such sections are applicable to the development of the Improvements. Developer shall be solely responsible for determining and effectuating compliance with any applicable Prevailing Wage Laws, and City makes no final representation as to the applicability or non-applicability of the

Prevailing Wage Laws to the Improvements, or any part thereof. Developer hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold each of City, and their respective officers, employees, agents and representatives, harmless from any and all claims, demands, actions, suits, proceedings, fines, penalties, damages, expenses resulting from, arising out of, or based upon Developer's acts or omissions pertaining to the compliance with the Prevailing Wage Laws for the Improvements.

Without limitation as to Section 5.7 of this Agreement, Developer shall indemnify, protect, defend and hold harmless City and its officers, employees, contractors and agents, with counsel reasonably acceptable to City, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages and/or federal prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Improvements, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. "Increased costs," as used in this Section 5.9, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Improvements by Developer.

5.10 Nondiscrimination in Employment. Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, sexual orientation, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability.

5.11 Taxes and Assessments. Subject to Developer's right to contest taxes and assessments as provided in Section 7.2(c) of the City Lease, Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Portion B Area. Developer shall remove or have removed any levy or attachment made on any of the Portion B Area or any part thereof which is owned or leased by Developer, or assure the satisfaction thereof within a reasonable time, but in no event to exceed sixty (60) days. Developer shall additionally defend, indemnify, and hold harmless City from and against any taxes, assessments, mechanic's liens, claims of materialmen and suppliers, or other claims by private parties in connection with (a) activities undertaken by Developer or (b) the Portion B Area.

5.12 Liens and Stop Notices. Developer shall not allow to be placed on the Portion B Area or any part thereof any lien or stop notice. If a claim of a lien or stop notice is given or recorded affecting the Improvements Developer shall within thirty (30) days of such recording or service or within five (5) days of City's demand whichever last occurs:

(a) pay and discharge the same; or

(b) affect the release thereof by recording and delivering to City a surety bond in sufficient form and amount, or otherwise; or

(c) provide City with indemnification from the Title Company against such lien or other assurance which City deems, in its sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of City from the effect of such lien or bonded stop notice.

5.13 Certificate of Completion. Within fifteen (15) days after receipt of written request by Developer after completion of the Improvements in conformity with this Agreement, City shall furnish Developer with a "Certificate of Completion," substantially in the form of attached hereto. City shall not unreasonably withhold such Certificate of Completion. The Certificate of Completion shall be a conclusive determination of satisfactory completion of the Improvements and the Certificate of Completion shall so state. If City refuses or fails to timely furnish a Certificate of Completion after written request from Developer, the Certificate of Completion shall be deemed to have been issued unless City shall, within fifteen (15) days of receipt of written request therefor, provide Developer with a written statement of the reasons City refused or failed to furnish the Certificate of Completion. The statement shall also contain City's opinion of the actions Developer must take to obtain the Certificate of Completion. The Certificate of Completion is not a notice of completion as referred to in Section 3093 of the California Civil Code.

5.14 Further Assurances. Developer shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to City all documents, and take all actions, reasonably required by City from time to time to confirm the rights created or now or hereafter intended to be created under the Project Documents or otherwise to carry out the purposes of the Project Documents.

5.15 Financing of the Improvements. Financing shall be provided consistent with the Proof of Financing Commitments.

5.15.1 Approval of Financing. As required herein and as an City Condition Precedent to the Leasehold Transfer, Developer shall submit to City evidence reasonably satisfactory to the City Manager that Developer has obtained sufficient equity capital or has arranged for and obtained a binding commitment for construction financing which is necessary to undertake the development of the Portion B Area and the construction of the Improvements in accordance with this Agreement ("Proof of Financing Commitments"). This requirement shall be implemented as follows: on or before the time set forth in the Schedule of Performance for the recording of documents, but not later than thirty (30) days prior to Closing, and prior to taking possession of the Portion B Area, Developer shall submit to the City Manager a proposed final financing package (the "Initial Proposed Financing Package") which identifies all funding, including sources, amounts, timing and mechanics for disbursement, sufficient to finance the development of the Improvements in conformity with this Agreement. While the Base Pro Forma sets forth initial financing assumptions, it is mutually acknowledged that Developer may seek additional funding sources and that the actual proposed financing may vary from that described in the Base Pro Forma. Upon receipt of such submittal from Developer of the Initial Proposed Financing Package, the City Manager (and nominees of his choosing for this purpose) will review the Initial Proposed Financing Package and will confer with Developer regarding the Initial Proposed Financing Package. The City Manager may make suggestions and propose modifications or substitutions to the Initial Proposed Financing Package. The parties contemplate that more than one submittal may be necessary to achieve a submitted financing package that is approved by the City Manager, and that a consultative process shall occur in connection with each such submittal. At such point as the City Manager may determine, in his or her discretion, to

approve a proposed financing package, upon approval by the City Manager, such financing package shall be referred to as the "Final Financing Package." Attachments hereto shall be subject to change by the terms of the Final Financing Package. The Initial Financing Package and the Final Financing Package shall include the provisions of Section 9.6(c) of this Agreement.

By its approval of this Agreement, the City Council of the City has delegated to the City Manager full authority to make all determinations on behalf of City for all purposes of Section 5.15, including all subparts thereof.

The parties intend that Developer is to obtain equity financing for the construction and operation of the Development including the use of Tax Credits (in an amount of not less than the Tax Credit Amount) and obtaining capital contributions from limited partners in the Development in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Development.

(a) Required Financing Submittals; Submittal of Construction Contract. Such evidence of financing for the Development and readiness to commence construction of the Development shall include all of the following:

(i) An updated pro forma and final development budget for the Development, including the Initial Proposed Financing Package, showing the projected costs of construction of the Development, including all onsite and offsite improvements to be constructed in connection therewith.

(ii) A copy of the lender's firm commitment obtained by Developer for the Primary Construction Loan for the Development and, when available, copies of all loan documents evidencing the Primary Construction Loan therefor. The Primary Construction Loan commitments for financing shall be in such form and content acceptable to City and its financial advisor(s) and its legal advisor(s) and as such reasonably evidences a legally binding, firm and enforceable commitment, subject only to the Lender's customary and normal conditions and terms and subject to the requirements of this Section 5.15. Developer shall provide written certification to City that the loan documents submitted are substantially in the form of the actual loan documents to be executed by Developer concurrently with the Closing. If the Lender requires a subordination agreement between or among Lender, City and/or Developer, concerning the relative priority among deed of trust, City shall review the form of subordination subject to the reasonable review and approval of the City Manager and legal counsel(s).

(iii) A current certified financial statement of Developer (and all partners and members thereof, except the Investor Limited Partner) and/or other documentation satisfactory to City as evidence of other sources of capital sufficient to demonstrate that Developer has adequate funds to cover the difference, if any, between construction and completion costs, and the financing authorized by the Tax Credits, Primary Construction Loan, and any additional subsidies, sources of funding, or financing obtained by Developer for the development of the Development.

(iv) Copies of the construction contract(s).

City, which may act through its City Manager, shall have the right to approve or disapprove such evidence of financing within fifteen (15) business days of submission by Developer to City of all complete items required by this Section 6.15 or as otherwise reasonably imposed by Developer's financing and such approval or disapproval shall be provided not less than fifteen (15)

business days prior to the date scheduled for the Closing (so long as City has had no fewer than thirty (30) days for review of a complete submittal). Failure by City to approve evidence of financing within such time period shall constitute disapproval unless otherwise agreed between City and Developer. In this regard, Developer agrees it shall use best efforts to cause its Primary Construction Lender to timely provide complete drafts of documents for review by City and its legal counsel(s) to perform within such time frames. Approval shall not be unreasonably withheld or conditioned. If City disapproves any such evidence of financing, City shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly obtain and submit to City new evidence of financing within reset but equal time periods. If Developer's submission of new evidence of financing is timely and complete and provides City with adequate time to review such evidence within the times established in this Section 5.15, City shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 5.15 for the approval or disapproval of the evidence of financing as submitted to City initially. The Closing shall be extended as necessary to accommodate the time necessary to obtain the City Manager's approval hereunder.

The evidence of financing shall be deemed to be an ongoing representation by Developer that the sum total of all sources of financing are at least equal to the amount of the approved Project costs as set forth in the Final Development Budget for the Development and that such Final Development Budget conforms to the Tax Credit Applications and the preliminary reservation of Tax Credits, and any and all updates thereto submitted by Developer to TCAC. Once the complete evidence of financing is approved by City, Developer shall promptly notify City in writing of any change in, additional conditions to, or additional sources of financing, including without limitation, the award of state or federal Tax Credits, and any updates or additional information material or relevant to such financing and/or the Tax Credits. The representations made by Developer with respect to the budgets and costs for the Development and the sources of funding and method of financing for the Development, inclusive of all submittals and information related to the Tax Credits, were and remain the basis used by City to negotiate the financial terms of this Agreement.

(b) Tax Credit Equity. Developer has indicated that it has obtained equity financing for the construction and operation of the Development including the use of Tax Credits and obtaining capital contributions from Limited Partners in Developer in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Development. The following requirements must be satisfied in order for the equity financing for Tax Credit funding for the Development to be approved by City pursuant to this Section 5.15:

(i) Developer understands and agrees that Developer and/or CHW may be required to provide an operating deficit guaranty, tax credit recapture guaranty, and/or other guaranties which may be required with respect to the Limited Partners' investment in the Development. If required for such financing, the execution of such guaranties shall be an additional City Condition Precedent for the purposes of Section 4.1.

(ii) Developer shall submit the following documents as evidence of financing prior to the time set forth in the Schedule of Performance for the recording of documents, but not later than the Closing: (a) a copy of a legally binding, firm and enforceable loan commitment(s) or approval(s) obtained by Developer from unrelated financial institutions for the mortgage loan or loans for financing to fund the construction of the Development, subject to such lenders' reasonable, customary and normal conditions and terms, (b) a limited partnership agreement or funding agreement from the equity investors in the Development which demonstrates that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and a current financial statement of Developer, (c) a copy of a Preliminary Reservation of Tax Credits from the

California Tax Credit Allocation Committee for Tax Credits for the construction of the Development, (d) a binding agreement for the purchase of the Tax Credits, and/or (e) other documentation satisfactory to City as evidence of other sources of capital, all of which together are sufficient to demonstrate that Developer has adequate funds to construct and complete the Development.

(iii) The equity investment of the Limited Partners of the limited partnership shall not be less than the approximate prevailing price for 9% Tax Credits at such time, taking into consideration all relevant factors such as timing of required payments, the amount of the Tax Credits, and the market for tax credits at that time.

(iv) City acknowledges that a Lease Rider for the benefit of TCAC is contemplated in connection with the award of Tax Credits. .

(c) Required Submissions. Developer shall submit the following documents as evidence of Tax Credit financing:

(i) The Partnership Agreement or equivalent funding commitment letter from the equity investors in the Development which demonstrates that Developer has sufficient funds and committed capital/equity for commencement through completion of construction, and that such funds have been committed to construction of the Development, and a current financial statement of Developer.

(ii) A complete copy of each application for Tax Credits sand supporting documentation submitted to TCAC by Developer, within five (5) days following Developer's submission thereof to TCAC.

(iii) A copy of a preliminary reservation letter from TCAC notifying Developer that an allocation of 9% Tax Credits for not less than the Tax Credit Amount, has been reserved for construction of the Development, and further documentation demonstrating that Developer remains eligible and qualified to receive such allocation, along with certification that there have not been any material changes to the information provided by Developer in the applications for Tax Credits, as defined and referenced in such reservation letters, and that if there are material changes then such information will be provided to TCAC (and City) forthwith.

(d) Multifamily Conduit Revenue Bond Financing. Developer contemplates that it will include the issuance of new multifamily housing bonds be issued in connection with the development of the Portion B Area or the operation of the improvements thereon in connection with this Agreement; alternatively, Developer may arrange for accessing proceeds of bonds issued prior to the Date of Agreement. In the event that multifamily housing bonds are considered in connection with the development of the Portion B Area, City being under no obligation to so consider, then, subject to the satisfaction of those requirements set forth in this Section with regard to approval of Proof of Financing Commitment(s), an issue of multifamily conduit revenue bonds ("Bonds") may be considered by City (or a public financing authority of which City is a member [a "City PFA"]) in connection with the financing of the Improvements (or a Portion thereof). Developer agrees and acknowledges that: (i) the consideration of the issuance of Bonds requires approval after a public hearing of City or Authority, apart from the approval of this Agreement, and that there is no assurance that such approval will be given; (ii) an allocation process administered by an agency of the State of California is required in connection with the issuance of Bonds, and Developer and not City would be fully responsible for preparing application with the participation of City, obtaining approval, and complying with conditions imposed as part of such a process; (iii) if Bonds are issued for the

Development, City (or a City PFA but no other entity) shall be the issuer; (iv) any bonds issued by City in connection with the Development or a portion thereof would only be a conduit issuance, with no liability of City excepting only the payment of moneys received from Developer in accordance with the state law pursuant to which the Bonds are issued, and with credit support in the form of a letter of credit, or other form of credit enhancement reasonably acceptable to City, private placement and one of the ten largest banks in California or another lender approved by the City Manager at his or her discretion, with Bond Counsel as defined herein and advisors and/or underwriters acceptable to City; (v) any bonds issued by City (or City PFA) privately placed, or if publicly sold would be rated, if applicable, by one of the two largest rating agencies with one of the three highest investment-grade ratings, and on terms customary and reasonably acceptable to the City Manager; (vi) all costs in connection with the issuance of such bonds, including without limitation costs of issuance, the cost of credit support, ratings, and insurance, shall be borne by Developer directly or as part of the matters funded by the bonds and City or its designee shall be entitled to an issuer's fee of 1/8 of 1% of the initial principal amount of the Bonds as well as 1/8 of 1% outstanding annually thereafter so long as the bonds are outstanding (or such lesser amount as may hereafter be approved by the City Manager); and (vii) the term of the bond(s) shall not exceed thirty-five (35) years.

The foregoing portion of this paragraph (d) shall not be deemed to preclude the use of proceeds of bonds issued prior to the Date of Agreement so long as the conditions and requirements associated with the use of such bond proceeds are consistent with all provisions of this Agreement.

(e) Approval of Financing. As required above in this Section, Developer shall submit to City evidence that Developer has obtained sufficient equity capital and/or has arranged for and obtained a binding commitment for construction financing on then commercially reasonable terms necessary to undertake the development of the Portion B Area and the construction of the Improvements in accordance with this Agreement ("Proof of Financing Commitments").

City shall reasonably approve or disapprove such evidence of financing within thirty (30) days of receipt of each of the respective submittals, provided that such submittal is complete. Approval shall not be unreasonably withheld so long as the terms and conditions of the financing are consistent with this Agreement, including without limitation the availability of the Tax Credit Amount and the acknowledgment and consent by such lender to City Regulatory Agreement as senior encumbrances, with the further proviso that if the Tax Credit Amount exceeds the amount set forth therefor on the Base Pro Forma, Developer shall agree that the excess remaining after applying amounts necessary to defray Cost Overrun Amounts theretofore experienced or the Developer Fee (the "Excess Amount") shall be applied first to fund the Operating Reserve and the Capital Replacement Reserve and, to the extent that any surplus remains, to pay the Deferred Developer Fee, then to the extent any surplus remains, to be treated as Gross Revenues under the City Lease; financing terms shall be reasonable and customary. If City shall disapprove any such evidence of financing, City shall do so by Notice to Developer stating the reasons for such disapproval and Developer shall endeavor to promptly obtain and submit to City new evidence of financing. City shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 5.15 for the approval or disapproval of the evidence of financing as initially submitted to City. Developer shall close the approved Tax Credit financing prior to or concurrently with the Closing.

The Proof of Financing Commitment shall include a copy of a legally binding, firm and enforceable loan commitment(s) obtained by Developer from one or more financial institutions for the mortgage loan or loans for financing to fund the construction and completion of the Improvements.

The parties intend that Developer is to obtain equity financing for the construction and operation of the Development including the use of Tax Credits (in an amount of not less than the Tax Credit Amount) and obtaining capital contributions from limited partners in the Development in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Development.

In no event shall City be obligated to provide any financial assistance or subsidy to the Development other than as expressly set forth in this Agreement. City shall have no obligation to make any expenditures under this Agreement.

Developer understands and agrees that Developer and/or CHW may be required by third party lenders to provide an operating deficit guaranty, tax credit recapture guaranty, and/or other guaranties which may be required with respect to the limited partners' investment in the Development. If required for such financing, the execution of such guaranties shall be an additional condition precedent for the purposes of Section 4.1.

Developer shall submit the following documents as evidence of financing: (a) a copy of a firm loan commitment(s) or approval(s) obtained by Developer from unrelated financial institutions for the mortgage loan or loans for financing to fund the construction of the Development, subject to such lenders' reasonable, customary and normal conditions and terms, (b) a limited partnership agreement or funding agreement from the equity investors in the Development which demonstrates that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and a current financial statement of Developer and Developer's other sources of equity capital, (c) a copy of a preliminary reservation of Tax Credits (and when available, the final reservation of Tax Credits) from the California Tax Credit Allocation Committee for Tax Credits for the construction of the Development (or other evidence satisfactory to the City Manager that Tax Credits will be available), (d) a binding agreement for the purchase of the Tax Credits, and (e) such other documentation as may be reasonably necessary to satisfy City as to the availability, commitment and adequacy of other sources of capital, all of which together are sufficient to demonstrate that Developer has adequate funds committed for the construction and completion of the Development.

5.15.2 No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease Back for Development. Mortgages, deeds of trust and subleases and subleases back on Developer's (or Approved Assignee's) leasehold (but not as to the underlying fee) shall be permitted before the completion of the Improvements only with City's prior written approval, but only for the purpose of securing loans of funds to be used for financing the construction of the Improvements (including architecture, engineering, legal, construction period carrying costs such as property taxes, insurance and interest, and related direct costs as well as indirect costs) on or in connection with the Portion B Area, and the obtaining of a permanent loan (as well as swap contracts, if any, entered into in connection therewith which are consistent with the terms of this Agreement concerning no cross-collateralization or change in security) in the amount of the outstanding balance of the construction loan. In no event, however, shall the amount or amounts of indebtedness secured by mortgages or deeds of trust on Developer's leasehold interest as to the Portion B Area exceed the projected Developer's cost, as evidenced by a pro forma and a construction contract which have been approved by the City Manager in accordance with this Agreement and which set forth such costs, unless the written approval of the City Manager is first obtained. Developer shall notify City in advance of any mortgage, deed of trust or sublease and sublease back financing, if Developer proposes to enter into the same before completion of the construction of the Improvements. The words "mortgage" and "trust

deed" as used hereinafter shall include sublease and sublease back. No liens shall be permitted on City's fee interest in the Portion B Area.

5.16 Holder Not Obligated to Construct Improvements. The holder of any mortgage or deed of trust on Developer's leasehold interest authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct, complete, or operate the Improvements or any portion thereof, or to guarantee such construction, completion or operation; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Portion B Area to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

5.17 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure. With respect to any mortgage or deed of trust granted by Developer as to its leasehold interest as provided herein, whenever City may deliver any notice or demand to Developer with respect to any breach or default by Developer under this Agreement, City shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand; provided that the failure to notify any holder of record shall not vitiate or affect the effectiveness of notice to Developer. Each such holder shall (insofar as the rights granted by City are concerned) have the right, at its option, within sixty (60) days after the receipt of the notice, or such longer time as expressly provided for a cure under this Agreement, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage or deed of trust. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to City by written agreement reasonably satisfactory to City. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates, but on a schedule which takes into account the time reasonably required for the holder to obtain title to and possession of Developer's leasehold interest in the Portion B Area, analyze and negotiate amendments to plans, specifications, construction contracts and operating contracts or to negotiate new construction contracts and operating contracts. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 6.13 of this Agreement, to a Certificate of Completion. It is understood that a holder shall be deemed to have satisfied the sixty (60) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of Developer's leasehold interest in the Portion B Area (or portion thereof) if and to the extent any such holder has within such sixty (60) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default. The City Manager is authorized to consent, on behalf of City, to the provision of similar cure rights to the limited partner as reasonably requested by the tax credit investor.

5.18 Failure of Holder to Complete Improvements. In any case where, one hundred eighty (180) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Portion B Area (or leasehold interest therein) or any part thereof receives a notice from City of a default by Developer in completion of construction of any of the Improvements under this Agreement, and such holder is not vested with ownership of Developer's leasehold interest in the Portion B Area and has not exercised the option to construct as set forth in Section 5.17, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, in addition to such other rights and remedies as City shall have, City may purchase the mortgage or deed of trust by payment to the holder

of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Portion B Area (or Developer's leasehold interest therein) or any part thereof has vested in the holder, City, if it so desires, shall be entitled to a conveyance from the holder to City upon payment to the holder of an amount equal to the sum of the following:

(a) The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

(b) All expenses with respect to foreclosure including reasonable attorneys' fees;

(c) The net expense, if any, incurred by the holder as a direct result of the subsequent management of the Portion B Area or part thereof;

(d) The costs of any improvements made by such holder;

(e) An amount equivalent to the interest that would have accrued at the rate(s) specified in the holder's loan documents on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by City; and

(f) Any customary prepayment charges imposed by the lender pursuant to its loan documents and agreed to by Developer.

The foregoing rights shall supplement and not limit City's rights as landlord under the City Lease or by operation of law.

5.19 Right of City to Cure Mortgage or Deed of Trust Default. In the event of a mortgage or deed of trust default or breach by Developer whether prior to or after the completion of the construction of any of the Improvements or any part thereof (continuing until the expiration of the term of the City Lease), Developer shall immediately deliver to City a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, City shall have the right but no obligation to cure the default. In such event, City shall be entitled to reimbursement from Developer of all proper costs and expenses incurred by City in curing such default.

Developer agrees to provide documentation evidencing the relinquishment of any and all rights to the Development and under the City Lease in such event; provided that the failure to provide such documentation shall not be construed to mean that Developer retains any rights under the Agreement or the City Lease.

6. COVENANTS AND RESTRICTIONS

6.1 Use Covenants. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Portion B Area or any part thereof, that Developer shall devote the Portion B Area to the uses specified in and shall operate in conformity with this Agreement, the City Regulatory Agreement, and the City Lease, whichever is the more restrictive in each case unless expressly provided to contrary effect herein. All uses conducted on the Portion B Area, including, without limitation, all activities undertaken by Developer pursuant to this Agreement, shall conform to the Redevelopment Plan and all applicable provisions of the City Code.

6.2 Affordable Housing Requirements.

6.2.1 Number of Required Affordable Units and Other Units. Developer agrees to make available, restrict occupancy to, and rent all of the Required Affordable Units at Affordable Rent. There shall be sixty (60) multifamily rental units developed on the Portion B Area as follows (i) for six (6) one bedroom Units, thirty percent (30%) of Median Income; (ii) for two (2) two bedroom Units, thirty percent (30%) of Median Income; (iii) for six (6) two-bedroom Units, thirty percent (30%) of Median Income; (iv) for thirteen (13) one bedroom Units, fifty percent (50%) of Median Income; (v) for five (5) two bedroom Units, fifty percent (50%) of Median Income; (vi) for six (6) three bedroom Units, fifty percent (50%) of Median Income; (vii) for five (5) one bedroom Units, sixty percent (60%) of Median Income; (viii) for eight (8) two bedroom Units, sixty percent (60%) of Median Income; and (ix) for eight (8) three bedroom Units, sixty percent (60%) of Median Income. There shall additionally be one manager's unit; the manager's unit shall not be restricted on the basis of income. The restriction of Units in connection with requirements for tax credits, so long as those requirements do not supersede the requirements imposed under this Agreement, shall not be deemed to constitute a violation of this Agreement. An example of the calculation of Affordable Rent for the Units is attached hereto as Attachment No. 7 and incorporated herein; however, it is contemplated that rents consistent with the use of Tax Credits will be utilized in connection with the Development. In the event TCAC imposes greater affordability requirements, this Agreement and the attachments hereto will be conformed to meet such requirements.

6.2.2 Duration of Affordability Requirements. The Required Affordable Units shall be maintained as rental units available at and rented to Extremely Low Income Households, and Lower Income Households throughout the Required Covenant Period, as more particularly set forth in the City Regulatory Agreement.

6.2.3 Tenant Selection and Tenant Services Plan; Selection of Tenants. Prior to the issuance of the Certificate of Completion for the Improvements, Developer shall prepare and submit to the City Manager a plan concerning the marketing to and selection of tenants ("Tenant Selection and Tenant Services Plan"). The Tenant Selection and Tenant Services Plan shall also describe in detail the services to be provided by Developer to residents, and shall delineate the compensation to be paid for an on-side tenant services administrator to be engaged by the Developer. Developer shall submit to the City Manager within ninety (90) days after the Date of Agreement a draft Tenant Selection and Tenant Services Plan. Upon receipt of such draft Tenant Selection and Tenant Services Plan, the City Manager may approve, conditionally approve or disapprove the draft Tenant Selection and Tenant Services Plan within sixty (60) days after receipt thereof. If the City Manager disapproves or conditionally approves the draft Tenant Selection and Tenant Services Plan, the parties agree to confer with the goal that Developer will revise the draft Tenant Selection and Tenant Services Plan to address, to the extent feasible, concerns raised by the City Manager. If the City Manager fails to approve or disapprove the draft Tenant Selection and Tenant Services Plan by the time set forth therefor in the preceding portion of this Section 7.2.3, City will be estopped to deny the effectiveness of the draft Tenant Selection and Tenant Services Plan as previously approved as the Final Tenant Selection and Tenant Services Plan. Developer shall be responsible for the selection of tenants for the Required Affordable Units in compliance with the criteria set forth in Section 6.3 of this Agreement and the City Lease.

6.2.4 Income of Tenants. Each tenant shall be an Extremely Low Income Household or, to the extent provided herein a Lower Income Household which, in accordance with the Prescribed Income Levels, meets the eligibility requirements established for the corresponding Required Affordable Unit, and Developer shall obtain a certification from each tenant renting or leasing

each housing unit which substantiates such fact. Developer shall verify the income certification of each tenant as set forth in Section 6.3 hereof. Prior to the rental or lease of any Unit on the Portion B Area to a tenant, and annually thereafter, Developer shall submit to City or its designee, at Developer's expense, a completed income computation and certification form, in a form to be provided by City.

6.2.5 Determination of Affordable Rent for the Required Affordable Units. Each Required Affordable Unit shall be rented at an "Affordable Rent" to be established as follows: The maximum monthly rental amount for the Required Affordable Units, shall be:

(i) for Extremely Low Income Households, at one-twelfth (1/12) of thirty percent (30%) of thirty percent (30%) of Median Income for the Area for a household of a size appropriate to the housing unit, or, if lower, the maximum rent for such unit as determined under the City Regulatory Agreement;

(ii) the maximum monthly rental amount for the Required Affordable Units to be rented to Lower Income Households shall be established at one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of Median Income for the Area for a household of a size appropriate to the housing unit, or, if lower, the maximum rent for such unit as determined under the Regulatory Agreement; or

Affordable Rents shall be subject to annual adjustment based upon the promulgation of figures published concerning Median Income for the Area and income limits as annually published by the California Department of Housing and Community Development ("HCD"); actual rents charged may be less than the maximum amounts determined pursuant to the formulas set forth in the preceding portion of this Section 6.2.5.

"Household size appropriate to the unit," for the purpose of the calculation of rent herein (and without regard to actual occupancy), means an amount equal to the number of bedrooms in the unit plus one (i.e., for a two-bedroom unit, 3 people; for a three-bedroom unit, four people); provided that the maximum monthly rental amount of the Required Affordable Units shall be adjusted annually by the formula set forth above upon the promulgation of revised figures concerning Median Income for the Area by regulation of the California Department of Housing and Community Development ("HCD"). Actual rent charged may be less than such maximum rent.

6.2.6 Relationship to Other Funding Requirements. In the event Developer is required, as a condition of funding imposed by entities other than City, to cause a greater number of Units to be restricted by rent and/or income qualifications, the attachments to this Agreement will be modified to reflect such greater number of Units limited to rental at Affordable Rent to households of the corresponding income lived as determined in accordance with the Calculation of Affordable Rents.

6.2.7 [Reserved].

6.2.8 Income Verification. Developer shall verify the income of each proposed and existing tenant of the Required Affordable Units and all other Units developed on the Portion B Area.

6.2.9 Annual Reports. Following the issuance of the Certificate of Completion, and on or before July 15 of each Lease Year commencing after completion of the Improvements, Developer, at its expense, shall submit to City or its designee the reports in the manner described by Health and Safety Code Section 33418, as the same may be amended from time to time, with each such

report to be in the form prescribed by City. Each annual report shall cover the immediately preceding Lease Year.

Developer shall maintain on file each tenant's executed lease and Income Verification and rental records for all Required Affordable Units developed on the Portion B Area. Developer shall maintain complete and accurate records pertaining to the Required Affordable Units and will permit any duly authorized representative of City to inspect the books and records of Developer pertaining to this Agreement and the Required Affordable Units upon reasonable advance notice of not less than twenty four (24) hours and during normal business hours. Developer shall prepare and submit to City (or its designee) annually commencing July 15 following the completion of the Improvements and continuing throughout the Required Covenant Period, a Certificate of Continuing Program Compliance. Such documentation shall state for each Required Affordable Unit the unit size, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determine compliance with the terms of this Agreement.

As part of its annual report, Developer shall include a statement of amounts payable by Developer under this Agreement (including the City Lease) supported by an Audited Financial Statement (prepared by an independent accounting firm reasonable acceptable to City) which sets forth information in detail sufficient for adequate review by City for the purposes of confirming those amounts payable by Developer to City as well as showing the general financial performance of the Affordable Housing Project ("Annual Financial Report"). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Service, Operating Reserve, Capital Replacement Reserve and Rental Receipts, payments of fees and any other remuneration to Developer all certified by the Audited Financial Statement. In the event the amounts reported or paid deviate by five percent (5%) or more from that amount determined to be owing upon review of Developer's submittal, Developer shall reimburse City for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amounts payable as Additional Rent under the City Lease during the first succeeding Lease Year. Developer agrees to maintain records in businesslike manner, and to maintain such records for the Term of the City Lease. The income and rent restrictions provided for hereunder are intended and shall be maintained in a manner sufficient to satisfy the requirements of Health and Safety Code Section 33413(b) without regard to whether such statute is applicable as a matter of law.

In addition, as part of its annual report and at City's request, but not less frequently than prior to each initial and subsequent rental of each Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to City completed income computation, asset evaluation, and certification forms, for any such tenant or tenants, in substantially the form provided by City from time to time. Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household or a Low Income Household, as applicable, and meets the eligibility requirements established for each such Unit. Developer shall verify the income certification of each tenant household. In order to comply with this Section 6.2.9, Developer shall submit to City any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Project; provided, City may request (and Developer shall provide) additional documentation to assist City's evaluation of Developer's compliance with this Agreement, if determined to be necessary in the reasonable discretion of the City Manager, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with the requirements applicable to funding sources not without to City, as applicable. This requirement is in addition to and does not replace or supersede Developer's obligation to annually submit the Certificate of Continuing Program Compliance to City. Further, City has the

right, but not the obligation to monitor compliance with respect to each tenant household at the Project, and City's election to monitor some, but not all, of the Units shall not constitute a waiver of City's right to monitor and enforce compliance with respect to all Units in the future.

6.2.10 Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914 or as required by the Tax Credit Rules. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Project and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods;

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;

(iii) obtain an income verification certification from the employer of the person;

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies; or

(v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer.

(b) Verification Regarding Eligibility of New Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

6.3 [Reserved].

6.4 Maintenance of the Portion B Area. Developer agrees for itself and its successors in interest to the Portion B Area, to maintain the improvements on the Portion B Area in conformity with the City Code and the conditions set forth in the City Regulatory Agreement, and shall keep the Portion B Area free from any accumulation of debris or waste materials. During such period, Developer shall also maintain the landscaping planted on the Portion B Area in a healthy condition.

6.5 Nondiscrimination Covenants. Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Portion B Area on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

6.6 Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction. City is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether City has been, remains or is an owner of any land or interest therein in the Portion B Area or in the Project Area of the Redevelopment Plan. City shall have the right, if the Agreement or any covenants in any agreement pursuant to this Agreement, including without limitation the City Regulatory Agreement and the City Lease, are breached, to exercise all rights and remedies, and to

maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and such covenants may be entitled.

7. DEVELOPER'S GENERAL REPRESENTATIONS AND WARRANTIES.

As a material inducement to City to enter into this Agreement, and in addition to the representations and warranties in Section 1.5.2, Developer represents and warrants to City that:

7.1 Formation, Qualification and Compliance. Developer (a) is a California limited partnership validly existing and in good standing under the laws of the State of California; (b) has all requisite and the authority to conduct its business and own, purchase, improve and sell its properties. Developer is in compliance in all material respects with all laws applicable to its business and has obtained all approvals, licenses, exemptions and other authorizations from, and has accomplished all filings, registrations and qualifications with any governmental agency that are necessary for the transaction of its business; (c) Developer has and will in the future duly authorize, execute and deliver this Agreement and any and all other agreements and documents required to be executed and delivered by Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement; (d) Developer does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of Developer to carry out its obligations hereunder; (e) There are no material pending or, so far as is known to Developer, threatened, legal proceedings to which Developer is or may be made a party or to which any of its property is or may become subject, which have not been fully disclosed by Developer to City in this Agreement which could materially adversely affect the ability of Developer to carry out its obligations hereunder; and (f) There is no action or proceeding pending or, to Developer's best knowledge, threatened, looking toward the dissolution or liquidation of Developer and there is no action or proceeding pending or, to Developer's best knowledge, threatened by or against Developer which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of Developer to carry out its obligations hereunder.

Each of the foregoing items (a) to (f), inclusive, shall be deemed to be an ongoing representation and warranty. Developer shall advise City in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (f), inclusive.

7.2 Execution and Performance of Project Documents. Developer has all requisite authority to execute and perform its obligations under the Project Documents. The execution and delivery by Developer of, and the performance by Developer of its obligations under, each Project Document has been authorized by all necessary action and do not and will not violate any provision of, or require any consent or approval not heretofore obtained under, any articles of incorporation, by-laws or other governing document applicable to Developer.

7.3 Covenant Not to Transfer Except in Conformity. Excepting for the rental of individual dwelling units to occupants in the regular course of business (which rental activity shall not be limited by this Section 8.3), or the sale of a partnership interest to generate proceeds in consideration of the Tax Credits, Developer shall not sell, lease, or otherwise transfer or convey all or any part of the Portion B Area, or any interest therein, unless Developer has first obtained the prior written consent of the City Manager, which consent may be granted or refused in the City Manager's sole and absolute discretion; City shall upon receipt of written request therefor consent to a sale by the relevant Approved Assignee of its interest in the Development to CHW or an affiliated nonprofit public benefit corporation confirmed by the City Manager after the expiration of the tax credit compliance period. In addition,

Developer's limited partner and any successor thereto, may, without the prior consent of City and except as set forth in the senior permitted liens, sell, transfer, assign, pledge, hypothecate, and encumber some or all of its partnership interests in Developer and the same shall not be a violation of this Agreement. Moreover, Developer's or an Approved Assignee's Limited Partner and any successor thereto, shall have the right, without the prior consent of City and except as set for in the senior permitted liens, to remove any or all of Developer's general partners for cause as permitted under Developer's or Approved Assignee's limited partnership agreement and replace any or all removed general partners with a person or entity determined in the Limited Partner's sole discretion. Any sale, lease, transfer or conveyance without such consent shall, at City's option, be void. A change in ownership of Developer or an Approved Assignee resulting in the individuals executing this Agreement on behalf of Developer retaining less than fifty-one percent (51%) ownership of all outstanding shares of Developer shall be deemed to violate this Section 7.3. In connection with the foregoing consent requirement, Developer acknowledges that City relied upon Developer's particular expertise in entering into this Agreement and continues to rely on such expertise to ensure the satisfactory completion of all of the Improvements, and the marketing and rental of the Required Affordable Units to Extremely Low Income Households and Low Income Households to afford the community a long-term, quality affordable housing resource.

8. DEFAULTS, REMEDIES, AND TERMINATION.

8.1 Default Remedies. Subject to the extensions of time, if any, pursuant to Section 8.10 of this Agreement, failure by any party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a "Default" or "Event of Default" under this Agreement. A party claiming a Default shall give written notice of Default to the other parties specifying the Default. Except as otherwise expressly provided in this Agreement, and without limiting or affecting rights of parties hereto to terminate this Agreement, the claimant shall not institute any proceedings against any other party, and the other parties shall not be in Default if such party within thirty (30) days from receipt of such notice immediately, with due diligence, commences to cure, correct or remedy the specified Default and shall complete such cure, correction or remedy with diligence. If a cure is commenced but cannot reasonably be completed within thirty (30) days, the party shall have an additional period of time as reasonably necessary, not to exceed ninety (90) days, to complete the cure. City shall give the Limited Partner (so long as City has received notice of such Limited Partner) a copy of any notice delivered to Developer, and the Limited Partner shall have the right but not the obligation to cure the Default within the time periods specific herein.

8.2 Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, any party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement; provided, that City shall have no right, in any event, to impose a lien for monetary damages against the Portion B Area or on any improvements erected from time-to-time on the Portion B Area. Such legal actions must be instituted in the Superior Court of the County of Placer, State of California.

8.3 Termination by Developer. In the event that as of the time described below (and if no time is described below, the time established therefor in the Schedule of Performance):

(a) by the time set forth therefor in the Schedule of Performance for the Leasehold Transfer, Developer is not in default under this Agreement and City does not execute the

City Lease and effect the Leasehold Transfer to Developer in the manner and condition and by the date provided in this Agreement; or

(b) on or before March 2, 2023, the Developer informs City that the condition of the Portion B Area is not suitable for the proposed Development; or

(c) in the event of any Default of City prior to the Leasehold Transfer which is not cured within the time set forth in Section 8.1 hereof; or

(d) the failure to occur of one or more of the Developer Conditions Precedent; and

any such failure is not cured within the applicable time period after written demand by Developer, then this Agreement may, at the option of Developer, be terminated by Notice thereof to City; provided that Developer shall have delivered to City the documents required to be delivered to City pursuant to Section 6.15 of this Agreement. From the date of the Notice of termination of this Agreement by Developer to City and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations among the parties.

8.4 Termination by City. If prior to the time established in the Schedule of Performance for the satisfaction of the City's Conditions Precedent and subject to the mortgagee protection provisions to the extent expressly set forth herein:

(a) Developer (or any successor in interest) assigns this Agreement or any rights therein or in the Portion B Area in violation of this Agreement; or

(b) One of more of the City Conditions Precedent is not satisfied; or

(c) Developer fails to execute (as lessee/covenantee) one or more of the City Regulatory Agreement, the City Lease or the Memorandum of Lease; or

(d) On or before December 1, 2025, City has not received from Developer a writing confirming that the condition of the Portion B Area is suitable for the proposed Development; or

(e) Developer is otherwise in default of this Agreement and fails to cure such default within the time set forth in Section 8.1 hereof;

then this Agreement and any rights of Developer or any assignee or transferee with respect to or arising out of the Agreement or the Portion B Area (including without limitation all attachments to this Agreement), shall, at the option of City, be terminated by City by Notice thereof to Developer. From the date of the Notice of termination of this Agreement by City to Developer and thereafter this Agreement (including without limitations all attachments hereto) shall be deemed terminated and there shall be no further rights or obligations among the parties, except that City may pursue any remedies it has hereunder. Prior to completion of any such termination, City shall give the Limited Partner notice of any of the foregoing occurrences giving rise to the City's right to terminate.

8.5 Acceptance of Service of Process. In the event that any legal action is commenced against City, service of process on City shall be made by personal service upon the City Manager or in such other manner as may be provided by law. In the event that any legal action is commenced against City, service of process on City shall be made by personal service upon the City Manager or in such

other manner as may be provided by law. In the event that any legal action is commenced against Developer, service of process on Developer shall be made in such manner as may be provided by law and shall be effective whether served inside or outside of California.

8.6 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another party.

8.7 Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

8.8 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

8.9 Covenant Provisions; Certain Amendments. In the event, as a result of the provision of other financing in connection with the Development, the parties will review and, if appropriate amend covenant and reporting provisions hereof to encompass such other Units as may be regulated by virtue of such other funding. In the event Developer is required by virtue of such other financing to restrict the affordability of Units in a manner more restrictive than as set forth under the form of City Regulatory Agreement then, from time to time upon receipt of request therefor from the City Manager, Developer agrees to consent to modifications to incorporate such greater restrictions into the City Regulatory Agreement; such request(s) by the City Manager can be made at any time(s) during the Required Covenant Period without regard to whether the City Regulatory Agreement have been recorded.

8.10 Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or Defaults are due to: war; insurrection; riots; floods; earthquakes; pandemics; fires; casualties; acts of God; acts of the public enemy; acts or omissions of another party, or acts or failures to act of City or any other public or governmental agency or entity (excepting that acts or failures to act of City shall not excuse performance by City). Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and Developer. This Section 8.10 shall not be deemed applicable to the City Lease unless expressly incorporated by reference therein. Notwithstanding the foregoing, the following shall not constitute a basis for enforced delay: the failure of Developer to obtain financing commitments sufficient for the development of the Portion B Area in conformity with this Agreement; the failure to obtain approval of a tentative map or parcel map reasonably acceptable to Developer.

In addition to the foregoing (and without regard to the preceding portion of this Section 8.10), the City Manager shall have the authority, at his or her discretion, to approve extensions on behalf of City to approve extensions of time not to exceed a cumulative total of three hundred sixty-five (365) days.

8.11 Transfers of Interest in Agreement or of the Portion B Area. Except as otherwise set forth in Section 7.3 hereof, Section 8.11, and all subsections of this Section 8.11, shall apply to transfers prior to the Leasehold Transfer. Any transfers occurring or proposed after the Leasehold Transfer are subject to the provisions therefor of the City Regulatory Agreement. In the event of conflict between the provisions of this Section 8.11 and the City Lease (concerning transfers of interest), the City Lease shall control.

8.11.1 Prohibition. The qualifications and identity of Developer are of particular concern to City. It is because of those qualifications and identity that City has entered into this Agreement with Developer. For the period commencing upon the date of this Agreement and until the end of the Required Covenant Period, except as otherwise set forth in Section 7.3 hereof, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement, nor shall Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Portion B Area or the Development thereon (excepting the rental Lease of Units to Occupants) without prior written approval of City, except as expressly set forth herein.

8.11.2 Permitted Transfers. In the event of a proposed assignment by Developer under subparagraphs 8.11.2 through 8.11.3, inclusive, Developer agrees that at least thirty (30) days prior to such assignment it shall give written notice to City including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Developer the Obligations of this Agreement. In addition, no consent of City shall be required in connection with the transfer of Developer's leasehold interest in the Portion B Area that occurs by foreclosure or deed in lieu of foreclosure of any Permitted Senior Lien to respective holder thereof or to their nominees or assignees exclusive of Developer and CHW. The provisions of this Section 8.11 shall be limited by those transfers permitted in Section 7.3.

(a) Any transfers to an entity or entities in which Developer retains a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retains management and control of the transferee entity or entities or relating to the syndication of Tax Credits or after the Tax Credit period, the removal of the Tax Credit investor.

(b) The conveyance or dedication of any portion of the Portion B Area to City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Development.

In the event of a proposed assignment by Developer under subparagraphs (a) and (b) of this Section 8.11.2, inclusive, Developer agrees that at least thirty (30) days prior to such assignment it shall give written notice to City including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Developer the Obligations of this Agreement. In addition, no consent of City shall be required in connection with the transfer of Developer's leasehold interest in the Portion B Area that occurs by foreclosure or deed in lieu of foreclosure of any Permitted Senior Lien to respective holder thereof or to their nominees or assignees exclusive of Developer and CHW.

8.11.3 City Consideration of Requested Transfer. City agrees that it will consider in good faith a request made pursuant to this Section 8.11 after the achievement of occupancy of ninety percent (90%) or more of the Units in conformity with this Agreement following the issuance by City of a Certificate of Completion for the last building to be constructed as part of the Improvements, provided Developer delivers written notice to City requesting such approval, the City Regulatory

Agreement remain in full force and effect. Such notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, its financial commitments and resources, and the financial terms of such assignment (including the consideration proposed to flow to Developer or Related Entity and/or any of the Principals) in sufficient detail to enable City to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 8.11, and as reasonably determined by City. Notwithstanding the foregoing, neither the transfer of limited partnership interests to tax credit investors (or subsequent transfers of limited partnership interests) nor the removal and replacement of Developer's general partner in accordance with Section 8.3 shall entitle City to receive compensation (in connection with such transfer). City shall evaluate each proposed transferee or assignee on the basis of its development and/or qualifications and experience in the operation of facilities similar to the Development, and its financial commitments and resources, and may reasonably disapprove any proposed transferee or assignee, during the period for which this Section 8.11 applies, which City reasonably determines does not possess sufficient qualifications. An assignment and assumption agreement in form satisfactory to City's legal counsel shall also be required for all proposed assignments. Developer agrees and acknowledges that in connection with any such assignment approved by City pursuant to this Agreement, Developer shall remain liable for performance pursuant to this Agreement for a period of five (5) Years following such assignment; provided that the five-Year limitation shall not apply (and the ongoing liability of Developer shall not be thereby limited) in connection with the transfer of limited partnership interests to tax credit investors. Within thirty (30) days after the receipt of Developer's written notice requesting approval of an assignment or transfer pursuant to this Section 8.11, including assignments that do not require City/City Manager approval, City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, Developer shall promptly furnish to City such further information as may be reasonably requested. In addition, City will not unreasonably withhold its approval of a transfer made at the conclusion of the tax credit period to Developer and affiliates upon the removal of the tax credit investor, so long as there are no defaults under this Agreement and the transferee agrees to be bound by all executory provisions of this Agreement.

Notwithstanding the foregoing portion of this Section 8.11.3, Section 7.3 shall be enforceable in accordance with its terms.

8.11.4 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon Developer and its permitted successors arid assigns. Whenever the term "Developer" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

8.12 Non-Liability of Officials and Employees of City. No member, official, officer or employee of City shall be personally liable to Developer, or any successor in interest, in the event of any Default or breach by City or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

8.13 Relationship Between City and Developer. It is hereby acknowledged that the relationship between City and Developer is not that of a partnership or joint venture and that City and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Agreement, including the Attachments hereto, City shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Development so long as such rights are held by Developer under this Agreement.

8.14 City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by City, the City Manager is authorized to act on behalf of City unless specifically provided otherwise or the law otherwise requires. When a reference is made herein to an action or approval to be undertaken by City, the City Manager is authorized to act on behalf of City unless specifically provided otherwise or the law otherwise requires.

8.15 Real Estate Brokers. City and Developer each represent and warrant to each other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction, and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action on its part.

8.16 Attorneys' Fees. In any action among the parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

8.17 Non-recourse Liability of Developer. Notwithstanding anything to the contrary in this Agreement or any other Project Document, neither Developer nor any of its partners shall be personally liable for any default, loss, claim, damage, expense or liability to any person and the sole remedy against Developer hereunder shall be limited to its interest in the Development, excepting that Developer will be responsible for those liabilities of Developer referenced in Section 5.7.

9. MISCELLANEOUS

9.1 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of City to Developer, or any other claim by Developer against City, in connection with the Portion B Area or otherwise, Developer hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Developer's obligations under this Agreement (including without limitation the attachments hereto), or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Developer of any of its obligations under the Project Documents.

9.2 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by any party to the others (each, a "Notice") shall be in writing and shall be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) mailing in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

If to Developer: Pacific Street Housing Associates Nine, L.P.
c/o Community HousingWorks
3111 Camino del Rio North, Suite 800
San Diego, CA 92108
Attn: Kevin Leichner
Telephone: (619) 282-6647

with a copy to:	(which copy shall not constitute notice to Developer) [to come: contact information for tax credit investor(s)]
and a copy to:	(which copy shall not constitute notice to Developer) Gubb & Barshay LLP 235 Montgomery Street, Suite 1110 San Francisco, CA 94104 Attention: Nicole Kline
and a copy to:	NEF Assignment Corporation 540 W. Madison Street, Suite 1990 Chicago, Il 60661 Attention: General Counsel
and a copy to:	Bocarsly Emden Cowan Esmail & Arndt 633 West 5th Street, Suite 5880 Los Angeles, CA 90071 Attention: Rachel Rosner
and a copy to:	Cedar Rapids Bank and Trust Company 500 First Avenue NE, Suite 100 Cedar Rapids, Iowa 52401 Attention: Brad Curtin
and a copy to:	Winthrop & Weinstine, P.A. 225 South Sixth Street, Suite 3500 Minneapolis, Minnesota 55402 Attention: Robert P. Singleton
If to City:	City of Rocklin 3970 Rocklin Road Rocklin, CA 95677 Attn: City Manager
and a copy to:	(which copy shall not constitute notice to City) Office of City Attorney 3970 Rocklin Road Rocklin, CA 95677 Attention: City Attorney

Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that nonreceipt of any communication as the result of a change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

9.3 Survival of Representations and Warranties. All representations and warranties in the Project Documents shall survive the Leasehold Transfer and the rental of the Required Affordable Units and have been or will be relied on by City notwithstanding any investigation made by City.

9.4 No Third Parties Benefited Except for City; AB 987. This Agreement is made for the purpose of setting forth rights and obligations of Developer and City, and no other person (except for City) shall have any rights hereunder or by reason hereof. Except for City, which shall be deemed to be a third party beneficiary of this Agreement (including without limitation the Attachments hereto), there shall be no third party beneficiaries of this Agreement. Developer acknowledges that, notwithstanding the foregoing portion of this Section 9.4, pursuant to AB 987 and the amendments to Health and Safety Code Section 33334.3 made effective as of January 1, 2008 by that bill, it is possible that violations of the covenants, conditions and restrictions relating to affordable housing contained in the City Regulatory Agreement may now be enforceable not only by City, but also by each of the persons and/or entities listed in Section 33334.3(f)(7) of the Health and Safety Code, specifically (1) residents of affordable units subject to covenants recorded pursuant to Health and Safety Code Section 33334.3(f)(1) (each, a "Covenanted Unit"), (2) the most recent former residents of such a Covenanted Unit, (3) applicants that are Lower Income Households or Extremely Low Income Households that are denied occupancy of such a Covenanted Unit, and (4) persons that are Lower Income Households or Extremely Low Income Households and who are on a waiting list for occupancy of such a Covenanted Unit. The provisions of AB 987 are to be applicable only to the extent required by law. Nothing in this Section 9.4 or this Agreement (including the Attachments hereto) is intended to provide an enforcement right to any person or entity not specifically made an intended third party beneficiary of this Agreement; any such third party shall be limited in their right to enforce affordability restrictions to the extent provided by Health and Safety Code Section 33334.3(f). City makes no representation concerning the applicability, *vel non*, of Section 33334.3 as described in the foregoing portion of this Section 9.4.

9.5 Binding Effect; Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, City, Developer and City and their respective successors and assigns. Developer shall not assign any of its rights or obligations under any Project Document without the prior written consent of the City Manager, which consent may be withheld in the City Manager's sole and absolute discretion; provided that the City Manager shall reasonably consider an assignment to an entity or entities owned or under majority control by Developer or the Principals where Developer pays City's and City's costs to review, estimate, process and document such assignment and no other provisions of this Agreement are amended thereby. Any such assignment without such consent shall, at City's option, be void. In connection with the foregoing consent requirement, Developer acknowledges that City relied upon Developer's particular expertise in entering this Agreement and continues to rely on such expertise to ensure the satisfactory completion of the Improvements and the use of the Required Affordable Units in conformity with this Agreement.

9.6 Option.

(a) City Option to Acquire Leasehold. Notwithstanding, and in addition to, the remedies provided to City otherwise provided under this Agreement, Developer hereby grants to City the option ("Option") to purchase Developer's leasehold interest in the Portion B Area, the Improvements and any other improvements to the Portion B Area (collectively, the "Leasehold Assets"). The purchase Option will begin as of the last day of the fifty-fifth (55th) Lease Year and will continue in effect thereafter for the remainder of the Term. City may, but shall not be required to, purchase the Leasehold Assets for an amount equal to the "Final Value", as defined below. This Option shall be subordinate to any Approved Construction and/or Permanent Lender and their respective Primary Construction Loan and Primary Permanent Loan, as applicable, and shall terminate and be of no further force and effect upon a foreclosure or deed in lieu thereof.

(i) Determination of Initial Value. The value of the Leasehold Assets will be determined initially by an appraiser selected by City based upon the greater of (a) the value of the Leasehold Assets subject to the restrictions and limitations on the rental of all units on the Portion B Area to Extremely Low Income Households and Lower Income Households as provided under the City Regulatory Agreement, or (b) all then outstanding amounts (principal and accrued and unpaid interest) owing under such financing secured by Developer's interest in the Project which financing was theretofore approved in writing by City; the amount as so established constitutes the "Initial Value". The appraiser shall have sixty (60) days to obtain such appraisal and to tender its offer of sale.

(ii) Developer Submittal. Within ten (10) business days after City has transmitted a writing setting forth the Initial Value to Developer, Developer shall deliver in writing to City a writing setting forth: (a) such Developer's decision to sell the Leasehold Assets to City for an amount equal to the Initial Value; (b) Developer's opinion of value, if different from that of the Initial Value as described above; or (c) such Developer's decision to retain an appraiser to provide an opinion of value of the Leasehold Assets. If Developer approves the Initial Value, such amount shall be deemed to constitute the "Final Value." In the event Developer is obtaining an appraisal, it shall have sixty (60) days to obtain such appraisal and deliver its offer to sell to City based upon such value. An amount determined under (b) or (c) of this subsection (ii) shall constitute the "Alternative Value." In the event Developer fails to deliver its written response to City by the time set forth in this subsection (ii), then the Initial Value shall be deemed to constitute the "Final Value." Notwithstanding the foregoing portion of this Section 9.6, in no event shall the Final Value be deemed to be less than the amount of loans and advances to finance or refinance the Project which loans and advances have been approved by City.

(iii) City Response. Within ten (10) business days after City receives a writing from Developer under subsection (ii) of this Section 9.6(a), City shall notify Developer in writing that: (a) City has elected to open escrow for the purchase of the Leasehold Assets based upon the Initial Value (which shall be applicable in the event Developer agrees that the Initial Value shall constitute the Final Value, or if Developer fails to deliver its written response under subsection (ii) by the time prescribed therefor in such subsection (ii) in which event the Initial Value shall be deemed to constitute the Final Value); (b) City has elected to open escrow for the purchase of the Leasehold Assets treating the Alternative Value as the Final Value; (c) City has elected to not proceed to exercise its rights to acquire the Leasehold Assets by means of the Option; or (d) City has elected to reject the Alternative Value and instead elects (1) to have the appraisers who, respectively, determined the Initial Value and the Alternative Value, jointly select a third, independent MAI appraiser (the "Independent MAI Appraiser") to determine the value of the Leasehold Assets and, if such appraiser fail to reach agreement on the Independent MAI Appraiser, then (2) to have the prepares of the Initial Value and the Alternative Value each designate three (3) MAI appraisers, from which the City Clerk will randomly select one of the MAI appraisers.

(iv) Appraiser Determination. In the event the Independent MAI Appraiser is designated, such appraiser shall determine a value for the Leasehold Assets subject to the Appraisal Parameters (the "Independent MAI Value"). Developer and City agree that, in such case, an amount equal to the average of: (a) the Independent MAI Value and (b) whichever of the amount determined under 9(a)(i) or (ii) above is closer to the Independent MAI Value, shall be deemed to constitute the "Final Value" for purposes of this Agreement.

In connection with any purchase of the Leasehold Assets under this Section 9.6(a), City shall receive credit for any outstanding indebtedness to City with respect to the Property.

(v) Implementation of Sale Upon Establishment of Final Value. Within five (5) working days following the establishment of the Final Value, City shall: (a) deliver its written notice that it elects not to acquire the Leasehold Assets under Section 9.6; (b) deliver to Developer both: (1) a written notice of its election to exercise the Option at the Final Value (the "Exercise Notice"), and (2) two (2) copies of City's standard or customary real estate purchase and sale agreement for income-restricted homes ("Purchase Agreement"), both of which are duly-executed by City. Upon Developer receiving the Exercise Notice and the two (2) duly-executed Purchase Agreements, Developer shall execute both copies of the Purchase Agreement and return one fully-executed original to City. Developer's failure to execute and deliver a copy of the Purchase Agreement in accordance with this Section 10.6(b)(v) shall not affect the validity of the Purchase Agreement; in addition, specific performance shall be available to City in such event (without limitation as to other rights or remedies). The Purchase Agreement shall be immediately effective and binding on both Developer and City without further execution by the Parties, on exercise of the Option in accordance with this Section 9.6. City may, instead of purchasing the Leasehold Assets itself, assign its option and right to purchase the Leasehold Assets to City; provided that the Purchase Agreement shall incorporate a price, if greater, equal to the greater of the fair market value of the Leasehold Assets or the amount required to pay off or satisfy all existing debt on the leasehold estate.

(vi) Purchase Option Does Not Limit Remedies. THE PURCHASE OPTION SHALL NOT LIMIT ANY REMEDIES AVAILABLE TO CITY UNDER THE AHA, INCLUDING WITHOUT LIMITATION REMEDIES UNDER ONE OR MORE OF THE CITY REGULATORY AGREEMENT OR THE CITY LEASE. Without limitation as to other remedies that are available to City, upon compliance with the foregoing requirements of Section 9.6, the obligation of Developer to convey the Leasehold Assets to City shall be enforceable by specific performance.

9.7 Mandatory Assignment. In the event Developer has not obtained a reservation of tax credits equal to or greater than the Tax Credit Amount by the time set forth therefor in the Schedule of Performance, or if by such time the Developer fails to demonstrate to City that it is obtained binding financing commitments which would be sufficient to construct the Project, or if Developer informs City that Developer is unwilling to proceed with the Project on the basis set forth in this Agreement at any time and for any reason, upon giving Developer sixty (60) days to cure or determine that it will proceed to construct the Project on the basis set forth in this Agreement, City reserves the right to assign all rights of Developer herein to a nominee to replace the Developer for all purposes of this Agreement. Such reservation and designation of a substitute developer would be accomplished by writing by City to Developer.

9.8 Counterparts. Any Project Document may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

9.9 Prior Agreements; Amendments; Consents. This Agreement (together with the other Project Documents) contains the entire agreement between City and Developer with respect to the Portion B Area, and all prior negotiations, understandings and agreements with respect to such matters are superseded by this Agreement and such other Project Documents. To the extent the Original Agreement has not already been supersede or repealed, the Original Agreement is superseded by this Agreement; the Original Agreement shall hereafter have no further force and effect. No modification of any Project Document (including waivers of rights and conditions) shall be effective

unless in writing and signed by the party or parties against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 58, plus signature pages and Attachments 1 through 18, which constitutes the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements among the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of City and Developer, and all amendments hereto must be in writing by the appropriate authorities of City and Developer. Whenever this Agreement provides for action by City, the City Manager may act on behalf of City unless the context or applicable law requires otherwise.

9.10 Governing Law. All of the Project Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Placer in connection with any legal action or proceeding arising out of or relating to this Agreement or the other Project Documents. Assuming proper service of process, Developer also waives any objection regarding personal or in rem jurisdiction or venue.

9.11 Severability of Provisions. No provision of any Project Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Project Documents are hereby declared to be severable.

9.12 Headings. Article and section headings are included in the Project Documents for convenience of reference only and shall not be used in construing the Project Documents.

9.13 Conflicts. To the great feasible extent, the provisions of this Agreement shall be construed as consistent with the Project Documents. In the event of any conflict between the provisions of this Agreement and those of any other Project Document executed by City, the Project Documents as executed by City shall prevail; provided however that, with respect to any matter addressed in both such documents, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

9.14 Time of the Essence. Time is of the essence of all of the Project Documents.

9.15 Conflict of Interest. No member, official or employee of City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

9.16 Cure by Limited Partner. Limited Partner is not obligated to perform as Developer under this Agreement; however, in the event a breach by Developer is cured by Limited Partner, City will accept such cure. Any cure by Limited Partner shall be accomplished within the time afforded Developer for cure hereunder, excepting that in the event it is necessary to replace the General Partner of Developer in order to effect a cure, Limited Partner shall be afforded an additional reasonable time to replace the General Partner and accomplish the cure.

Notwithstanding any provision of this Lease to contrary effect, approval by the Limited Partner and notice to the Limited Partner shall not be required as of such time as Limited Partner does not hold an interest in the Project or Developer's rights under this Agreement.

9.17 Warranty Against Payment of Consideration. Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

(signatures on following pages)

DEVELOPER:

PACIFIC STREET HOUSING ASSOCIATES NINE, L.P., a California limited partnership

By: CHW Pacific Street Nine LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By:

_____

Kevin Leichner
Senior Vice President Housing and Real Estate Development

Consent and approval of CHW:

Community HousingWorks, a California public benefit corporation ("CHW"), hereby evidences its approval and consent that any rights of CHW under the Original Agreement are hereby assigned to Pacific Street Housing Associates Nine, L.P., a California limited partnership

By: _____

Kevin Leichner
Its: Senior Vice President Housing and Real Estate Development

CITY:

CITY OF ROCKLIN, a municipal corporation

By:_____
Jill Gayaldo, Mayor

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

APPROVED AS TO FORM:

_____
Mark Huebsch, Consulting Attorney

ATTACHMENT NO. 1

PORTION B AREA MAP

ATTACHMENT NO. 2

LEGAL DESCRIPTION OF THE PORTION B AREA

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

For the purposes of this Schedule of Performance, the "Date of Agreement" is _____ __, 2025. The City Manager may extend by not more than three hundred sixty-five (365) days the time under this Schedule of Performance by which any obligation of Developer shall be performed.

1. TCAC Approval. Developer shall have obtained allocation by TCAC of a preliminary reservation for tax credits for the Development in an amount of not less than the Tax Credit Amount.	On or before the Tax Credit Deadline.
2. Satisfaction of City Conditions Precedent. Developer shall satisfy the City Conditions Precedent.	Not later than the Tax Credit Deadline.
3. Recording of Documents. The City Lease or a memorandum thereof (as prepared by City) is recorded; in addition, each and every document required to be executed and delivered in connection with the Leasehold Transfer shall have been delivered and each and every document required to be recorded shall have been recorded, including without limitation the City Regulatory Agreement).	As soon as feasible following the satisfaction of the City Conditions Precedent.
4. Commencement of Construction. Developer shall have commenced construction of the Improvements.	Not later than the first anniversary of the Dat eof Agreement.
5. Completion of Construction. Developer shall complete construction of the Improvements.	On or before the second anniversary of the commencement of construction.
6. Rental Units Occupied. Developer causes the Required Affordable Units to be occupied using rents prescribed by and in conformity with the Agreement.	Within three hundred (300) days after the earlier of (i) issuance of a Certificate of Completion for the Improvements or (ii) the time established for completion of construction of the Improvements herein, which deadline shall be subject to any applicable extensions under Section 9.10 of the Agreement.

ATTACHMENT NO. 4

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

TO: City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

The undersigned, _____, being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of Pacific Street Housing Associates Nine, L.P., a California limited partnership (the "Developer"), hereby represents and warrants that:

1. He has read and is thoroughly familiar with the provisions of the Affordable Housing Agreement (the "AHA") by and between City, the City of Rocklin ("City") and Developer dated as of _____ __, 202_, including without limitation the City Regulatory Agreement, the City Lease, and other attachments thereto. Capitalized terms used herein shall have the same meaning as that set forth in the AHA; and

2. As of the date of this Certificate, the following number of completed residential units at the Portion B Area: (i) are currently occupied by Extremely Low Income Households at Affordable Rent; (ii) are currently occupied by an Extremely Low Income Households at Affordable Rent; (iii) are currently occupied by Lower Income Households at Affordable Rent; (iv) are currently vacant and being held available for occupancy by an Extremely Low Income Household at Affordable Rent; (v) are currently vacant and being held available for occupancy by a Low Income Household since the date of Low Income Household vacated such unit and have been so held continuously since the date a Lower Income Household vacated such unit):

Occupied at an Affordable Rent by:

i. Extremely Low Income Households (30%) ___ # of Units, Nos.: _____
ii. Very Low Income Households (50%) __ # of Units, Nos.: _____
ii. Low Income Households (60%) ___ # of Units, Nos.: _____

Vacant:

a. Held for occupancy by:

i. Extremely Low Income Households (30%) ___ # of Units, Nos: _____
ii. Very Low Income Households (50%) ___ # of Units, Nos: _____
ii. Lower Income Households (60%) ___ # of Units, Nos.: _____

b. Last occupied by:

i. Extremely Low Income Households (30%) ___ # of Units, Nos: _____
ii. Very Low Income Households (50%) ___ # of Units, Nos: _____
ii. Lower Income Households (60%) ___ # of Units, Nos.: _____

3. At no time since the date of filing of the last Certification of Continuing Program Compliance have less than one hundred percent (100%) of the Required Affordable Units as completed units in the Project been occupied by, or been last occupied, or have been available for occupancy by Extremely Low Income Households, Very Low Income Households and/or Lower Income Households at an Affordable Rent, and all of the Required Affordable Units have been occupied in conformity with the Tenant Selection and Tenant Services Plan.

4. Developer is not in default under the terms of the Agreement, including without limitation the attachments thereto (such as the City Lease and the City Regulatory Agreement).

PACIFIC STREET HOUSING ASSOCIATES NINE, L.P., a California limited partnership

By: CHW Pacific Street Nine LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President Housing and Real Estate Development

(DEVELOPER)

ATTACHMENT NO. 5

NOTICE OF AFFORDABILITY RESTRICTIONS

[to come: this will be prepared later to conform to the City Regulatory Agreement(s) following closing after the Final Financing Plan has been approved]

ATTACHMENT NO. 6

CITY LEASE

ATTACHMENT NO. 7

CALCULATION OF AFFORDABLE RENTS

Placer County
Affordable Rent Worksheet

(2025 Income Figures)

Method of Determining Rents[1]

1. Income Eligibility[2],[3]

The first step in determining eligibility for an affordable housing program is determining whether the family which will be purchasing or renting the housing unit meets the following income standards applicable to **Placer County**, based upon the size of the family:

Income Level	*1 person household*	*2 person household*	*3 person household*	*4 person household*	*5 person household*	*6 person household*	*7 person household*	*8 person household*
Extremely Low	$27,050	$30900	$34,750	$38,600	$41,700	$44,800	$48,650	$54,150
Very Low	$45,050	$51,450	$57,900	$64,300	$69,450	$74,600	$79,750	$84,900
Lower	$72,050	$82,350	$92,650	$120,900	$111,150	$119,400	$127,600	$135,850
Median	$84,550	$96,650	$108,700	$120,800	$130,450	$140,150	$149,800	$159,450
Moderate	$101,450	$115,950	$130,450	$144,950	$156,550	$168,150	$179,750	$191,350

2. Determining Affordable Rent

For rental housing, the second step in determining compliance with affordable housing requirements is determining whether the total rent costs payable by the tenant are within allowable amounts.

---

1 Based on currently effective median income of Placer County, as released by the Department of Housing and Community Development ("HCD") by memorandum dated as of April 23, 2025 as posted to the HCD website. These median income figures are revised annually. Where projects receive financial assistance under agreements made after January 1, 2025 (such as this Agreement) figures should be reviewed based upon additional standards (such as those associated with Tax Credits) which may apply. The Developer is responsible for charging rents in the amounts allowable under this Agreement. The Developer is encouraged to annually confirm proposed rents with the City.

2 Affordable Rent for Extremely Low Income Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053 (b)(1). If any units are Acutely Low Income Household units, the income limitations and maximum allowable rents will be available from City.

3 Affordable Rent for Very Low Income Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053 (b)(2).

For **Extremely Low Income Households**:[4]

- renting a **0 bedroom** unit, monthly rent may not exceed **$634.13**
- renting a **1 bedroom** unit, monthly rent may not exceed **$724.88**
- renting a **2 bedroom** unit, monthly rent may not exceed **$815.25**
- renting a **3 bedroom** unit, monthly rent may not exceed **$906.00**
- renting a **4 bedroom** unit, monthly rent may not exceed **$978.38**
- renting a **5 bedroom** unit, monthly rent may not exceed **$1,051.13**

For **Very Low Income** Households: [5]

- renting a **0 bedroom** unit, monthly rent may not exceed **$1,056.88**
- renting a **1 bedroom** unit, monthly rent may not exceed **$1,208.13**
- renting a **2 bedroom** unit, monthly rent may not exceed **$1,358.75**
- renting a **3 bedroom** unit, monthly rent may not exceed **$1,510.00**
- renting a **4 bedroom** unit, monthly rent may not exceed **$1,630.63**
- renting a **5 bedroom** unit, monthly rent may not exceed **$1,751.88**

For **Lower Income** Households:

- renting a **0 bedroom** unit, monthly rent may not exceed **$1,268.25**
- renting a **1 bedroom** unit, monthly rent may not exceed **$1,449.75**
- renting a **2 bedroom** unit, monthly rent may not exceed **$1,630.50**
- renting a **3 bedroom** unit, monthly rent may not exceed **$1,812.00**
- renting a **4 bedroom** unit, monthly rent may not exceed **$1,956.75**
- renting a **5 bedroom** unit, monthly rent may not exceed **$2,102.25**

---

[4] Affordable Rent for Extremely Low Income Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(1).

[5] Affordable Rent for Very Low Income Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(3).

In addition, for any Lower Income Household whose income falls within the following guidelines, it is **optional** for City to require that **affordable rent not exceed 30 percent of the gross income of the household**:[6]

- **1 person households** whose income is between **$50,730 and $72,050**
- **2 person households** whose income is between **$57,990 and $82,350**
- **3 person households** whose income is between **$65,220 and $92,650**
- **4 person households** whose income is between **$72,480 and $102,900**
- **5 person households** whose income is between **$78,270 and $111,150**
- **6 person households** whose income is between **$84,090 and $119,400**
- **7 person households** whose income is between **$89,880 and $127,600**
- **8 person households** whose income is between **$95,670 and $135,850**

For purposes of determining Affordable Rent, *"Rent"* is an average of estimated housing costs for the next twelve months. ***"Rent"*** includes the total of monthly payments for all of the following:[7]

- Use and occupancy of a housing unit and land and facilities associated therewith.
- Any separately charged fees or service charges assessed by the lessor which are required of all tenants, other than security deposits.
- A reasonable allowance for utilities not included in the above costs, including garbage collection, sewer, water, electricity, gas, and other heating, cooking, and refrigeration fuels. "Utilities" does not include telephone service. Such an allowance shall take into consideration the cost of an adequate level of service.

Possessory interest taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the lessor.

---

6 Health and Safety Code Section 50053 (b)(3).

7 25 California Code of Regulations Section 6918.

ATTACHMENT NO. 8

REQUEST FOR NOTICE OF DEFAULT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Exempt from recording fees pursuant to Government Code § 6103.

Exempt from fee per Government Code section 27388.1(a)(2); recorded concurrently in connection with a transfer subject to the imposition of documentary transfer tax

Request for Notice Under Section 2924b Civil Code

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. _____ on _____, 202__, in Book _____, Page _____, Official Records of Placer County, California, and describing land therein as

See Exhibit A attached hereto

executed by _____, as Trustor, in which _____ is named as Beneficiary, and _____ as Trustee, be mailed to City of Rocklin, at 3970 Rocklin Road, Rocklin, California 95677, Attention: City Manager.

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOUR ADDRESS CHANGES, A REQUEST MUST BE RECORDED.

Aly Zimmermann
City Manager

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ATTACHMENT NO. 9

SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

The Portion B Area is specifically delineated on the Portion B Area Map and the Legal Description of the Portion B Area.

II. DEVELOPMENT

Developer shall construct sixty (60) multifamily rental housing units on the Portion B Area together with features described or referenced in Administrative Determination AD-2025-0004 as approved May 8, 2025 by the Community Development Director of the City of Rocklin (including without limitation all conditions contained therein), and additional and use approvals for the development of the Portion B Area, if any, as may hereafter be approved by the City acting in the exercise of its police power. All such improvements, including all conditions of deposit now or hereafter imposed by City (including without limitation and mitigation measures) collectively constitute the "Improvements." The number of bedrooms for the Required Affordable Units is set forth within the definition, Required Affordable Units. Unit sizes shall not be less than as hereafter approved by City as part of its land use approval process and under the authorization of this Agreement. Developer is encouraged to confer and consult with Community Development staff concerning the size and amenities associated with the housing units. Developer shall accomplish the Development in strict conformity with the Entitlements.

The quality of construction shall be of a high level. The Improvements shall conform to such plans as are hereafter approved by City and maintained on file with City as supplemented by the Design Development Drawings.

The Development shall consist of all-electric buildings with energy efficient features such as ENERGY Star appliances, including dishwashers and garbage disposals, energy efficient dual-pane windows, no-VOC paint, high efficacy lighting, and low-flow plumbing fixtures to reduce water use. The landscape shall be designed to reduce the Development's water consumption with water-conservation irrigation system and drought tolerant and native plants. In addition to a tot lot and shared outdoor space, the Development will provide indoor community space that includes a leasing office, a dedicated office space for resident services, a conference room, restrooms, and a multi-purpose room with a kitchen.

The Improvements shall include parking as hereafter designated by City as part of its land use approval process to be located on the Portion B Area. In addition, the City intends to make available on a non-exclusive basis the ability to park certain vehicles on that certain property defined herein as the "Adjacent City Parking Area"; the Adjacent City Parking Area is a portion of the block (APN 010-0404-039, approximately 0.9 acres) from the back edge of the alley towards the train tracks as originally granted to City through an Act of Congress, under a grant which restricts the use of such property. Developer shall design and construct the parking lot at its cost and the City will maintain the parking lot thereafter; the parties intend to enter an agreement after the Date of Agreement which sets forth the arrangements for the operation of the Adjacent City Parking Area by Developer. It is contemplated that in addition to residents of the Portion B Area, the Adjacent City Parking Area will

also be available, on a non-exclusive basis, to residents of development which occurs on the Portion B Area. While no portion of the parking lot can be restricted for the exclusive use of the affordable housing project, the parking lot, including approximately 70 spaces will be made available for use, including overnight use, by residents of the project; such parking spaces are further intended to be available for residents of the improvements to be constructed under a different agreement as to the Portion A Site.

Developer shall commence and complete the Improvements by the respective times established therefor in the Schedule of Performance.

III. DEVELOPMENT STANDARDS

The Improvements shall conform to all applicable state laws and regulations and to local zoning, applicable provisions of the City Code and the following development standards:

A. General Requirements:

1. Vehicular Access. The placement of vehicular driveways shall be coordinated with the needs of proper street traffic flow as approved by City. In the interest of minimizing traffic congestion, City will control the number and location of curb breaks for access to the Portion B Area for off-street parking and truck loading. All access driveways shall require written approval of City staff.

2. Building Signs. Signs shall be limited in size, subdued and otherwise designed to contribute positively to the environment. Signs identifying the building use will be permitted, but their height, size, location, color, lighting and design will be subject to City staff approval, and signs must conform to the City Code.

3. Screening. All outdoor storage of materials or equipment shall be enclosed or screened to the extent and in the manner required by City staff.

4. Landscaping. Developer shall provide and maintain landscaping within the public rights-of-way and within setback area along all street frontages and conforming with the plans as hereafter approved by City excepting for landscaping, if any, installed by City within the public right of way.

Landscaping shall consist of trees, shrubs and installation of an automatic irrigation system adequate to maintain such plant material. The type and size of trees to be planted, together with a landscaping plan, shall be subject to City staff approval prior to planting.

5. Utilities. All utilities on the Portion B Area provided to service the units rehabilitated or reconstructed by Developer shall be underground at Developer's expense.

6. Building Design. Buildings shall be constructed such that the Improvements shall be of high architectural quality and shall be effectively and aesthetically designed and in conformance with City approvals.

7. Mitigation Measures. Mitigation measures approved for the Development under the California Environmental Quality Act (CEQA).

B. Design Features:

The following design features are considered essential components to the Improvements:

Handicapped Units – The greater of ten percent (10%) of the Units or the number of units required by TCAC are to be fully handicapped accessible in compliance with State Housing Code - Title 24 requirements.

Security - The details of security will be reviewed upon submission of the detailed plans.

Overall Design Quality, Materials, Colors, Design Features - Quality of design is important, materials and colors are to be approved by City.

Mobility/Agility - All facilities shall comply, to the extent feasible, with "New Horizon Accessible, Adaptable Apartments for the Physically Disabled" published by HCD dated July 1989, and shall comply with those portions of Title 24 of the California Code of Regulations that have been adopted by HCD relating to handicapped units, and the requirements of the federal Department of Housing and Urban Development, Part VI, 24 C.F.R. Ch. 1, Vol. 56, No. 44, as published in the Federal Register March 6, 1991.

IV. SOILS

Developer agrees to accept the Portion B Area in its as-is condition, subject only to express representations and warranties made by City under the AHA and assumes responsibility for surface and subsurface conditions at the Portion B Area and the suitability of the Portion B Area for the Improvements. Developer will undertake all investigation of the Portion B Area as it shall deem necessary and has not received or relied upon any representations of City, its officers, agents and employees.

V. SPECIAL AMENITIES

Developer shall undertake all improvements required by City as a condition of development of the Portion B Area under the Entitlements.

ATTACHMENT NO. 10

CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: APN: _____	

(Space Above for Recorder's Use Only)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

CERTIFICATE OF COMPLETION

THIS CERTIFICATE OF COMPLETION (the "Certificate") is made by the **CITY OF ROCKLIN,** a municipal corporation (the "City"), in favor of **PACIFIC STREET HOUSING ASSOCIATES NINE, L.P.**, a California limited partnership (the "Developer"), as of the date set forth below.

R E C I T A L S

A. City and Developer have entered into that certain unrecorded Affordable Housing Agreement (the "AHA") dated as of _____ __, 202_ concerning the redevelopment of certain real property situated in the City of Rocklin, California, as more fully described in Exhibit "A" attached hereto and made a part hereof (the " Portion B Area"). A copy of the AHA is on file with City as a public record.

B. As referenced in Section 6.13 of the AHA, City is required to furnish Developer or its successors with a Certificate of Completion upon completion of construction of the "Improvements" (as defined in Section 1.1 of the AHA), which Certificate is required to be in such form as to permit it to be recorded in the Recorder's Office of Placer County. This Certificate is conclusive determination of satisfactory completion of the construction and development required by the AHA.

C. City has conclusively determined that the construction and development of the Development has been satisfactorily completed.

NOW, THEREFORE, City hereby certifies as follows:

1. City does hereby certify that the Improvements to be constructed by Developer has been fully and satisfactorily completed in full conformance with the AHA.

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance construction work on the Portion B Area, or any part thereof.

3. This Certificate shall not constitute evidence of Developer's compliance with those covenants in the AHA that survive the issuance of this Certificate.

4. This Certificate is not a Notice of Completion as referred to in California Civil Code Section 3093.

5. Nothing contained in this instrument shall modify in any other way any other provisions of the AHA (including without limitation the attachments thereto).

IN WITNESS WHEREOF, City has executed this Certificate of Completion this ___ day of _____, 202__.

CITY OF ROCKLIN, a municipal corporation

By:_____
Aly Zimmermann
City Manager

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

EXHIBIT "A" TO ATTACHMENT NO. 10

LEGAL DESCRIPTION

Real property in the City of Rocklin, County of Placer, State of California, described as follows:

[to come]

APN:

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ATTACHMENT NO. 11

CITY REGULATORY AGREEMENT

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

(Space above for Recorder's Use.)

APN:

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

Exempt from fee per Government Code section 27388.1(a)(2); recorded concurrently in connection with a transfer subject to the imposition of documentary transfer tax

REGULATORY AGREEMENT

These Covenants, Conditions and Restrictions, herein sometimes referred to as these "CC&Rs" or "Declaration" or "Regulatory Agreement" are made by the signatories hereto.

R E C I T A L S

WHEREAS, each of the **CITY OF ROCKLIN**, a municipal corporation ("City"), the **CITY OF ROCKLIN**, a charter city duly organized and existing under and by virtue of the Constitution and the laws of the State of California ("City"), and **PACIFIC STREET HOUSING ASSOCIATES NINE, L.P.**, a California limited partnership ("Developer") is a party to this Declaration. City and Developer are sometimes collectively referred to herein as the "Declarants."

WHEREAS, City and Developer have entered into that certain unrecorded Affordable Housing Agreement dated as of _____ __, 202_ (the "AHA") for the improvement and development of certain real property described in Exhibit "A" (to which these CC&Rs are attached) as the " Portion B Area", which AHA provides for the recordation of this Regulatory Agreement. The AHA is incorporated herein by this reference and any capitalized term not defined herein shall have the meaning established therefor in the AHA. A copy of the AHA is on file with City as a public record.

WHEREAS, this Regulatory Agreement establishes a plan for the improvement, development and maintenance of the Portion B Area, for the benefit of City.

WHEREAS, it is contemplated under the AHA that, as of the recordation of this Regulatory Agreement, Developer has entered into or will enter into a lease of the "Portion B Area" and described in the legal description attached hereto as Exhibit "A" and incorporated herein by this reference. The form of the lease, as prescribed by the AHA, is referenced to as the "City Lease."

WHEREAS, the AHA sets forth certain restrictive covenants applicable to the Portion B Area, particularly the use of the Portion B Area for the provision of rental housing units available to Extremely Low Income Households, Very Low Income Households, and Low Income Households at Affordable Rents as those terms are defined therein.

WHEREAS, City and Developer wish to adopt this Regulatory Agreement to further govern the use of the Portion B Area in conjunction and along with the AHA and to ensure that City achieves credit for production of affordable housing units in the manner described by Section 33413 of the California Health and Safety Code.

NOW, THEREFORE, City (which is the owner of the Portion B Area) and Developer, which shall own improvements upon development thereon under the AHA) in City each declares that the Portion B Area shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the Covenants, Conditions and Restrictions hereinafter set forth expressly and exclusively for the use and benefit of said property, and City. Each and all of the restrictions, limitations, conditions, covenants, liens, reservations and charges herein contained shall run with the land and be recorded on the property title and shall be binding on Declarants, their grantees, successors, heirs, executors, administrators, devisees or assigns, and all subsequent owners of all or any part of the Portion B Area.

ARTICLE I
DEFINITIONS

The definitions provided herein shall be applicable to this Declaration and also to any amendment or supplemental Declaration (unless the context implicitly or explicitly shall prohibit), recorded against the Portion B Area pursuant to the provision of this Declaration. Any capitalized terms not defined herein shall have the respective meanings set forth therefor in the AHA.

"Adjacent City Parking Area" has the meaning set forth therefor in the AHA.

"Affiliated Person" means, when used in reference to a specific person, any person that directly or indirectly controls or is controlled by or under common control with the specified person, any person that is an officer or director of, a trustee of, or a general partner, managing member or operator in, the specified person or of which the specified person is an officer, director, trustee, general partner or managing member, or any person that directly or indirectly is the beneficial owner of ten percent (10%) or more of any class of the outstanding voting securities of the specified person.

"Affordable Housing Project" means an affordable housing project operated in conformity with this Regulatory Agreement throughout the Required Covenant Period.

"Affordable Rent" has the following meaning: For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the unit. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the unit. For a Lower Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of the Median Income for the Area for a household size appropriate to the Unit. "Household size appropriate to the unit," as used herein, means two persons for each one-bedroom

unit, three persons for each two-bedroom unit, and four persons for each three-bedroom unit. The maximum monthly rental amount of the units shall be adjusted annually by the formula set forth above upon the promulgation of revised Placer County median income figures by regulation of the California Department of Housing and Community Development. In addition, in the event tax credits are utilized to finance the Approved Housing Project, Health and Safety Code Section 50053 provides in part that rents prescribed under the tax credit program may be utilized. Actual rent charged may be less than such maximum rent.

"Approved Housing Project" means all improvements as provided to be developed by Developer under the AHA. The Approved Housing Project must be completed in strict conformity with all specifications contained in or referred to in the AHA.

"Area" means the Placer County, as periodically defined by HUD.

"Calculation of Affordable Rents" means the worksheet substantially in the form of Attachment No. 7 to the AHA.

"Certificate" or "Certification" is defined in Section 3(a).

"City", as defined in the first Recital hereof, means the City of Rocklin, a charter city duly organized and existing under and by virtue of the Constitution and the laws of the State of California.

"City Code" means and refers to the City of Rocklin Municipal Code as revised from time to time and includes, without limitation, the Uniform Codes.

"Commencement Date of the City Lease" means the commencement of the City Lease as more particularly set forth therein.

"City" means the City of Rocklin and its successors in interest.

"City Lease" means a ground lease substantially in the form of Attachment No. 6 to the AHA.

"Common Areas" means all areas on the Portion B Area that are open or accessible to all tenants of the Portion B Area (such as grounds, but excluding buildings).

"Extremely Low Income Households" means households earning not greater than thirty percent (30%) of Median Income for the Area pursuant to Health and Safety Code Section 50106.

"Extremely Low Income Unit" or "Extremely Lower Income Unit" means Unit occupied at Affordable Rent by an Extremely Low Income Household.

"Gross Income" means all payments from all sources received by a person (together with the gross income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) whether in cash or in kind as calculated pursuant to the Department of Housing and Urban Development ("HUD") Regulations (24 C.F.R. § 813) in effect as of the Date of Agreement.

"Low Income Household" or "Lower Income Household" means a household earning not greater than sixty percent (60%) of median income for the Area.

"Low Income Unit" or "Lower Income Unit" means Unit occupied at Affordable Rent by a Low Income Household.

"Map of the Portion B Area" means Exhibit B hereto.

"Median Income for the Area" means the median income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or, if programs under Section 8 are terminated, Median Income for the Area determined under the method used by the Secretary prior to such termination.

"Portion A Site" means _____.

"Portion B Area" means all of the real property and appurtenances as described in the Recitals above, including all structures and other improvements thereon, and those hereafter constructed.

"Prescribed Income Levels" means the following: (i) for six (6) one bedroom Units, thirty percent (30%) of Median Income; (ii) for two (2) two bedroom Units, thirty percent (30%) of Median Income; (iii) for six (6) two-bedroom Units, thirty percent (30%) of Median Income; (iv) for thirteen (13) one bedroom Units, fifty percent (50%) of Median Income; (v) for five (5) two bedroom Units, fifty percent (50%) of Median Income; (vi) for six (6) three bedroom Units, fifty percent (50%) of Median Income; (vii) for five (5) one bedroom Units, sixty percent (60%) of Median Income; (viii) for eight (8) two bedroom Units, sixty percent (60%) of Median Income; and (ix) for eight (8) three bedroom Units, sixty percent (60%) of Median Income. There shall additionally be one manager's unit; the manager's unit shall not be restricted on the basis of income.

"Project" has the meaning set forth therefor in the AHA.

"Regulatory Agreement" means this Regulatory Agreement and any amendments, modifications or supplements which may also be referred to herein as this "Declaration."

"Required Affordable Unit" means fifty-nine (59) of the sixty (60) dwelling units in the Project, as constructed under the AHA, and available to, occupied by, or held vacant for occupancy only by tenants qualifying as Extreme Low Income Households, Very Low Income Households and Low Income Households and rented at Affordable Rent, in conformity with the Prescribed Income Levels.

"Required Covenant Period" means an eighty-seven (87) year period commencing as of the recording of this Regulatory Agreement.

"Tax Credit Rent" means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this agreement (such as 50% of Median Income) under the Tax Credit Rules.

"Tax Credit Rules" means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, including without limitation the program regulations promulgated by TCAC.

"Tax Credits" means 9% Low Income Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

"Tenant Selection and Tenant Services Plan" shall have the meaning set forth in the AHA.

"Uniform Codes" means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for the Abatement of Dangerous Buildings.

"Unit" means a dwelling unit on the Project.

"Very Low Income Households" means households earning not greater than fifty percent (50%) of Median Income for the Area pursuant to Health and Safety Code Section 50105.

"Very Low Income Unit" means Unit occupied at Affordable Rent by a Very Low Income Household.

"Year" means a calendar year, excepting that the last Year hereunder shall be deemed to end as of the expiration of this Regulatory Agreement.

ARTICLE II
LAND USE RESTRICTIONS; IMPROVEMENTS

Section 1. Uses. Developer shall develop the Approved Housing Project on the Portion B Area in conformity with the AHA. Thereafter, the Portion B Area shall be operated as an Affordable Housing Project and devoted only to the uses specified in the AHA and the City Lease for the periods of time specified herein. All uses conducted on the Portion B Area, including, without limitation, all activities undertaken by Developer pursuant to the AHA, shall conform to all applicable provisions of the City Code and the City Approvals.

The Portion B Area shall be used, maintained and operated in accordance with the AHA, the City Lease, and this Regulatory Agreement for the Required Covenant Period. None of the units in the Project shall at any time be utilized on a transient basis nor shall the Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer court or park. No part of the Portion B Area, from the date Developer acquired a leasehold interest in the Portion B Area, has been or will at any time be owned or used as a cooperative housing corporation or a community apartment project or a stock cooperative.

Section 2. Affordable Housing.

Number of Units. Throughout the Required Covenant Period, the Required Affordable Units shall be rented to households as set forth as the Prescribed Income Levels. The Required Affordable Units shall be continuously occupied by or held available for occupancy by Extremely Low Income Household or, as applicable, Very Low Income Households or Low Income Households, at an Affordable Rent. All Required Affordable Units shall be rented at Affordable Rent. For this purpose, a tenant who qualifies as an Extremely Low Income Household at the time he or she first occupies an Affordable Unit shall be deemed to continue to be so qualified until such time as a recertification of such individual's or family's income in accordance with Section 3 below demonstrates that such individual or family no longer qualifies as an Extremely Low Income Household. Moreover, a unit previously occupied by an Extremely Low Income Household, and then vacated shall be considered occupied by such Extremely Low Income Household until reoccupied,

other than for a temporary period, at which time the character of the unit shall be redetermined; a similar protocol shall apply with respect to Very Low Income Units and Lower Income Units respectively. In no event shall such temporary period exceed thirty-one (31) days.

At such time as a tenant ceases to qualify as an Extremely Low Income Household, the Developer shall replace each such Extremely Low Income Unit by designating the next available unit and any necessary units thereafter as an Extremely Low Income Unit. For purposes of this Agreement, such designated unit will be considered an Extremely Low Income Unit if it is held vacant and available for occupancy by an Extremely Low Income Household, and, upon occupancy, the income eligibility of the tenant as an Extremely Low Income Household is verified and the unit is rented at Affordable Rent. A similar protocol shall apply with respect to Very Low Income Units and Lower Income Units respectively.

Duration of Affordability Requirements. The Required Affordable Units shall be available to and occupied by Extremely Low Income Households and, to the extent provided under Prescribed Income Levels, Extremely Low Income Households, Very Low Income Households, Lower Income Households, and, if applicable, Moderate Income Households at Affordable Rent throughout the Required Covenant Period. All tenants residing in any Unit for which rents are limited by virtue of this Regulatory Agreement or pursuant to other regulation during the last two (2) years of the Required Covenant Period shall be given notice by Developer at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on such Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Selection of Tenants. As specified hereinbelow, Developer shall demonstrate to City that the proposed tenants of each of the Required Affordable Units constitutes an Extremely Low Income Household or, to the extent provided herein, a Very Low Income Household or a Lower Income Household. To the greatest extend allowable, Developer shall cause the Required Affordable Units to be rented in accordance with the Tenant Selection and Tenant Services Plan.

Prior to the rental or lease of an Required Affordable Unit to a tenant, and as set forth in this Section 2 of Article II of this Declaration, Developer shall require the tenant to execute a written lease and to complete an Income Verification certifying that the tenant(s) occupying the Required Affordable Unit is/are an Extremely Low Income Household or, to the extent provided herein, a Very Low Income Household or a Lower Income Household and meet(s) the eligibility requirements established for the Required Affordable Unit. Developer shall verify the income of the tenant(s).

Developer shall accept as tenants on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937, or its successor. Developer shall not apply selection criteria to Section 8 certificate holders which are more burdensome than criteria applied to any other prospective tenants.

Determination of Affordable Rent for the Affordable Units. The Affordable Units shall be rented or leased at Affordable Rent. As of the approval of the AHA, Affordable Rent is calculated in accordance with the Affordable Rent Worksheet or, if lower, the Tax Credit Rents. The maximum monthly rental for the Affordable Unit shall be adjusted annually as permitted by Section 50053 of the California Health and Safety Code based on the annual adjustment to the Median Income for the Area established pursuant to Section 50093 of the California Health and Safety Code, as more particularly set forth in the Affordable Rent Worksheet.

Relationship to Tax Credit Requirements. Notwithstanding any other provision of this Regulatory Agreement, to the extent that requirements associated with the provision of financing, other than by City, are more restrictive with respect to the requirements applicable to tenant selection, tenant income levels and unit rent levels than as provided in this Regulatory Agreement, whichever is more restrictive in each case, shall control and Developer's compliance therewith shall not be a default hereunder. If, following completion of construction of the Improvements, Developer restricts a greater number of Units as affordable units than is required under this Regulatory Agreement as of the date it is first executed, Developer agrees, upon request therefor by City, to execute and record such addendum or supplement to this Regulatory Agreement as would restrict such additional units to be affordable on a similar basis to that set forth herein.

DEVELOPER UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE AHA, THIS REGULATORY AGREEMENT AND THE CITY LEASE IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE AFFORDABLE UNITS.

Section 3. Developer Verification and Program Compliance.

Income Verification and Certification. Developer will obtain and maintain on file an Income Verification from each tenant (for every Unit on the Portion B Area), dated immediately prior to the initial occupancy of such tenant in the Project.

On July 15 following the completion of the Improvements, Developer shall file with City or its designee a Certificate, containing all information required pursuant to Health and Safety Code Section 33418, in a form prescribed by City. Each Certificate shall cover the immediately preceding Lease Year.

Developer shall maintain on file throughout the Required Covenant Period each tenant's executed lease and Income Verification and rental records for the Project and the Housing Units. Developer shall maintain complete and accurate records pertaining to the Extremely Low Income Units, the Very Low Income Units, the Low Income Units and any other Units, and will permit any duly authorized representative of City to inspect the books and records of Developer pertaining to the Project, including those records pertaining to the occupancy of the Extremely Low Income Units, the Very Low Income Units, the Low Income Units and any other units. Developer shall prepare and submit to City annually commencing the July 15 first following the recording of the Memorandum of Lease and continuing throughout the Required Covenant Period, a Certificate of Continuing Program Compliance. Such documentation shall state for each unit in the Project the unit size, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determined compliance with the terms of this Regulatory Agreement and the AHA.

As part of its annual report, Developer shall include a statement of amounts payable by Developer under this Regulatory Agreement supported by an Audited Financial Statement (prepared by an independent accounting firm reasonably acceptable to City) which sets forth information in detail sufficient for adequate review by City for the purposes of confirming those amounts payable by Developer to City, including without limitation amounts payable under the City Note, as well as showing the general financial performance of the Project ("Annual Financial Report"). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Service, Capital Replacement Reserve, and Residual Receipts, all certified by the Audited Financial Statement. In the event the amounts reported or paid deviate by five percent (5%)

or more from that amount owing upon review of Developer's submittal, Developer shall reimburse City for its cost to review (which may require engagement of auditors) and collect the amounts owing.

In addition, as part of its annual report, at City's request, but not less frequently than prior to each initial and subsequent rental of each Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to City completed income computation, asset evaluation, and certification forms, for any such tenant or tenants, in substantially the form provided by City from time to time. Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household, a Very Low Income Household or a Low Income Household, as applicable, and meets the eligibility requirements established for each such Unit. Developer shall verify the income certification of each tenant household. In order to comply with this Section 3, Developer shall submit to City any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Project; provided, City may request (and Developer shall provide) additional documentation to assist City's evaluation of Developer's compliance with this Agreement, if determined to be necessary in the reasonable discretion of the City Manager, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with all requirements from all funding sources. This requirement is in addition to and does not replace or supersede Developer's obligation to annually submit the Certificate of Continuing Program Compliance to City. Further, City has the right, but not the obligation to monitor compliance with respect to each tenant household at the Project, and City's election to monitor some, but not all, of the Units shall not constitute a waiver of City's right to monitor and enforce compliance with respect to all Units in the future.

Verification of Income of New and Continuing Residential Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Project and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods;

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;

(iii) obtain an income verification certification from the employer of the person;

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies; or

(v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer.

Verification Regarding Eligibility of New Residential Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

Reporting Amounts. City is required by Section 33418 of the California Health and Safety Code to require Developer to monitor affordability of the Affordable Units and submit the annual reports required by Section 3 of Article II of this Declaration. City relies upon the information contained in such reports to satisfy its own reporting requirements and to provide certain information described at Sections 33080 and 33080.1 of the California Health and Safety Code. In the event Developer fails to submit to City or its designee the Certification as required by Section 3(a), Developer shall be in noncompliance with this Regulatory Agreement. In the event Developer remains in noncompliance for thirty (30) days following receipt of written notice from City of such noncompliance under Sections 3(a) and 3(b) of Article II hereinabove, then Developer shall, without further notice or opportunity to cure, pay to City Two Hundred Fifty Dollars ($250.00) per Required Affordable Unit for each year Developer fails to submit a Certificate covering each and every housing unit on the Portion B Area.

Section 4. Nondiscrimination. Developer shall refrain from restricting the rental, sale or lease of the Portion B Area, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(3) In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of

the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

The covenants established in this Declaration and the deeds of conveyance for the Portion B Area shall, without regard to technical classification and designation, be binding for the benefit and in favor of City, its successors and assigns, City and any successor in interest to the Portion B Area, together with any property acquired by Developer pursuant to this Agreement, or any part thereof. The covenants against discrimination as set forth in this Section 1 of Article II shall remain in effect in perpetuity.

Section 5. Keeping of Animals. No animals of any kind shall be raised, bred or kept on the Portion B Area, except that domesticated dogs, cats or other household pets may be kept by the tenants in the Project at the discretion of Developer and subject to compliance with all laws. However, no animal shall be kept, bred or maintained for any commercial purpose or for fighting purposes. Nothing permitted herein shall derogate in any way the right of Developer to further restrict keeping of pets.

Section 6. Parking of Vehicles. Developer shall not permit the parking, storing or keeping of any vehicle except wholly within the parking areas designated for the Required Affordable Units. Developer shall not permit the parking, storing or keeping of any large commercial type vehicle (dump truck, cement mixer truck, oil or gas truck, etc.), or any recreational vehicle over twenty (20) feet in length (camper unit, motor home, trailer, mobile home or other similar vehicle), boats over twenty (20) feet in length, or any vehicle other than a private passenger vehicle, upon any portion of the Common Areas, including parking spaces. For purposes of this Section 6, a pickup truck with a pickup bed mounted camper shall be considered a private passenger vehicle; provided however, that no such vehicle shall be used for residential purposes while parked on the premises.

Developer shall not permit major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle to be conducted upon any portion of the Common Area, including the parking areas, except for emergency repairs thereto and then only to the extent necessary to enable movement of the vehicle to a proper repair facility. No inoperable vehicle shall be stored or kept in the Common Area. Developer shall give the vehicle owner not less than four (4) days, nor more than seven (7) days' notice and an opportunity to remove any vehicle parked, stored or kept in violation of the provisions of this Declaration. Notice shall consist minimally of a reasonably diligent attempt to personally notify the vehicle owner or alternatively leaving written notice on the subject vehicle. After due notice and opportunity have been given to the vehicle owner, Developer shall have the right to remove, at the vehicle owner's expense, any vehicle parked, stored or kept in violation of the provisions of this Declaration.

Section 7. Maximum Occupancies. No persons shall be permitted to occupy any Apartment within the Project in excess of applicable limit of maximum occupancy set by the City Code and the laws of the State of California.

Section 8. Signs Required. "Illegally parked vehicles will be towed" signs in compliance with California Vehicle Code requirements will be posted and enforced by Developer.

Section 9. Fences and Electronic Installations. Developer shall not install or knowingly permit to be installed on the exterior of any improvement or building on any fences or any antenna or other television or radio receiving device, excepting satellite dishes having a diameter of eighteen inches (18") or less, without prior written consent of City. This prohibition shall not prohibit the installation of cable television or subscription wires or receiving devices.

Section 10. Structural Change. Nothing shall be done on the Portion B Area in, on or to any building which would materially structurally change the exterior or the interior bearing walls of any such building or structure, except as otherwise provided herein. Nothing herein shall affect the rights of Developer to repair, alter or construct improvements on the buildings on the Portion B Area unless such repair, alteration or improvement would impair the structural integrity and/or exterior appearance of said buildings. Nothing herein shall be deemed to prohibit work ordered to be performed by the City building official.

Section 11. Compliance with Laws. Developer shall comply with all applicable laws in connection with the development and use of the Portion B Area, including without limitation the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) and Fair Housing Act (42 U.S.C. § 3601, *et seq.,* and 24 C.F.R. § 100.300, *et seq.)*. Developer shall also comply with the Tax Regulatory Agreement. Developer is a sophisticated party, with substantial experience in the acquisition, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. Developer is familiar with and has reviewed all laws and regulations pertaining to the acquisition, development and operation of the Project and has obtained advice from any advisers of its own choosing in connection with this Agreement.

ARTICLE III
DUTIES OF DEVELOPER: SPECIFIC MAINTENANCE RESPONSIBILITIES

Section 1. Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within a reasonable period of time as set forth herein.

Section 2. Front and Side Exteriors. Developer shall at all times maintain the front exterior and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair and any visible side exteriors. Developer shall hire maintenance personnel to maintain and/or repair any front exterior or yard or visible side yard and exterior of any lot or building.

Section 3. Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures must be removed and any necessary painting or repair completed by the later to occur of (i) seventy-two (72) hours of their creation or (ii) seventy-two (72) hours after notice to Developer.

Section 4. Driveways. All driveways must be paved and maintained with impervious material in accordance with the City Code. In addition, all water must be made to drain freely to the public part of the waterway without any pooling.

Section 5. Exterior Illumination. Developer shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means outdoor, night lighting designed and installed, which provides no less than one (1.0) foot candles in the parking areas and no less than one and one-half (1-1/2) foot candles in the walking areas or common areas and no less than 0.2 foot candles at the point of least illumination.

Section 6. Front Setbacks. All front setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped in accordance with minimum standards established by City and shall be maintained by Developer. The landscaping shall meet minimum standards set from time to time by City.

Section 7. Trash Bins. All trash shall be collected and placed at all times in an enclosable bin to be placed in a designated refuse/trash bin area. The designated area shall be located so that the bin will, to the extent possible, be readily accessible from the street.

Section 8. Prohibited Signs. No sign of any kind shall be displayed to the public view on or from any portion of the Portion B Area without the approval of City and appropriate City departments if any as required by the City Code.

ARTICLE IV
OBLIGATION TO MAINTAIN, REPAIR AND REBUILD

Section 1. Maintenance by Developer. Developer shall, at its sole cost and expense, maintain and repair the Portion B Area and the improvements thereon keeping the same in a decent, safe and sanitary manner, in accordance with the United States Department of Housing and Urban Development ("HUD") Uniform Physical Condition Standards (24 CFR 5.703) and as required under 24 CFR 92.251(a), and in good condition and making all repairs as they may be required by these CC&Rs and by all applicable City Code provisions including without limitation Uniform Code provisions. Developer shall also maintain the landscaping required to be planted in a healthy condition. If, at any time, Developer fails to maintain the Project or any portion thereof, and said condition is not corrected after the expiration of forty-five (45) days from the date of written notice from City, City may perform the necessary maintenance and Developer shall pay such costs as are reasonably incurred for such maintenance. Payment shall be due within fifteen (15) days of receipt of an invoice from City.

Section 2. Damage and Destruction Affecting Project - Developer's Duty to Rebuild. If all or any portion of the Portion B Area and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Developer to rebuild, repair or reconstruct said portion of the Portion B Area and/or the improvements in a timely manner which will restore it to Code compliance condition.

In furtherance of the requirements of this Section 2, Developer shall keep the construction on the Portion B Area insured by carriers at all times satisfactory to City against loss by fire and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy, in an amount of the full replacement cost of the constructions. In the event of loss, Developer shall give prompt notice to the insurance carrier and to City.

If the Portion B Area is abandoned by Developer, or if Developer fails to respond to City within thirty (30) days from the date notice is mailed by City to Developer that the insurance carrier offers to settle a claim for insurance benefits, City is authorized to collect and apply the insurance proceeds at City's option either to restoration or repair of the Portion B Area.

Section 3. Variance in Exterior Appearance and Design. In the event the Project sustains substantial physical damage due to a casualty event, Developer may apply to the City of Rocklin for approval to reconstruct, rebuild or repair in a manner which will provide different exterior appearance and lot design from that which existed prior to the date of the casualty.

Section 4. Time Limitation. Upon damage to the Portion B Area or the Project or other improvements, Developer shall be obligated to proceed with all due diligence hereunder and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within six (6) months after damage occurs or demolition and vacate within two (2) months, unless prevented by causes beyond their reasonable control, in which event reconstruction shall be commenced and completed at the earliest feasible time; excepting in the event of a casualty causing very substantial damage that cannot reasonably be remedied within six (6) months from the commencement of construction, the period for construction shall be deemed extended for a reasonable time (but not to exceed twelve (12) months) to remedy such damage.

ARTICLE V
ENFORCEMENT

Section 1. Remedies. Breach of the covenants contained in the Declaration may be enjoined, abated or remedied by appropriate legal proceeding by City.

This Declaration does not in any way infringe on the right or duties of the City of Rocklin to enforce any of the provisions of the City Code including, but not limited to, the abatement of dangerous buildings.

City shall be deemed to be a third party beneficiary of this Regulatory Agreement. Except for City, there shall be no third party beneficiaries of this Regulatory Agreement.

Section 2. Nuisance. The result of every act or omission whereby any of the covenants contained in this Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of City's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, City shall have the right through its agents and employees, to enter upon any part of the project area for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of City, and for maintenance and/or repair of any or all publicly owned utilities. In addition, City has the right of entry at reasonable hours and upon and after reasonable attempts to contact Developer, on any lot to effect emergency repairs or maintenance which Developer has failed to perform. Subsequent to sixty (60) days written notice to Developer specifically outlining Developer's noncompliance, City shall have the right of entry on the Portion B Area at reasonable hours to enforce compliance with this Declaration which Developer has failed to perform. City shall additionally have rights of entry as a

landlord under the City Lease. This Section 3 is without limitation as to the exercise of police powers of City.

Section 4. Costs of Repair. The costs borne by City of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Developer shall be responsible.

Section 5. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6. Failure to Enforce. The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

Section 7. Enforcement and Nonliability. City may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Declaration. However, City will not be subject to any liability for failure to affirmatively enforce any provision of this Declaration.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Covenant Against Partition. By acceptance of its interest in the Portion B Area, Developer shall be deemed to covenant for itself and for its heirs, representatives, successors and assigns, that it will not institute legal proceedings or otherwise seek to effect partition of its right and interest in the interest being conveyed to Developer, or the burdens running with the land as a result of this Regulatory Agreement.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

Section 3. Term. This Declaration shall run with and bind the interest of Developer in the Portion B Area, and shall inure to the owner(s) of any property subject to this Declaration, his legal representatives, heirs, successors and assigns, and as provided in Article VI, Sections 2 and 3, be enforceable by City, for a term equal to the Required Covenant Period as defined in the AHA, provided; however, that the covenants regarding nondiscrimination set forth in Section 4 of Article II of this Declaration shall remain in effect for perpetuity.

Section 4. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of rental housing available at Affordable Rent for Extremely Low Income Households, and, to the extent provided herein, Very Low Income Households, Lower Income Households, and if applicable Moderate Income Households in conformity with the Prescribed Income Levels. The article and section headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

Developer shall be obligated by this Declaration to comply with the provisions hereof, as well as the City Lease. In the event of conflict, Developer shall comply with the most stringent requirements, in each case.

Section 5. Amendments. This Declaration may be amended only by the written agreement of Developer, City.

Section 6. Encroachments. None of the rights and obligations of Developer created herein shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of Developer if said encroachment occurs due to the willful conduct of said Developer.

Section 7. Notices. Any notice permitted or required to be delivered as provided herein to Developer shall be in writing and may be delivered either personally or by certified mail. Notice to City shall be made by certified mail to the City Manager or his or her designee at 3970 Rocklin Road, Rocklin, California 95677 (with a copy to the City Attorney), and shall be effective upon receipt. Notice to Developer shall be made by certified mail to Pacific Street Housing Partners Nine, L.P., a California limited partnership, c/o Community HousingWorks, a California nonprofit public benefit corporation, 3111 Camino del Rio North, Suite 800, San Diego, CA 92108, and shall be effective upon receipt. Such addresses may be changed from time to time by notice in writing.

PACIFIC STREET HOUSING ASSOCIATES NINE, L.P.,
a California limited partnership

By: CHW Pacific Street Nine LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President Housing and Real Estate Development

CITY:

CITY OF ROCKLIN, a municipal corporation

_____

Aly Zimmermann, City Manager

ATTEST:

APPROVED AS TO FORM:

_____

Mark Huebsch, Consulting Attorney

EXHIBIT A

LEGAL DESCRIPTION OF THE PORTION B AREA

Real property in the City of Rocklin, County of Placer, State of California, described as follows:

[to come]

EXHIBIT B

MAP OF THE PORTION B AREA

[to come]

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ATTACHMENT NO. 12

INCOME VERIFICATION

Part I -- General Information

1. Project Location: _____

2. Landlord's Name: _____

Part II -- Unit Information

3. Unit Number	4. Number of Bedrooms	5. Monthly Rent	6. Number of Occupants

Part III -- Affidavit of Tenant

I, _____, and I, _____, as applicants for rental of an Apartment Unit at the above-described location, do hereby represent and warrant as follows:

A. (My/Our) gross income (anticipated total annual income) **does not exceed thirty percent (30%)** of the median income for the Placer County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is $_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

_____
Tenant(s)' Initials

B. (My/Our) gross income (anticipated total annual income) exceeds thirty percent (30%) but **does not exceed fifty percent (50%)** of the median income for the Placer County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is $_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

_____
Tenant(s)' Initials

C. (My/Our) gross income (anticipated total annual income) exceeds fifty percent (50%) but **does not exceed sixty percent (60%)** of the median income for the Placer County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable

median income is $_____. The following computation includes all income (I/we) anticipate receiving for the 12 month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

_____
Tenant(s)' Initials

1. All tenants must complete the following:

Monthly Gross Income
(All Sources of Income of All Adult Household Members Must be Listed)

Source	**Head of Household**	**Co-Tenants**	**Total**
Gross amount, before payroll deductions of wages, salaries, overtime pay, commissions, fees, tips and bonuses			
Interest and/or dividends			
Net income from business or from rental property			
Social security, annuities, insurance policies, pension/retirement funds, disability or death benefits received periodically			
Payment in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay			
Alimony, child support, other periodic allowances			
Public assistance, welfare payments			
Regular pay, special pay and allowances of members of Armed Forces			
Other			

Total: _____

Total x 12 _____ = Gross Annual Household Income

Note: The following items are **not** considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses; educational scholarships paid directly to the student or educational institution; government benefits to a veteran for education; special pay to a serviceman head of family away from home and under hostile fire; foster child care payments; value of coupon allotments for purpose of food under Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; relocation payments under Title II of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; payments received pursuant to participation in the following programs: ROCKLIN, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

2. This affidavit is made with the knowledge that it will be relied upon by the Landlord to determine maximum income for eligibility and (I/we) warrant that all information set forth in this document is true, correct and complete and based upon information (I/we) deem reliable and that the estimate contained in paragraph 1 of this Part III is reasonable and based upon such investigation as the undersigned deemed necessary.

3. (I/We) will assist the Landlord in obtaining any information or documents required to verify the statements made in this Part III and have attached hereto copies of federal income tax return for most recent tax year in which a return was filed (past two years federal income tax returns for self-employed persons).

4. (I/We) acknowledge that (I/we) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) agreement with the Landlord to rent the unit and will additionally enable the Landlord and/or the City of Rocklin to initiate and pursue all applicable legal and equitable remedies with respect to the unit and to me/us.

(I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Date	Tenant
Date	Tenant

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed under a multifamily housing program of the City of Rocklin for persons of limited income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages _____

Overtime _____

Bonuses _____

Commissions _____

Total current income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____ _____ _____
Signature Date Title

I hereby grant you permission to disclose my income to _____ in order that they may determine my income eligibility for rental of an apartment located in their project which has been financed under a multifamily housing program of the City of Rocklin.

_____ _____
Signature Date

Please send to:

_____
_____
_____

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

_____ _____

Signature Date

ATTACHMENT NO. 13

[RESERVED]

ATTACHMENT NO. 14

[RESERVED]

ATTACHMENT NO. 15

INSURANCE DURING REMAINDER OF LEASE TERM

Developer shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Developer's operation and use of the leased premises. The cost of such insurance shall be borne by the Developer.

1. MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **$1,000,000** per accident for bodily injury or disease. (This applies to lessees with employees).
3. **Property insurance** against risks of loss (ISO "Special Form" perils) to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Developer maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Developer.

2. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

3. Additional Insured Status

The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

4. Primary Coverage

For any claims related to this contract, the Developer's **insurance coverage shall**

be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Developer's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

5. Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, unless 30 days prior written notice has been provided to Developer (except 10 days for nonpayment of premium), and Developer shall in turn provide such notice to the City.

6. Waiver of Subrogation

Developer hereby grants to City a waiver of any right to subrogation which any insurer of said Developer may acquire against the City by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Developer to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds Two Hundred Fifty Thousand Dollars ($250,000) unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Developer who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Developer to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

7. Acceptability of Insurers

Insurance is to be placed with insurers approved to conduct business in the state with a current A.M. Best's rating of no less than A-:VII, unless otherwise acceptable to the City.

8. Verification of Coverage

Developer shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages**

of the CGL and any Excess policies listing all policy endorsements. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Developer's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

9. Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

ATTACHMENT NO. 16

INSURANCE DURING CONSTRUCTION

Developer shall procure or provide evidence to confirm that Developer or contractor(s) has procured and will maintain for the duration of the contract, and for 5 years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Developer and/or Developer's contractor, his agents, representatives, employees, or subcontractors.

1. MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$5,000,000** per occurrence. Such limits may be achieved through the combination of primary general liability and one or more umbrella/excess liability policy(ies).
2. **Automobile Liability**: Insurance Services Office Form CA 0001 covering all owned (if any), non-owned and hired automobiles, with limits no less than **$5,000,000** per accident for bodily injury and property damage. Such limits may be achieved through the combination of primary general liability and one or more umbrella/excess liability policy(ies).
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **$1,000,000** per accident for bodily injury or disease.
4. **Builder's Risk** (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
5. **Surety Bonds** as described below.
6. **Professional Liability** (if Design/Build), with limits no less than **$2,000,000** per occurrence or claim, and **$2,000,000** policy aggregate. This coverage is to be provided by the Architect and/or Design-Build General Contractor providing such professional services.
7. **Contractor's Pollution Liability** and/or Asbestos Legal Liability (if project involves environmental hazards) with limits no less than **$1,000,000** per occurrence or claim, and **$2,000,000** policy aggregate. This coverage will be provided by the General Contractor.

If the Developer or contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the either. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Developer or contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City. The CGL and any policies, including Excess

liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds Two Hundred Fifty Thousand Dollars ($250,000) unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Developer or contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Developer or contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named Insured. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

2. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

3. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Developer or contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Developer or contractor. General liability coverage can be provided in the form of an endorsement to the Developer or contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
4. For any claims related to this project, the **Developer or contractor's insurance coverage shall be primary and non-contributory** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self- insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Developer or contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.
5. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City.

6. Builder's Risk (Course of Construction) Insurance

Developer or contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall **name the City as a loss payee** as their interest may appear.

7. Claims Made Policies

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
3. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Developer or contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Developer

or contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Developer or contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

8. Umbrella or Excess Policies

The Developer or contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Developer or contractor's primary and excess liability policies are exhausted.

9. Acceptability of Insurers

Insurance is to be placed with insurers approved to conduct business in the state with a current A.M. Best rating of no less than A-: VII, unless otherwise acceptable to the City.

10. Waiver of Subrogation

Developer or contractor hereby agrees to waive rights of subrogation which any insurer of Developer or contractor may acquire from Developer or contractor by virtue of the payment of any loss. Developer or contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the City for all work performed by the Developer or contractor, its employees, agents and subcontractors or contractors.

11. Verification of Coverage

Developer or contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Developer or contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

12. Subcontractors

13. Developer or contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Developer or contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors or contractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

14. Duration of Coverage

CGL & Excess liability policies **for any construction related work, including, but not limited to, maintenance, service, or repair work**, shall continue coverage for a minimum of 5 years for

Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***

15. Surety Bonds

16. Developer or contractor shall provide the following Surety Bonds:

    1. Performance Bond
    2. Payment Bond
    3. Maintenance Bond

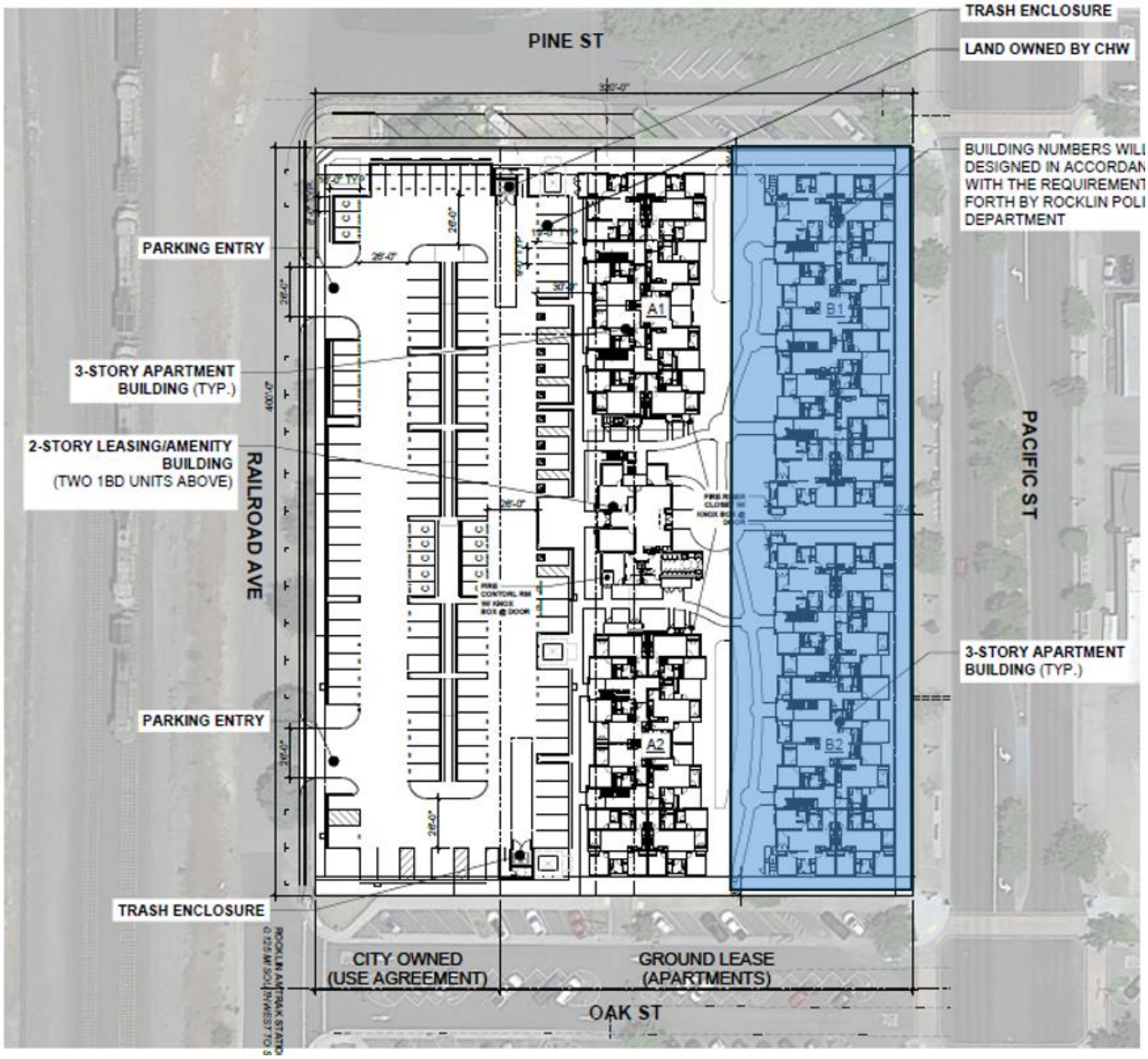
    The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, approved to issue such bonds in the State of California and secured through an authorized agent with an office in California.

17. Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstance.

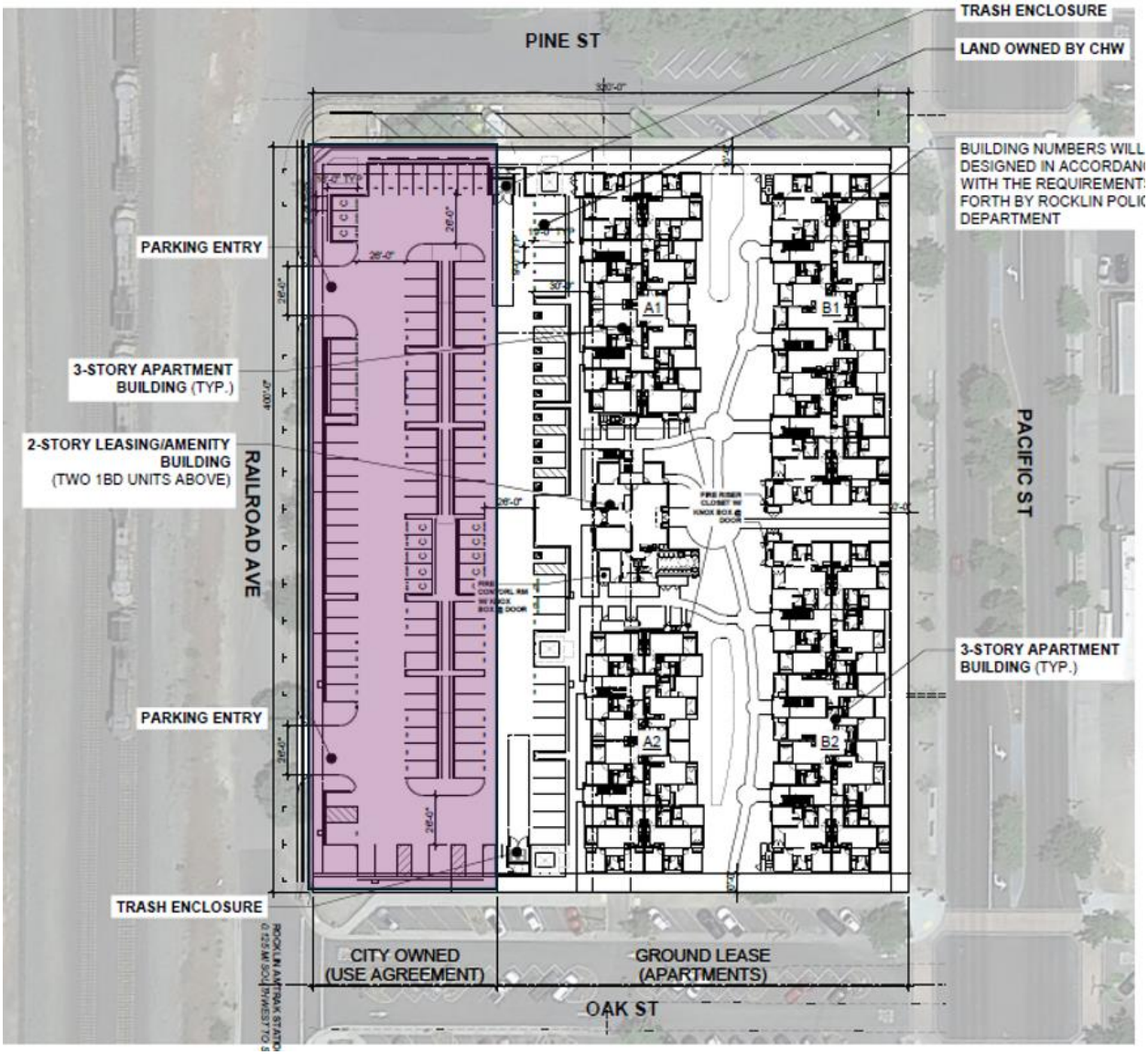
ATTACHMENT NO. 17

MAP OF THE PORTION A SITE



ATTACHMENT NO. 18

MAP OF THE ADJACENT CITY PARKING AREA



GROUND LEASE

By and Between

CITY OF ROCKLIN,

LESSOR

and

PACIFIC STREET HOUSING ASSOCIATES NINE, L.P.,
a California limited partnership

LESSEE

TABLE OF CONTENTS

Page

1. SUBJECT OF LEASE; DEFINITIONS 1
   1.1 Definitions 1
2. LEASE OF THE SITE 13
3. LEASE TERM 13
4. USE OF THE PROPERTY 13
   4.1 Use of the Property 13
   4.2 Management 13
   4.3 Only Lawful Uses Permitted 17
5. RENT 18
   5.1 Rent Payments 18
   5.2 [Intentionally Omitted] 18
   5.3 Net Lease 18
   5.4 Payment of Rent 18
6. AFFORDABLE HOUSING AND OTHER OCCUPANCY REQUIREMENTS 18
   6.1 Number of Required Affordable Units and Other Unit 18
   6.2 Duration of Affordability Requirements 18
   6.3 Selection of Tenants 19
   6.4 Income of Tenants 19
   6.5 Determination of Affordable Rent for the Required Affordable Units 19
   6.6 Verifications 19
   6.7 Regulatory Instruments 21
7. UTILITIES AND TAXES 21
   7.1 Utilities 21
   7.2 Real Estate Taxes 21
   7.3 Personal Property 22
   7.4 Possessory Interest 22
8. OWNERSHIP OF IMPROVEMENTS, FIXTURES AND FURNISHINGS 22
   8.1 Ownership During Term 22
   8.2 Ownership at Termination 22
9. MECHANICS LIENS; FAITHFUL PERFORMANCE 22
10. MAINTENANCE AND REPAIR; CAPITAL REPLACEMENT RESERVE 23
11. ENVIRONMENTAL MATTERS 25
   11.1 Definitions 25
   11.2 Site Evaluation 26
   11.3 Indemnification; Lessee's Indemnity 26
   11.4 Duty to Prevent Hazardous Material Contamination 27
   11.5 Obligation of Lessee to Remediate Premises 27
   11.6 Storage or Handling of Hazardous Materials 27
   11.7 Environmental Inquiries 28
12. ALTERATION OF IMPROVEMENTS 29

TABLE OF CONTENTS (Cont.)

Page

13. DAMAGE OR DESTRUCTION 29
    13.1 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance 29
    13.2 Continued Operations 30
    13.3 Damage or Destruction Due to Cause Not Required to be Covered by Insurance 30
14. SALE, ASSIGNMENT, SUBLEASE OR OTHER TRANSFER 30
15. ANCILLARY DUTIES 32
16. INDEMNITY 32
17. INSURANCE 33
    17.1 Insurance to be Provided by Lessee 33
    17.2 Definition of "Full Insurable Value" 33
    17.3 General Insurance Provisions 33
    17.4 Failure to Maintain Insurance 34
    17.5 Insurance Proceeds Resulting from Loss or Damage to Improvements 34
18. EMINENT DOMAIN 34
19. OBLIGATION TO REFRAIN FROM DISCRIMINATION 36
20. NONDISCRIMINATION IN EMPLOYMENT 37
21. CITY PURCHASE OPTION 37
22. COMPLIANCE WITH LAW 37
23. ENTRY AND INSPECTION 38
24. RIGHT TO MAINTAIN 38
25. EVENTS OF DEFAULT AND REMEDIES 38
    25.1 Events of Default by Lessee 38
    25.2 Remedies of City 40
    25.3 Right of City in the Event of Termination of Lease 40
    25.4 Damages 41
    25.5 Rights and Remedies are Cumulative 41
26. MISCELLANEOUS 41
    26.1 Governing Law; Interpretation 41
    26.2 Legal Actions 41
    26.3 Acceptance of Service of Process 42
    26.4 Attorneys' Fees And Court Costs 42
    26.5 Financial Statement; Inspection of Books and Records 42
    26.6 Interest 42
    26.7 Notices 42
    26.8 Time is of the Essence 43
    26.9 Non-Merger of Fee and Leasehold Estates 44
    26.10 Holding Over 44
    26.11 Conflict of Interest 44
    26.12 Non-Liability of City Officials And Employees 44
    26.13 Relationship 44

TABLE OF CONTENTS (Cont.)

Page

26.14 Transactions with Affiliates 44
26.15 Waivers And Amendments 44
26.16 Non-Merger With AHA 45
26.17 Entire Agreement; Duplicate Originals; Counterparts 45
26.18 Severability 45
26.19 Terminology 45
26.20 Recordation 45
26.21 Binding Effect 45
26.22 Estoppel Certificate 45
26.23 Force Majeure 46
26.24 Quiet Enjoyment 46
26.25 City Approvals and Actions 46
26.26 No Third Parties Benefited Except for City, Limited Partner, and Approved Leasehold Mortgagee; City Option to Acquire Interest of City 46
26.27 Lessee's Limited Partners 46
26.28 Bankruptcy 47
26.29 Liens on Lessor's Fee Estate 48

EXHIBITS

Exhibit A Portion B Map A-1
Exhibit B Portion B Legal Description B-1
Exhibit C Memorandum of Lease C-1
Exhibit D Certificate of Continuing Program Compliance D-1
Exhibit E Ground Lease Rider E-1
Exhibit F Insurance During Construction F-1
Exhibit G Insurance During Lease Term G-1
Exhibit H Map of the Adjacent City Parking Area H-1
Exhibit I Map of Portion A Site I-1

GROUND LEASE

This GROUND LEASE (the "Lease") is made as of _____, 202__ by and between the **CITY OF ROCKLIN**, a municipal corporation (the "City" or "Lessor"), and **PACIFIC STREET HOUSING ASSOCIATES NINE, L.P.**, a California limited partnership [the "Developer" or the "Lessee").

1. SUBJECT OF LEASE; DEFINITIONS.

The purpose of this Lease is to effectuate provisions of that certain unrecorded Amended and Restated Affordable Housing Agreement dated as of October _, 2025 (the "AHA") by and between Developer and City, a copy of which is on file with the City as a public record. Except as may otherwise be expressly set forth in this Lease, all capitalized terms shall have the same meanings as set forth in the AHA.

1.1 Definitions.

"Additional Rent" is defined in Section 6.6.

"Adjacent City Parking Area" means that certain area depicted on the Map of the Adjacent City Parking Area.

"Adjusted Value of the Improvements" means that amount or amounts as determined in good faith from time to time by the City as the adjusted value of the Improvements consistent with Section 5.1(b) of this Lease.

"Affiliated Person" means, when used in reference to a specific person, any person that directly or indirectly controls or is controlled by or under common control with the specified person, any person that is an officer or director of, a trustee of, or a general partner, managing member or operator in, the specified person or of which the specified person is an officer, director, trustee, general partner or managing member, or any person that directly or indirectly is the beneficial owner of ten percent (10%) or more of any class of the outstanding voting securities of the specified person.

"Affordability Period" means that period commencing with the Commencement Date and ending as of the last day of the Term.

"Affordable Rent" has the following meaning: For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of the Median Income for the Area for a household size appropriate to the Unit. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the Unit. For a Lower Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of the Median Income for the Area for a household size appropriate to the Unit. The maximum monthly rental amount of the Units shall be adjusted annually by the formula set forth above upon the promulgation of revised Placer County median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent a cost not in excess of the lesser of (i) that rent which may be charged the applicable Eligible Person or Family pursuant to Section 50053 of the California Health and Safety Code and (ii)

the limits as set forth in this Agreement. Notwithstanding the foregoing, in the event a reservation of Tax Credits is obtained for the Project, affordable rents, including a reasonable utility allowance, shall not exceed the rent prescribed by deed restrictions or regulatory agreements imposed by TCAC.

"*AHA*" or "*Agreement*", as set forth in the Recitals above, means that certain agreement entitled "Amended and Restated Affordable Housing Agreement by and between the City and the Developer, dated as of October _, 2025. A copy of the AHA is on file with the City Clerk as an official record.

"Applicable Federal Rate" means the interest rate set by the United States Treasury from time to time for the purpose of determining applicable Low Income Housing Tax Credit interest rates. The Applicable Federal Rate is published by the Internal Revenue Service in monthly revenue rulings.

"Approved Construction and/or Permanent Lender" means an Approved Construction Lender and, upon the initial completion of the Improvements, an Approved Permanent Lender.

"Approved Construction Lender means a mutually acceptable reputable and established bank, savings and loan association, or other similar financial institution or state agency or instrumentality, with each of City and Developer acting at their respective discretion.

"Approved Permanent Lender" means Cedar Rapids Bank and Trust Company, an Iowa state-chartered banking corporation ("CRBI") or one or more entities included under the definition of Approved Construction Lender, an Institutional Lender, or any other lender approved by the City Manager. Each of California Community Reinvestment Corporation and the County of Placer acting through the Health and Human Services Agency is an Approved Permanent Lender

"Area" means the Placer Primary Metropolitan Statistical Area, as periodically defined by HUD.

"Audited Financial Statement" means an audited financial statement, including without limitation a profit and loss statement, generated by Leaf & Cole, LLP or another third party certified public accountant acceptable to the City in its reasonable discretion, showing, for the previous Lease Year, on a monthly basis and in an easily readable format, Gross Revenues, Operating Expenses, Debt Service, Operating Reserve, Capital Replacement Reserve and Residual Receipts.

"Base Rent" has the meaning established therefor in Section 5.1 hereof.

"Capital Replacement Reserve" means a reserve fund for the Residential Component to be established by the Lessee under this Lease as a capital replacement reserve in the minimum amount of Three Hundred Dollars ($300) per unit per year and a maximum of Five Hundred Dollars ($500) per unit per year, and may be increased annually by [three and one half percent (3.5%)] per year, or such other amount as the City Manager and the Developer shall mutually approve. The Capital Replacement Reserve is more fully described in Section 10 of this Lease. Interest earned on moneys held in the Capital Replacement Reserve shall be retained in the Capital Replacement Reserve unless otherwise directed by the Permanent Lender. To the extent Developer is required to maintain a Capital Replacement Reserve by any Approved Construction and/or Permanent Lender or the Limited Partner, Developer shall receive a credit hereunder for such amounts maintained by it in compliance such Approved Construction and/or Permanent Lender or Limited Partner capital replacement reserve requirement. It is contemplated that the Capital Replacement Reserve will be held by the Permanent Lender.

"Certificate of Completion" means the document which evidences the Developer's satisfactory completion of construction of the Development, as set forth in Section 4.13 of the AHA, substantially in the form of Attachment No. 10 to the AHA.

"Certificate of Continuing Program Compliance" means Exhibit D hereto.

"Chargeable Reserves" means each of the following, within the respective parameters therefor set forth in this Lease: (i) Capital Replacement Reserve; and (ii) Operating Reserve.

"CHW" means Community HousingWorks, a California nonprofit public benefit corporation.

"City" means the City of Rocklin, California, a California municipal corporation.

"City Code," means the Municipal Code of the City of Rocklin as may be amended from time to time and includes, without limitation, the Uniform Codes.

"City Manager" means the City Manager of the City.

"City Regulatory Agreement" means an instrument substantially in the form of Attachment No. 11 to the AHA.

"Closing" means the day on which the Term of this Lease commences upon recordation of this Lease or a memorandum of lease.

"Commencement" means the commencement of this Lease.

"Commencement Date" means the date on which the Closing occurs.

"CHW" means Community HousingWorks, a California non-profit public benefit corporation.

"Cost Overrun Amounts" has the meaning established therefor in the AHA.

"County" means the County of Placer, California.

"County Housing Authority" means the Housing Authority of the County of Placer.

"Date of Agreement" means October __, 2025.

"Debt Service" means required debt service payments for the Primary Construction Loan and/or the Primary Permanent Loan including the funding obligations in respect of all reserves or escrows required thereunder.

"Default" means the failure of a party to perform any action or covenant required by this Lease within the time periods provided herein following any applicable notice and opportunity to cure period, as may be set forth herein.

"Deferred Developer Fee" means any portion of the Developer Fee the receipt of which is deferred.

"Design Development Drawings" means those plans and drawings to be submitted to City for its approval, pursuant to the AHA.

"Developer" is defined in the first paragraph of this Lease.

"Developer Fee" has the meaning set forth therefor in the AHA.

"Developer Percentage" means fifty percent (50%) of Residual Receipts.

"Development" means the new apartment complex including all improvements as required by the AHA to be as: (i) constructed by the Developer upon Portion B, with related offsite improvements, as more particularly described in the Scope of Development and (ii) operated as an affordable housing complex in conformity with this Lease, the Regulatory Agreement.

"Entitlements" means all development rights as determined under Administrative Determination AD-2025-0004 as approved May 8, 2025 by the Community Development Director of the City of Rocklin (including without limitation all conditions contained therein), and additional and use approvals for the development of the Portion B Area, if any, as may hereafter be approved by the City acting in the exercise of its police power.

"Environmental Laws" means all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq*.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq*.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, *et seq*.; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601, *et seq*.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 *et seq*.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 *et seq*.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 *et seq*.; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f *et seq*.; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County, the City, or any other political subdivision in which Portion B is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the City, Lessee, or Portion B.

"Extremely Low Income Household" means a household earning not greater than thirty percent (30%) of median income for the Area, as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50106.

"Extremely Low Income Units" means Units available to and occupied by Extremely Low Income Households.

"First Mortgage" means any First Mortgage-Construction Financing or First Mortgage-Permanent Financing and such refinancing thereof, if any, as shall have been approved by the City Manager.

"First Mortgage-Construction Financing" means a loan from an Approved Construction Lender to be secured by a leasehold deed of trust in first (1st) lien position against Lessee's leasehold

interest in Portion B (but not, in any event, to be secured by Lessor's fee interest in Portion B), which shall be used by Lessee to pay a portion of the cost of constructing the Project.

"First Mortgage-Permanent Financing" means a loan in an amount not to exceed the amount of the First Mortgage-Construction Financing from an Approved Construction Lender to be secured by a leasehold deed of trust in first (1st) lien position against Lessee's leasehold interest in Portion B (but not, in any event, Lessor's fee interest in Portion B) which replaces the First Mortgage-Construction Financing upon the completion of construction of the Project or results from a conversion of the First Mortgage-Construction Financing into the First Mortgage-Permanent Financing pursuant to the terms of such loan and satisfaction of the applicable conversion conditions.

"Foreclosure Event" means completion of judicial or nonjudicial foreclosure proceedings for any First Mortgage or any conveyance in lieu of foreclosure.

"General Partner Fee" or *"Asset Management Fee"* means a fee if charged by the general partner not to exceed the amounts so delineated therefor in the Base Pro Forma; provided that the initial annual amount of such fee shall be limited to increases of three percent (3.0%) annually; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Lease Year exceed the amount permitted under the City Lease for the Partnership Fees (as such fees are aggregated). The foregoing shall not limit the amounts which Developer may pay to its General Partner from the Developer Percentage.

"Governmental Requirements" means all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, the City, or any other political subdivision in which Portion B is located, and of any other political subdivision, City, or instrumentality exercising jurisdiction over the Developer or Portion B.

"Gross Revenues" means the sum of the following: the total rental income and all other revenues or income received by the Lessee or its successors or assigns in connection with the Project, including without limitation Housing Rent, laundry charges (as received by Developer) or consideration received from an entity that contracts to provide laundry services, payments in connection with Section 8 certificates, if any (including payments under such certificates that are in excess of the restricted rents provided for herein), cable income or consideration received from an entity that contracts to provide cable services, each of (i) amounts paid to Developer or any Affiliated Person on account of Operating Expenses for further disbursement by Developer or such affiliate to a third party or parties, including, without limitation, grants received to fund social services or other housing supportive services at the Development; (ii) late charges and interest paid on rentals; (iii) rents and receipts from licenses, concessions, vending machines, coin laundry, and similar sources; (iv) other fees, charges, or payments not denominated as rental but payable to Developer in connection with the rental of office, retail, storage, or other space in the Development; (v) consideration received in whole or in part for the cancellation, modification, extension or renewal of leases; and (vi) interest and other investment earnings on security deposits, reserve accounts and other Development accounts to the extent disbursed, but does not include: (x) the proceeds of the sale of Tax Credits to finance the Development; (y) insurance proceeds applied to reconstruct or repair the Improvements; or (z) Refinancing Net Proceeds.

"*Ground Lease Rider*" means Exhibit E to this Lease.

"*Hazardous Material*" or "*Hazardous Materials*" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq*. (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in Paragraph I of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq*., specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those product and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

"Housing Rent" means the total of monthly payments by the tenants of a Housing Unit for (a) use and occupancy for the Housing Unit and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants of the Housing Units, other than security deposits, (c) a reasonable allowance for utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity and gas, as determined by regulation of the County Housing Authority pursuant to 24 C.F.R. Section 5.600 *et seq.* or by the California Utility Allowance Calculator as permitted by TCAC and (d) possessory interest, taxes or other fees or charges assessed for the use of the Housing Units and facilities associated therewith by a public or private entity other than the Developer.

"Housing Units" or *"Units"* means the [number to come] individual apartment units within the Development to be constructed and operated by the Developer on Portion B, as provided in Section 4.1 of the AHA and in the Scope of Development but excluding therefrom one unit which the Lessee may develop and make available to an on-site manager.

"HUD" means the United States Department of Housing and Urban Development or its successor(s).

"Improvements" means all improvements required by the AHA with respect to the land that is the subject of this City Lease to be accomplished by the Developer, as more fully described in the Scope of Development.

"Income Verification" means the Income Verification in the form of Attachment No. 12 to the AHA.

"Institutional Lender" shall mean any one of the following institutions having assets or deposits in the aggregate of not less than One Hundred Million Dollars ($100,000,000): a California chartered bank; a bank created and operated under and pursuant to the laws of the United States of America; an "incorporated admitted insurer" (as that term is used in Section 1100.1 of the California Insurance Code); a "foreign (other state) bank" (as that term is defined in Section 1700(1) of the California Financial Code); a federal savings and loan association (Cal. Fin. Code Section 8600); a commercial finance lender (within the meaning of Section 2600 *et seq.* of the California Financial Code); a "foreign (other nation) bank" provided it is licensed to maintain an office in California, is licensed or otherwise authorized by another state to maintain an agency or branch office in that state, or maintains a federal agency or federal branch in any state (Section 1716 of the California Financial Code); a bank holding company or subsidiary of a bank holding company which is not a bank (Section 3707 of the California Financial Code); a trust company, savings and loan association, insurance company, investment banker, college or university, pension or retirement fund or system, either governmental or private, or any pension or retirement fund or system of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any state thereof; and a Real Estate Investment Trust, as defined in Section 856 of the Internal Revenue Code of 1986, as amended, provided such trust is listed on either the American Stock Exchange or the New York Stock Exchange.

"Lease" means this Ground Lease, which is referred to in the AHA as the "City Lease."

"Lease Rider" means a lease rider agreement to address considerations raised by TCAC in a mutually acceptable form.

"Lease Year" means the period commencing as of Commencement Date and ending as of December 31 of that calendar year, then each calendar year thereafter; provided that the final Lease Year will be a portion of a calendar year ending on December 31 of the corresponding calendar year.

"Lessee's Mortgagee" means any one or more Approved Construction and/or Permanent Lender which has provided financing for the Development.

"Limited Partner" means NEF Assignment Corporation, an Illinois not-for-profit corporation, its successors and/or assigns.

"Limited Partner Fee" or *"Partnership Management Fee"* means fees as so denominated in the Base Pro Forma; provided that such fees may not increase by more than by three percent (3.0%) annually so long as the Partnership Agreement is in effect; provided that the General Partner Fee together with the Limited Partner Fee shall not for any Lease Year exceed the amount permitted under this Lease for the Partnership Fees (as such fees are aggregated). The foregoing shall not limit the

amounts which Developer may pay as Limited Partner Fee or Partnership Management Fee from the Developer Percentage.

"Locals" means persons living or working within the corporate limits of the City.

"Lower Income Household" means a household earning not greater than sixty percent (60%) of median income for the Area as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50079.5.

"Lower Income Units" means dwelling Units available to and occupied by Lower Income Households.

"Map of the Adjacent City Parking Area" means Exhibit H.

"Map of Portion A Site" means Exhibit I.

"Median Income" means the median income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or, if programs under Section 8 are terminated, Median Income for the Area determined under the method used by the Secretary prior to such termination.

"Memorandum of Lease" means Exhibit C to this Lease.

"Net Operating Income" means Gross Revenues, less (i) Operating Expenses; (ii) Debt Service; (iii) Chargeable Reserves; (iv) the Deferred Developer Fee; (v) General Partner Fee; and the (vi) Limited Partner Fee, as such capitalized terms are defined in this Lease.

"Notice" means a notice in the form prescribed by Section 10.2 of the AHA.

"Operating Expenses" means actual, reasonable and customary costs, fees and expenses directly incurred and for which payment has been made and which are attributable to the operation, maintenance, and management of the Project and consisting of only the following (and such additional items, if any, as to which the prior written approval of the City Manager is first obtained. Such approval shall be granted, granted subject to conditions, or refused at the sole and absolute discretion of the City Manager): painting, cleaning, maintenance, repairs and alterations; landscaping; utilities; rubbish removal; sewer charges; costs incurred to third parties in connection with generating laundry charges (but in no event to exceed the laundry charges); real and personal property taxes and assessments; insurance premiums; security; advertising, promotion and publicity; office, janitorial, cleaning and building supplies; actual and customary salary payable to an on-site manager which directly and exclusively benefits residents of the Residential Component of the Project; the actual and customary salary paid for one assistant manager, one on-site maintenance manager and such other on-site management personnel, if any, which directly and exclusively benefit residents of the Residential Component of the Project, subject to the prior written approval of the City Manager at his sole and absolute discretion; a management fee ("Management Fee") (excluding any on-site management personnel) of not to exceed six percent (6%) of Gross Revenues; purchase, repairs, servicing and installation of appliances, equipment, fixtures and furnishings; payment of Tax Credit adjustment amounts to the Limited Partner or reimbursement of Tax Credit adjustment amounts paid by the administrative and/or managing general partners and/or the guarantors to the general partner of Developer or a refinancing fee, which fee is and shall be subject to the approval of the City Manager

at the time of each refinancing and which shall not exceed five percent (5%) of the amount of the approved refinancing; repayment of loans made to Developer for the Project by the Limited Partner, and repayment of operating deficit loans made pursuant to the Partnership Agreement as such Partnership Agreement is in effect as of the recording of the Primary Construction Loan; repayment of development advances and loans made by the general partner or guarantor of Developer; reasonable and customary fees and expenses of accountants, attorneys, consultants and other professionals as incurred commencing after the completion of the Improvements (as evidenced by the issuance by City of a certificate of occupancy for the corresponding building developed as part of the Improvements) in connection with the operation of the Project; the Limited Partner Fee; the General Partner Fee; any unpaid portion of the Developer Fee; on-site service provider fees for tenant social services in the amount of Forty Thousand Dollars ($40,000) per year, and may be increased annually by three percent (3.0%) per year, or such other amount as the City Manager and Developer shall mutually approve, or such amount as is designated therefor in the approved Tenant Selection and Tenant Services Plan; payments of deductibles in connection with casualty insurance claims not normally paid from reserves; the amount of uninsured losses actually replaced, repaired or restored and not normally paid from reserves; and payments made by Developer to satisfy indemnity obligations and other payments by Developer pursuant to this Lease other than to Developer, partners or other related persons; provided, however, that payments to parties related to Developer for Operating Expenses must not exceed market rates. The Operating Expenses shall not include non-cash expenses, including without limitation, depreciation. The Operating Expenses shall be reported in the Audited Financial Statement and shall be broken out in line item detail. The funding and maintenance of the Operating Reserve and the Capital Replacement Reserve shall not be treated ipso facto as Operating Expenses for purposes of the definition of Residual Receipts herein.

"Operating Reserve" means a reserve fund to be established by the Lessee under the City Lease as a reserve for operating expenses as to the Residential Component in the minimum amount equal to three (3) months of (i) Debt Service on the First Mortgage and (ii) Operating Expenses pursuant to an approved budget. Interest earned on moneys held in the Operating Reserve shall be retained in the Operating Reserve unless otherwise directed by the Permanent Lender. To the extent Developer is required to maintain an Operating Reserve by any Approved Construction and/or Permanent Lender, the Partnership Agreement or TCAC, Developer shall receive a credit hereunder for such amounts maintained by it in compliance such Approved Construction and/or Permanent Lender, the Partnership Agreement or TCAC operating reserve requirement, and the amounts in such Operating Reserve shall be deemed to satisfy the requirements of this Lease. It is contemplated that the Operating Reserve will be held by the Permanent Lender.

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Developer as may be amended from time to time, so long as consistent with the requirements of the AHA and this Lease. The Partnership Agreement shall include provisions which incorporate or otherwise conform to the cash flow priorities included in the definition of "Residual Receipts" set forth in the AHA.

"Partnership Fees" means the General Partner Fee and the Limited Partner Fee. [For each Lease Year until the seventeenth (17th) anniversary of the Commencement Date, the total Partnership Fees (for the General Partner Fee and the Limited Partner Fee, as aggregated) shall not exceed Twenty Two Thousand Dollars ($22,000), adjusted for inflation at three percent (3.0%) per Lease Year measured from the Commencement Date. For each Lease Year after the seventeenth (17th) anniversary of the Commencement Date, the Partnership Fees (the General Partner Fee and Limited Partner Fee as

aggregated) shall not exceed Seventeen Thousand Five Hundred Dollars ($17,500), adjusted for inflation at three and one half percent (3.5%) per Lease Year measured from the Commencement Date.]

"Person" means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or City or any other entity which has the legal capacity to own property.

"Portion B" means that certain real property which is described in Portion B Legal Description and depicted on Portion B Map.

"Portion B Legal Description" means the description of Portion B which is attached hereto as Exhibit B and incorporated herein.

"Portion B Map" means the map of Portion B which is attached hereto as Exhibit A and incorporated herein.

"Portion B Area" means that area depicted in the Map of Portion B Area.

"Prescribed Income Levels" means: (i) for six (6) one-bedroom Units, thirty percent (30%) of Median Income; (ii) for two (2) two-bedroom Units, thirty percent (30%) of Median Income; (iii) for six (6) three-bedroom Units, thirty percent (30%) of Median Income; (iv) for seven (7) one-bedroom Units, fifty percent (50%) of Median Income; (v) for four (4) two-bedroom Units, fifty percent (50%) of Median Income; (vi) for two (2) three-bedroom Units, fifty percent (50%) of Median Income; (vii) for thirteen (13) one-bedroom Units, sixty percent (60%) of Median Income; (viii) for eight (8) two-bedroom Units, sixty percent (60%) of Median Income; and (ix) for two (2) three-bedroom Units, sixty percent (60%) of Median Income.

"Primary Construction Loan" means, collectively, the mortgage loans and letters of credit obtained by the Developer from an Approved Construction Lender.

"Primary Permanent Loan" means, collectively, the mortgage loans obtained by the Developer from an Approved Permanent Lender in an amount limited to satisfaction of the outstanding balance of the Primary Construction Loan or in an amount in excess of such outstanding balance so long as such excess proceeds are used to pay (or prepay) the Developer Fee, Cost Overrun Amounts and outstanding development costs.

"Principals" means Sean Spear and CHW.

"Project" means the residential rental housing development located on Portion B to be constructed and operated by the Developer pursuant to this Lease and the AHA.

"Property" means the leasehold interest in Portion B provided to Lessee by this Lease.

"Property Manager" means the person or organization responsible for the management and operation of the Project, the reasonable approval of which by the City shall be required, and which shall initially be ConAm Management Corporation, or another manager mutually acceptable to the City and the Lessee. Additionally, the Lessee may self-manage the Project, subject to City's reasonable prior approval.

"Reciprocal Easement and Joint Use Agreement" has the meaning set forth therefor in the AHA.

"Redevelopment Agency" means the former Rocklin Redevelopment Agency, a municipal corporation, as established under Division 24, Part 1 of the California Health and Safety Code.

"Redevelopment Plan" means the Redevelopment Plan for the Rocklin Redevelopment Project (the "Redevelopment Project") first approved by Ordinance No. 549 adopted by the City Council of the City on June 10, 1986, as subsequently amended. The Redevelopment Plan, as amended, is on file with City as a public record.

"Refinancing Net Proceeds" means the proceeds of any refinancing of any of the Primary Construction Loan or the Primary Permanent Loan or other approved financing secured by interest of Developer in Portion B, net of: (i) the amount of the existing financing which is satisfied out of such proceeds; (ii) reasonable and customary costs and expenses incurred in connection with the refinancing; (iii) the funding of reasonable reserves and costs of improvements to Portion B which constitute the Development, including hard and soft costs to the extent approved in writing by the City Manager prior to the closing of the refinancing; (iv) the balance of loans to the Development made by the Limited Partner(s) of Developer for development or operating deficits, amounts expended to maintain compliance with the Tax Credit Rules, or contributions for capital expenditures in excess of available Project revenues, if any, including interest at the Applicable Federal Rate; (v) the balance, if any, of operating loans or development loans made by the general partners of Developer to the Development, including interest at the Applicable Federal Rate; (vi) payment of unpaid Tax Credit adjustment amounts or reimbursement of Tax Credit adjustment amounts paid by the general partner and/or the guarantors to the Development pursuant to the approved Partnership Agreement, if any; and (vii) the payment to the general partner of Developer of a refinancing fee, which fee is and shall be subject to the approval of the City Manager at the time of each refinancing and which shall not exceed five percent (5%) of the amount of the approved refinancing.

"Regulatory Agreement" means the City Regulatory Agreement which is to be recorded against Portion B in accordance with the AHA, substantially in the form of Attachment No. 11 to the AHA.

"Related Entity" means CHW or an Affiliated Person.

"Rent" is defined in Section 5 of this Lease.

"Reporting Amount(s)" means the sum of Two Hundred Fifty Hundred Dollars ($250.00) per unit per year for each dwelling unit as to which Lessee fails to deliver to City, during any Lease Year, a full and adequate report that conforms to Section 33418 of the California Health and Safety Code.

"Required Affordable Units" means fifty-nine (59) of the sixty (60) dwelling units required to be developed on Portion B under the AHA (including without limitation Section 7.2 thereof) and maintained in conformity with the Prescribed Income Levels at Affordable Rents.

"Residual Receipts" for a particular Lease Year means Gross Revenues for the corresponding Lease Year less (i) Debt Service payments made during such Lease Year on the Primary Construction Loan or the Primary Permanent Loan, including payments under escrow and reserve provisions thereunder in amounts not in excess of the amounts due and payable during such month (and not

including prepayments), and (ii) the sum of Operating Expenses and, to the extent funded, payments made to Chargeable Reserves as made during the corresponding Lease Year, and payments of Deferred Developer Fee as made to Developer during the corresponding Lease Year. All calculations of Residual Receipts shall be made annually, on or before May 15 for the preceding Lease Year, on a cash (and not accrual) basis and the components thereof shall be subject to verification and approval, on an annual basis, based upon conformity with the terms of this Lease and the AHA, by the City Manager on behalf of the City.

"Schedule of Performance" means Attachment No. 3 to the AHA.

"Scope of Development" means that certain Scope of Development attached to the AHA as Attachment No. 9 and is incorporated herein by reference, which describes the scope, amount, and quality of the Development to be constructed by the Developer pursuant to the terms and conditions of the AHA. The Scope of Development is subject to revision only as provided in the AHA.

"*Tax Credit Regulatory Agreement*" means a regulatory agreement, if any, required by TCAC in connection with the reservation of Tax Credits for the Project.

"*Tax Credit Rent*" means that maximum rent permitted to be paid for a household corresponding to an income category set forth in this Lease (such as 50% of Median Income) under the Tax Credit Rules.

"Tax Credit Rules" means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*., and the rules and regulations implementing the foregoing.

"Tax Credits" means 9% Low Income Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*.

"TCAC" means the Tax Credit Allocation Committee of the State of California.

"Tenant Selection and Tenant Services Plan" shall have the meaning established therefor under the AHA.

"Term" or "*Term of the City Lease"* means a period beginning as of the Commencement Date and ending on the eighty-seventh (87th) anniversary of the Commencement Date.

"Uniform Codes" means each of the following as in effect from time to time as approved by City: the Uniform Building Code, the Uniform Housing Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and the Uniform Code for the Abatement of Dangerous Buildings.

"Unit" means each of the sixty (60) dwelling units required to be developed by the Developer under the AHA and this Lease.

"*Very Low Income Household*" means a household earning not greater than fifty percent (50%) of median income for the Area, as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50105.

"*Very Low Income Units*" means Units available to and occupied by Very Low Income Households.

"Year" means a fiscal year beginning as of July 1 and ending June 30 of the following calendar year or such other annual period as may be mutually agreed to by City and Lessee.

Any other capitalized terms not defined herein shall have the respective meanings established therefor in the AHA.

2. LEASE OF THE SITE.

City, for and in consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of Lessee to be paid, kept, performed and observed by Lessee, hereby leases to Lessee, and Lessee hereby leases from City, that certain real property in the City of Rocklin (the "City") shown on the "Portion B Map" attached hereto as Exhibit A and incorporated herein by this reference, and having the legal description in the "Portion B Description" attached hereto as Exhibit B and incorporated herein by this reference (the "Portion B"). Except as expressly provided to the contrary in this Lease, reference to Portion B is to the described land, exclusive of any improvements now or hereafter located on the land, notwithstanding that any such improvements may or shall be construed as affixed to and as constituting part of the real property. In the event that after the date first above written the City and Lessee agree to add certain territory as part of the property leased hereunder, such territory shall thereafter be included as part of Portion B for the purposes of this Lease.

3. LEASE TERM.

Lessee shall lease Portion B from City and City shall lease Portion B to Lessee for the Term as provided for herein.

4. USE OF THE PROPERTY.

4.1 Use of the Property. Lessee covenants and agrees for itself, its successors and assigns, that during the Term, the Lessee shall, by the respective times established therefor in the Schedule of Performance (in the AHA) as the same may be extended in accordance with the terms of this Lease, commence and complete the Development in conformance with the Scope of Development, all applicable laws, and thereafter the Property and the Improvements shall be devoted to those uses as set forth in this Lease, the Regulatory Agreement, the AHA, and the Reciprocal Easement and Joint Use Agreeement. Lessee shall apply for and obtain all necessary permits and shall complete the Improvements as provided by the AHA. In the event of any inconsistency between this Lease or the AHA, this Lease shall control; excepting that there shall be no subordination of the Regulatory Agreement excepting as provided in the AHA.

4.2 Management. Lessee shall manage or cause the Property and the Improvements to be managed in a prudent and business-like manner, consistent with other newly-constructed rental housing projects, including market rate projects, in Placer County, California, and in conformity with the Regulatory Agreement and the Tenant Selection and Tenant Services Plan.

Lessee has contracted with the Property Manager to operate and maintain Portion B and the Improvements in accordance with the terms of this Lease; the selection and hiring of such management

company was subject to, and the selection of any other manager shall be subject to, approval by City Manager.

Lessee shall submit or shall cause its Property Manager to submit to the City Manager on or before the sixtieth (60th) day following commencement of the Term, and each anniversary thereof, an annual budget for the ongoing operation of the Project. Each of the Lessee and the City shall cause its respective representative(s) to meet during the thirty (30) days following the receipt of the annual budget to review the budget; such review is without obligation to either party to propose or agree to any modification of permitted Operating Expenses. In the event a budget is not agreed upon the Project shall be operated pursuant to the most recently approved annual budget with each line item increased for such year by the increase in the applicable cost of living index published for Placer County until a budget is agreed upon (subject to the cap on Management Fees as set forth within the definition of Operating Expenses).

Additional maintenance requirements are as follows:

(a) Maintenance and Repair; Capital Replacement Reserve. Lessee agrees to assume full responsibility for the management, operation and maintenance of the Improvements and Portion B throughout the Term without expense to City, and to perform all repairs and replacements necessary to maintain and preserve the Improvements and Portion B in good repair, in a neat, clean, safe and orderly condition reasonably satisfactory to City and in compliance with all applicable laws. Lessee agrees that City shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Improvements and Portion B. Lessee hereby waives all rights to make repairs or to cause any work to be performed at the expense of City as provided for in Section 1941 and 1942 of the California Civil Code.

The following standards shall be complied with by Lessee and its maintenance staff, contractors or subcontractors:

(1) Lessee shall maintain the Improvements, including without limitation individual Required Affordable Units, all common areas, all interior and exterior facades, and all exterior project site areas, in a safe and sanitary fashion suitable for a high quality, rental housing project. Lessee agrees to provide utility services, administrative services, supplies, contract services, maintenance, maintenance reserves, and management for the entire project including interior tenant spaces, common area spaces and exterior common areas. The services provided by Lessee shall include, but not be limited to, providing all common area electricity, gas, water, television, cable television, property, fire and liability insurance in the amounts and coverages required under this Lease, all property taxes and personal property taxes, any and all assessments, maintenance and replacement of all exterior landscaping, and all administration and overhead required for any property manager.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing, edging, and trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and optimum irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all private paths, parking areas, driveways and other paved areas in clean and weed-free condition;

maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

(4) The Improvements shall be maintained in conformance and in compliance with the approved construction and architectural plans and design scheme, as the same may be amended from time to time with the approval of City.

(5) All maintenance work shall conform to all applicable federal and state Occupation Safety and Health Act standards and regulations for the performance of maintenance.

(6) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied only by persons in strict accordance with all governing regulations.

(7) Parking lots, lighting fixtures, trash enclosures, and all areas shall be kept free from any accumulation of debris or waste materials by regularly scheduled maintenance.

Capital repairs to and replacement of the Improvements shall include only those items with a long useful life, including without limitation the following:

(a) Appliance replacement;

(b) Hot water heater replacement;

(c) Plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets;

(d) Air conditioning and heating replacement;

(e) Asphalt replacement;

(f) Roofing replacement;

(g) Landscape tree replacement and irrigation pipe and controls replacement;

(h) Gas line pipe replacement;

(i) Lighting fixture replacement; and

(j) Miscellaneous motors and blowers.

(b) Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within a reasonable period of time as set forth herein.

(c) Front and Side Exteriors. Lessee shall at all times maintain the front exterior and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair and any visible side exteriors. Lessee shall hire maintenance personnel to maintain and/or repair any front exterior or yard or visible side yard and exterior of any lot or building.

(d) Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures must be removed and any necessary painting or repair completed by the later to occur of (i) seventy two (72) hours of their creation or (ii) seventy two (72) hours after notice to Lessee.

(e) Driveways. All driveways must be paved and maintained with impervious material in accordance with the City Code. In addition, all water must be made to drain freely to the public part of the waterway without any pooling.

(f) Exterior Illumination. Lessee shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means outdoor, night lighting designed and installed, which provides no less than one (1.0) foot candles in the parking areas and no less than one and one-half (1-1/2) foot candles in the walking areas or common areas and no less than 0.2 foot candles at the point of least illumination.

(g) Front Setbacks. All front setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped in accordance with minimum standards established by City and shall be maintained by Lessee. The landscaping shall meet minimum standards set from time to time by City.

(h) Trash Bins. All trash shall be collected and placed at all times in an enclosable bin to be placed in a designated refuse/trash bin area. The designated area shall be located so that the bin will, to the extent possible, be readily accessible from the street.

(i) Prohibited Signs. No sign of any kind shall be displayed to the public view on or from any portion of Portion B without the approval of City and appropriate City departments if any as required by the City Code.

(j) Gross Mismanagement. During the Term, and in the event of "Gross Mismanagement" (as defined below) of the Development, City Manager shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, if such condition(s) is/are not ceased and/or corrected after expiration of sixty (60) days from the date of written notice from City Manager. If Lessee or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the 20th day from the date of written notice (with evidence of such submitted to the City Manager), but has failed to complete such cure by the 60th day (or such longer period if the cure cannot reasonably be accomplished in sixty (60) days as reasonably determined by the non-defaulting party), then Lessee shall have an additional thirty (30) days to complete the cure of Gross Mismanagement condition(s).

For purposes of this Agreement, the term "Gross Mismanagement" means management of the Development in a manner which violates the terms and/or intention of this Lease and the AHA to operate a first quality affordable housing complex, and shall include, but is not limited to, any one or more of the following:

(a) Leasing to tenants who exceed the Prescribed Income Levels;

(b) Subject to fair housing laws, allowing tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;

(c) Under-funding required reserve accounts;

(d) Failing to submit timely and/or adequate annual reports to City as required herein;

(e) Failing to comply with the Regulatory Agreement;

(f) Failing to comply with the Tax Credit Regulatory Agreement;

(g) Fraud or embezzlement of Development funds, including without limitation funds in the reserve accounts;

(h) Failing to fully cooperate with the Rocklin Police Department or other local law enforcement agency(ies) with jurisdiction over the Development, in maintaining a crime-free environment within the Development;

(i) Failing to fully cooperate with the Rocklin Fire Department or other local public safety agency(ies) with jurisdiction over the Development, in maintaining a safe and accessible environment within the Development;

(j) Failing to fully cooperate with the Rocklin Planning and Building and Safety Department, or other local health and safety enforcement agency(ies) with jurisdiction over the Development, in maintaining a decent, safe and sanitary environment within the Development; and

(k) Failing to implement the Tenant Selection and Tenant Services Plan.

(k) Code Enforcement. Lessee acknowledges and agrees that City and its employees and authorized agents, shall have the right to conduct code compliance and/or code enforcement inspections of the Development and the individual dwelling units at the Development (and not limited to the Required Affordable Units), both exterior and interior, at reasonable times and upon reasonable notice (not less than 48 hours prior notice, except in an emergency) to Lessee and/or an individual tenant. If such notice is provided by City representative(s) to Lessee, then Lessee shall immediately and directly advise any affected tenant of such upcoming inspection and cause access to the area(s) and/or Units at the Development to be made available and open for inspection. Lessee shall include express advisement of such inspection rights within the lease/rental agreements for each Unit in the Development in order for each and every tenant and tenant household to be aware of this inspection right. The foregoing portion of this Section 4.2 is without limitation as to the exercise of police powers by City.

Notwithstanding the above, Lessee shall use its best efforts to correct any defects in management at the earliest feasible time and, if necessary, to replace the management company prior to the elapsing of such time period.

4.3 Only Lawful Uses Permitted. Portion B and the Improvements shall not be used for any purpose that is in violation of any law, ordinance or regulation of any federal, state, county or local governmental authority, body or entity. Furthermore, Lessee shall not maintain or commit any

nuisance or unlawful conduct (as now or hereafter defined by any applicable statutory or decisional law) on Portion B or the Improvements, or any part thereof.

5. RENT.

5.1 Rent Payments. During the Term, Lessee is required to and shall pay to City the Base Rent and, to the extent applicable Additional Rent. Base Rent shall be payable as set forth in the remainder of this Section 5.1. Additional Rent, if any, shall be payable as provided under Section 6.6 (and if not sooner paid shall be paid when the next payment of Base Rent is due).

(a) During each Lease Year during the Term, Lessee agrees to pay the 'Base Rent' of One Dollar ($1.00) to City. Base Rent shall be paid on the Commencement Date and on the first day of each subsequent Lease Year which occurs during the Term.

(b) The parties understand and acknowledge that the primary consideration for this Lease is the performance of the covenants set forth in this Lease and the AHA, particularly (without limitation, however) the covenants to rent the units at Affordable Rent households of limited income.

5.2 [Intentionally Omitted].

5.3 Net Lease. It is the intent of the parties hereto that the rent provided herein shall be absolutely net to City and that Lessee shall pay all costs, taxes, charges, and expenses of every kind and nature against Portion B and the Improvements which may arise or become due during the Term, and which, except for execution hereof, would or could have been payable by City.

5.4 Payment of Rent. All rent that becomes due and payable pursuant to this Lease shall be paid to City at the address of City listed in Section 26.7 or such other place as City may from time to time designate by written notice to the Lessee without notice or demand, and without setoff, counterclaim, abatement, deferment, suspension or deduction.

6. AFFORDABLE HOUSING AND OTHER OCCUPANCY REQUIREMENTS.

6.1 Number of Required Affordable Units and Other Unit. Lessee agrees to make available, fifty-nine (59) (the "Required Affordable Units") of the sixty (60) rental unit to be located on Portion B (the "Housing Units") at an Affordable Rent. Lessee agrees to make available, restrict occupancy to, and rent all of the Required Affordable Units at Affordable Rent. The bedroom counts and correlating income levels are set forth in the definition of Prescribed Income Levels; Units shall be maintained in conformity with households conforming to the Prescribed Income Levels at Affordable Rents. The approximate square footages of the respective units shall be as follows: (i) for one-bedroom units, 636 square feet per unit; (ii) for two-bedroom units, 858 square feet per unit; and (iii) for three-bedroom units 1,075 square feet per unit. Rental of the Required Affordable Units shall conform to the Prescribed Income Levels and be accomplished at Affordable Rents.

In the event the Lessee charges rents for one or more of the Required Affordable Units which exceed Affordable Rent, the Lessee shall promptly, and without necessity of notice or request therefor by the City, correct such rent. Any penalties arising from the charging of rents which exceed Affordable Rent shall be paid solely by Lessee.

6.2 Duration of Affordability Requirements. The Housing Units shall be subject to the requirements of this Section 6 for the Affordability Period.

6.3 Selection of Tenants. Lessee shall be responsible for the selection of tenants for the Housing Units in compliance with the criteria set forth in this Section 6 of this Lease and the Tenant Selection and Tenant Services Plan.

6.4 Income of Tenants. Prior to the rental or lease of any Housing Unit to a tenant, and annually thereafter, the Lessee shall submit to the City or its designee, at Lessee's expense, a completed income computation and certification form, in a form to be provided by the City. Each tenant shall be an Extremely Low Income Household, a Very Low Income Household, or Lower Income Household (in accordance with the Prescribed Income Levels) which meets the eligibility requirements established for the Housing Unit, and Lessee shall obtain a certification from each tenant leasing an Affordable Unit which substantiates such fact, which include the Income Verification. Lessee shall verify the income certification of the tenant as set forth in Section 5.3 of the AHA.

Except to the extent prohibited by federal law, in the event a household's income initially complies with the income restriction for an Extremely Low Income Household (or, as applicable, a Very Low Income Household, or a Lower Income Household) but the income of such household increases, such increase shall not be deemed to result in a violation by Lessee of the restrictions of this Lease concerning limitations upon income of occupants, provided that: (i) financing by multifamily housing bonds or low income housing tax credits was obtained for the Improvements, and (ii) if the resulting income of such household exceeds one hundred forty percent (140%) of the applicable income limit, the next available unit is rented to an Extremely Low, Very Low or Lower Income Household, as applicable.

6.5 Determination of Affordable Rent for the Required Affordable Units. Each Required Affordable Unit shall be rented at an "Affordable Rent" to be established as provided herein: The maximum monthly rental amount for the Required Affordable Units to be rented to Extremely Low Income Households shall be established at one-twelfth (1/12) of thirty percent (30%) of thirty percent (30%) of Placer County median income for a household of a size appropriate to the Housing Unit. The maximum monthly rental amount for the Required Affordable Units to be rented to Very Low Income Households shall be established at one-twelfth (1/12) of fifty percent (50%) of thirty percent (30%) of Placer County median income for a household of a size appropriate to the Housing Unit. The maximum monthly rental amount for the Required Affordable Units to be rented to Lower Income Households shall be established at one-twelfth ($1/12^{th}$) of thirty percent (30%) of sixty percent (60%) of Placer County median income for a household size appropriate to the Housing Unit. Notwithstanding the foregoing, if Tax Credits are used for the Project, Tax Credit Rents shall be applied to the extent these are lower than the rents otherwise prescribed in this Section 6.5.

"Household size appropriate to the unit," for the purpose of the calculation of rent herein (and without regard to actual occupancy), means two persons for each one bedroom unit, three persons for each two bedroom unit and four persons for each three bedroom unit. The maximum monthly rental amount of the Housing Units shall be adjusted annually by the formula set forth above upon the promulgation of revised Placer County median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent.

6.6 Verifications.

(a) Income Verification. Lessee shall verify the income of each proposed and existing tenant of the Housing Units.

(b) Annual Reports. Following the issuance of the Certificate of Completion, and on or before July 15 of each Lease Year commencing after the earlier to occur of (i) completion of the Improvements or (ii) occurrence of the time indicated in the AHA for the completion of the Improvements, Lessee shall submit to City or its designee the reports described by Health and Safety Code Section 33418, as the same may be amended from time to time, with each such report to be in the form prescribed by City. Each annual report shall cover the immediately preceding Lease Year.

In addition, commencing as of July 15 first following the issuance of the Certificate of Completion, and continuing on each July 15 thereafter during the Term, the Lessee shall submit an Audited Financial Statement for the previous Lease Year (or portion thereof), including all funds from whatever source provided to the Lessee or any Related Entity in connection with the Project. The Audited Financial Statement shall demonstrate ongoing compliance with this Lease, including without limitation Section 5.1(b) hereof.

The Lessee shall maintain on file each tenant's executed lease and Income Verification and rental records for the Project and the Required Affordable Units. The Lessee shall maintain complete and accurate records pertaining to the Extremely Low Income Units, the Lower Income Units and any other Units, and will permit any duly authorized representative of the City to inspect the books and records of the Lessee pertaining to the Project, including those records pertaining to the occupancy of the Extremely Low Income Units and the Lower Income Units and any other units. The Lessee shall prepare and submit to the City annually commencing July 15, first following the issuance of the Certificate of Completion and continuing throughout the Term, a Certificate of Continuing Program Compliance. Lessee shall maintain records and report to City annually demonstrating compliance with the requirements with respect to the availability and use of the Required Affordable Units for Locals. Such documentation shall state for each Required Affordable Unit in the Project the unit size, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determined compliance with the terms of this Lease and the AHA.

As part of its annual report, the Lessee shall include a statement of amounts payable by Lessee under this Lease supported by an Audited Financial Statement (prepared by an independent accounting firm reasonably acceptable to the City) which sets forth information in detail sufficient for adequate review by the City for the purposes of confirming those amounts payable by the Lessee to the City as well as showing the general financial performance of the Project ("Annual Financial Report"). Each Annual Financial Report shall include a profit and loss statement showing Gross Revenues, Operating Expenses, Debt Services, Operating Reserve, Capital Replacement Reserve, Chargeable Reserves (and all components thereof), and Residual Receipts, all certified by the Audited Financial Statement. In the event the amounts reported or paid deviate by five percent (5%) or more from that amount owing upon review of the Lessee's submittal, Lessee shall reimburse City for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amount payable under this Lease as "Additional Rent."

The Lessee acknowledges that City, in respect to Portion B, may be required by Section 33418 of the California Health and Safety Code or may elect to require Lessee to monitor the Housing Units and submit the annual reports required by Section 3 of Article II of the City Regulatory Agreement. The City relies upon the information contained in such reports to satisfy its own reporting requirements, including those as described as Sections 33080 and 33080.1 of the California Health and Safety Code. In the event the Lessee fails to submit to the City or its designee its Certificate of Continuing Program Compliance for the corresponding Year and Lessee remains in noncompliance for thirty (30) days following receipt of written notice from the City of such noncompliance, then Lessee shall, without

further notice or opportunity to cure, pay to the City Two Hundred Fifty Dollars ($250.00) (the "Reporting Amount(s)") per each Required Affordable Unit for each year Lessee fails to submit a Certificate of Continuing Program Compliance covering each and every housing unit on Portion B.

6.7 Regulatory Instruments. The Lessee shall execute, acknowledge, and deliver to City a "Regulatory Agreement," in the form of Attachment No. 11 to the AHA, to be recorded with respect to Portion B in the official records of Placer County, California. The Lessee shall comply with the Regulatory Agreement. The Regulatory Agreement is subject to modification (which amendment shall have the same priority as the Regulatory Agreement) to conform to the number of Units regulated by other restrictions of record if that number is greater than originally provided in the Regulatory Agreement. The Regulatory Agreement and this Lease shall be construed to be consistent to the greatest feasible extent. In the event of any express conflict, this Lease shall control over the Regulatory Agreement; however, there shall be no subordination of the Regulatory Agreement on account of any such express conflict.

7. UTILITIES AND TAXES.

7.1 Utilities. Lessee shall pay or cause to be paid all common area charges for gas, electricity, water, sewer, garbage collection, cable television, and other utilities furnished to Portion B and the Improvements and all sewer use charges, hookup or similar charges or assessments for utilities levied against Portion B and the Improvements for any period included within the Term.

7.2 Real Estate Taxes.

(a) As used herein, the term "real estate taxes" means all real estate taxes, municipal or county water and sewer rates and charges, or any other assessments or taxes, which shall be levied against Portion B or the Improvements, or any interest therein, and which become a lien thereon and accrue during the Term.

(b) Any real estate taxes which are payable by Lessee hereunder shall be prorated between City and Lessee as of the Commencement Date and then again at the expiration or earlier termination of the Term.

(c) Lessee shall have the right to contest the amount or validity of any real estate taxes, in whole or in part, by appropriate administrative and legal proceedings, without any costs or expense to City, and Lessee may postpone payment of any such contested real estate taxes pending the prosecution of such proceedings and any appeals so long as such proceedings shall not operate to prevent the collection of such real estate taxes and the sale of Portion B and any Improvements to satisfy any lien arising out of the nonpayment of the same.

(d) Lessee shall have the right to apply for and may obtain any exemption(s) as may be applicable as to real estate taxes based upon the operation of Portion B for affordable rental housing. So long as Lessee is not in breach under this Lease or the AHA, the City, in its capacity as the fee owner of Portion B, shall cooperate as reasonably necessary for Lessee to apply for and obtain such exemptions, provided that in no event shall the City be required to incur costs in connection therewith.

7.3 Personal Property. Lessee covenants and agrees to pay before delinquency all personal property taxes, assessments and liens of every kind and nature upon all personalty as may be owned by Lessee and from time to time situated within Portion B and any Improvements.

7.4 Possessory Interest. Pursuant to Health and Safety Code Section 33673, to the extent applicable, Portion B is to be assessed and taxed in the same manner as privately owned property. The Lessee shall pay taxes upon the entire property and not merely the assessed value of its leasehold interest. City will provide notice to the Placer County Assessor within thirty (30) days of the commencement of this Lease as required by Health and Safety Code Section 33673.1; provided that the failure to do so, by City, shall not be deemed to constitute a Default by City. Lessee shall pay or cause to be paid, before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all real estate taxes which may be levied against any and all interests in Portion B and any Improvements during the Term, and not merely the assessed value of the leasehold interest in Portion B; provided, however, that Lessee may apply for and receive any applicable exemption from the payment of property taxes and assessments. Lessor shall use reasonable efforts to cause Portion B to be assessed as a separate parcel.

8. OWNERSHIP OF IMPROVEMENTS, FIXTURES AND FURNISHINGS.

8.1 Ownership During Term. All Improvements constructed on Portion B by Lessee as provided in the AHA and as permitted by this Lease shall, during the Term, be and remain the property of Lessee and owned in fee by Lessee; provided, however, that Lessee shall have no right to waste the Improvements, or to destroy, demolish or remove the Improvements except as otherwise permitted pursuant to this Lease; and provided further that Lessee's rights and powers with respect to the Improvements are subject to the terms and limitations of this Lease. City and Lessee covenant for themselves and all persons claiming under or through them that the Improvements are real property. City agrees that Lessee shall have the exclusive right during the Term to deduct, claim, retain and enjoy any and all rental income, appreciation gain, depreciation, amortization, and tax credits for federal and state tax purposes relating to the Improvements and any additions thereto, substitutions therefor, fixtures therein, and property relating thereto, and City shall treat Lessee as the tax owner of the Improvements for federal income tax purposes and shall not file any tax returns inconsistent with such treatment.

8.2 Ownership at Termination. Upon termination of this Lease, whether by expiration of the Term or otherwise, all Improvements, fixtures and furnishings shall, without compensation to Lessee, then become City's property, free and clear of all liens, encumbrances, and claims to or against them by Lessee or any third person, firm or entity, including but not limited to any mortgagee or lender, unless otherwise approved by City in writing at its discretion. At the option of City, the City may require the Lessee to demolish and remove any improvements to Portion B which have not previously been approved by the City.

9. MECHANICS LIENS; FAITHFUL PERFORMANCE.

Lessee shall not suffer or permit any mechanics' or materialmen's liens to be enforced against the fee simple estate in reversion of City as to Portion B and Improvements, nor against Lessee's leasehold interest therein by reason of work, labor, services or materials supplied or claimed to have been supplied to Lessee or anyone holding Portion B and the Improvements, or any part thereof, through or under Lessee, and Lessee agrees to defend, indemnify, and hold City and its officers, officials, employees, agents, and representatives, harmless against such liens. If any such lien shall at

any time be filed against Portion B or any Improvements, Lessee shall, within thirty (30) days after notice to Lessee of the filing thereof, cause the same to be discharged of record; provided, however, that Lessee shall have the right to contest the amount or validity, in whole or in part, of any such lien by appropriate proceedings but in such event, Lessee shall notify City and promptly bond such lien in the manner authorized by law with a responsible surety company qualified to do business in the State of California or provide other security acceptable to City. Lessee shall prosecute such proceedings with due diligence. Nothing in this Lease shall be deemed to be, nor shall be construed in any way to constitute, the consent or request of City, express or implied, by inference or otherwise, to any person, firm or limited partnership for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of or to Portion B, the Improvements, or any part thereof. Prior to commencement of reconstruction of the Improvements on Portion B, or any repair or alteration thereto having a cost in excess of $10,000, Lessee shall give City not less than thirty (30) days advance notice in writing of intention to begin said activity in order that nonresponsibility notices may be posted and recorded as provided by State and local laws.

10. MAINTENANCE AND REPAIR; CAPITAL REPLACEMENT RESERVE.

Lessee agrees to assume full responsibility for the management, operation and maintenance of the Improvements and Portion B throughout the Term without expense to City, and to perform all repairs and replacements necessary to maintain and preserve the Improvements and Portion B in good repair, in a neat, clean, safe and orderly condition reasonably satisfactory to City and in compliance with all applicable laws. Lessee agrees that City shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Improvements and Portion B. Lessee hereby waives all rights to make repairs or to cause any work to be performed at the expense of City as provided for in Section 1941 and 1942 of the California Civil Code.

The following standards shall be complied with by Lessee and its maintenance staff, contractors or subcontractors:

(1) Lessee shall maintain the Improvements, including individual Affordable Units, all common areas, all interior and exterior facades, and all exterior project site areas, in a safe and sanitary fashion suitable for a high quality, rental housing project. The Lessee agrees to provide utility services, administrative services, supplies, contract services, maintenance, maintenance reserves, and management for the entire project including interior tenant spaces, common area spaces and exterior common areas. The services provided by the Lessee shall include, but not be limited to, providing all common area electricity, gas, water, television, cable television, property, fire and liability insurance in the amounts set forth in this Lease, all property taxes and personal property taxes, any and all assessments, maintenance and replacement of all exterior landscaping, and all administration and overhead required for the Property Manager.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing, edging, and trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and optimum irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all private paths, parking areas, driveways and other paved areas in clean and weed-free condition;

maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

(4) The Improvements shall be maintained in conformance and in compliance with the approved construction and architectural plans and design scheme, as the same may be amended from time to time with the approval of the City (and City, if such approval is required).

(5) All maintenance work shall conform to all applicable federal and state Occupational Safety and Health Act standards and regulations for the performance of maintenance.

(6) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied only by persons in strict accordance with all governing regulations.

(7) Parking lots, lighting fixtures, trash enclosures, and all areas shall be kept free from any accumulation of debris or waste materials by regularly scheduled maintenance.

(8) Lessee shall, or shall cause the Property Manager to, set aside in an Operating Reserve, which shall be maintained as a separate interest-bearing trust account, in an amount as prescribed under the Primary Permanent Loan and the Partnership Agreement. To the extent this Lease requires that an Operating Reserve be funded at a level in excess of that required under the Primary Permanent Loan and the Partnership Agreement, such excess amount shall be funded by Lessee from the Developer Percentage. Lessee shall provide, on not less than an annual basis, evidence reasonably satisfactory to City Manager of compliance herewith, and shall thereafter cause such amount to be retained in the Operating Reserve, to cover shortfalls between Improvements income and actual project operating expenses. The Operating Reserve shall be replenished to the full amount prior to any further disbursement of Residual Receipts to the Lessee. Commencing as of the first anniversary of the January 1st which first occurs after conversion, no Gross Revenues thereafter generated shall be used to fund the Operating Reserve excepting as necessary to restore the Operating Reserve to the original principal amount or, if applicable, the amount designated therefor by TCAC. Moneys, if any, in the Operating Reserve which are not expended as of the termination of this Lease shall be treated as Residual Receipts.

(9) Lessee shall also, or cause the Property Manager or permanent lender to, commencing as of the first month following the first anniversary of the completion of the first Housing Unit (as such completion is evidenced by the issuance of a certificate of occupancy by the City as to the corresponding building) set aside the Capital Replacement Reserve. The Capital Replacement Reserve shall be deposited into a separate interest-bearing trust account. Funds in the Capital Replacement Reserve shall be used for capital replacements to the Improvements' fixtures and equipment which are normally capitalized under generally accepted accounting principles. As capital repairs and improvements of the Project become necessary, the Capital Replacement Reserve shall be the first source of payment therefor; provided, however, that Lessee may first use other funds for payment with the prior consent of City Manager, which approval shall not be unreasonably withheld. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve Lessee of the obligation to undertake necessary capital repairs and improvements and to continue to maintain Portion B in the manner prescribed in this Section 10 and the AHA. Lessee, at its expense,

shall submit to City on not less than an annual basis an accounting for the Capital Replacement Reserve. Any amounts of the Capital Replacement Reserve in excess of the level of such reserve required by the Approved Permanent Lender shall be funded from Residual Receipts. Any moneys in the Capital Replacement Reserve which are not expended as of the termination of this Lease shall be treated as Residual Receipts.

Capital repairs to and replacement of the Improvements shall include only those items with a long useful life, including without limitation the following:

(a) Appliance replacement;

(b) Hot water heater replacement;

(c) Plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets;

(d) Air conditioning and heating replacement;

(e) Asphalt replacement;

(f) Roofing replacement;

(g) Landscape tree replacement and irrigation pipe and controls replacement;

(h) Gas line pipe replacement;

(i) Lighting fixture replacement; and

(j) Miscellaneous motors and blowers.

11. ENVIRONMENTAL MATTERS.

11.1 Definitions. For the purposes of this Lease, unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified:

(a) The term "Hazardous Material" or "Hazardous Materials" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance"

pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in Paragraph (c) of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq*., specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those product and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

(b) The term "Hazardous Materials Contamination" means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or under Portion B by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Date of Agreement) emanating from Portion B in violation of Governmental Requirements.

(c) The term "Governmental Requirements" means all past, present and future laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the city, or any other political subdivision in which Portion B is located, and any other state, county city, political subdivision, City, instrumentality or other entity exercising jurisdiction over City, Lessee or the Site.

11.2 Site Evaluation. Lessee assumes any and all responsibility and Liabilities (as defined in and subject to the limitations in Section 11.3 of this Lease) for all Hazardous Materials Contamination of Portion B which occurs during the Term of this Lease or extension thereof.

11.3 Indemnification; Lessee's Indemnity. Lessee shall save, protect, pay for, defend (with counsel acceptable to City), indemnify and hold harmless City, and its elected and appointed officials, officers, employees, attorneys, representatives, volunteers, contractors and agents (collectively, "Indemnitees") from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs and third-party claims or costs) (the foregoing are hereinafter collectively referred to as "Liabilities") that may now or in the future be incurred or suffered by Indemnitees by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of: (i) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, Portion B occurring during the Term

or caused by Lessee; (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, Portion B; (iii) the physical and environmental condition of Portion B in violation of Governmental Requirements occurring during the Term or caused by Lessee, and (iv) any Liabilities caused or contributed to by acts or omissions of the Lessee relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of Portion B caused by Lessee or occurring during the Term. The foregoing indemnification shall continue in full force and effect regardless of whether such condition, liability, loss, damage, cost, penalty, fine, and/or expense shall accrue or be discovered before or after the termination of the Term. This indemnification supplements and in no way limits the indemnification set forth in Section 6.7 of the AHA. Lessee's obligations under this Section 11.3 shall survive the expiration of this Lease and shall not merge with any grant deed. Notwithstanding the foregoing, Lessee shall not be obligated to indemnify the City with respect to the consequences of any act of gross negligence or willful misconduct of the City.

11.4 Duty to Prevent Hazardous Material Contamination. Lessee shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment in violation of Governmental Requirements. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Lessee shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the standards generally applied by apartment complexes in Placer County, California as respects the disclosure, storage, use, removal, and disposal of Hazardous Materials. Lessee shall notify City, and provide to City a copy or copies of any notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to all Environmental Laws and other Governmental Requirements, and Lessee shall report to City, as soon as possible after each incident, any unusual or potentially important incidents in the event of a release of any Hazardous Materials into the environment.

11.5 Obligation of Lessee to Remediate Premises. Notwithstanding the obligation of Lessee to indemnify City pursuant to Section 11.3 of this Lease, Lessee shall, at its sole cost and expense, promptly take (i) all actions required by any federal, state, regional, or local governmental authority or political subdivision or any Governmental Requirements and (ii) all actions necessary to make full economic use of Portion B for the purposes contemplated by this Lease, which requirements or necessity arise from the presence upon, about or beneath Portion B of any Hazardous Materials in violation of Governmental Requirements or Hazardous Materials Contamination caused by Lessee or arising during the Term. Such actions shall include, but not be limited to, the investigation of the environmental condition of Portion B, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Lessee shall take all actions necessary to promptly restore Portion B in compliance with all applicable Governmental Requirements. Lessee's obligations under this Section 11.5 shall not apply to any Hazardous Materials or Hazardous Materials Contamination arising prior to the Term.

11.6 Storage or Handling of Hazardous Materials. Lessee, at its sole cost and expense, shall comply with all Governmental Requirements for the storage, use, transportation, handling and disposal of Hazardous Materials on or about Portion B. In the event Lessee does store, use, transport, handle or dispose of any Hazardous Materials in violation of Governmental Requirements, Lessee shall notify City in writing at least ten (10) days prior to their first appearance on Portion B and Lessee's

failure to do so shall constitute a material default under this Lease. Lessee shall conduct all monitoring activities required or prescribed by applicable Governmental Requirements, and shall, at its sole cost and expense, comply with all posting requirements of Proposition 65 or any other similarly enacted Governmental Requirements. In addition, in the event of any complaint or governmental inquiry with respect to Lessee's storage, use, transportation, handling and disposal of Hazardous Materials on or about Portion B, or if otherwise deemed necessary by City in its reasonable judgment, City may require Lessee, at Lessee's sole cost and expense, to conduct specific monitoring or testing activities with respect to Hazardous Materials on Portion B. Lessee's monitoring programs shall be in compliance with applicable Governmental Requirements, and any program related to the specific monitoring of or testing for Hazardous Materials on Portion B, shall be satisfactory to City, in City's reasonable discretion. Lessee shall further be solely responsible, and shall reimburse City, for all costs and expenses incurred by City arising out of or connected with the removal, clean-up and/or restoration work and materials necessary to return Portion B and any property adjacent to Portion B affected by Hazardous Materials emanating from Portion B during the Term (or as otherwise caused by Lessee) to their condition existing at the time of the Lessee's Portion B Evaluation. Lessee's obligations hereunder shall survive the termination of this Lease and shall not merge with any grant deed.

11.7 Environmental Inquiries. Lessee shall notify City upon receipt, and provide to the City a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to Portion B and the Development: notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws and other applicable Governmental Requirements relating to Hazardous Materials and underground tanks, and Lessee shall report to City, as soon as possible after each incident, all material information relating to or arising from such incident, including, but not limited to, the following:

(a) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;

(b) All notices of suspension of any permits relating to Hazardous Materials;

(c) All notices of violation from federal, state or local environmental authorities relating to Hazardous Materials;

(d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;

(e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;

(f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;

(g) All complaints and other pleadings filed against Lessee relating to Lessee's storage, use, transportation, handling or disposal of Hazardous Materials on or about Portion B; and

(h) Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a materially adverse effect on Portion B or the City's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Lessee shall, as soon as possible after the release, furnish to City a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of City, but subject to any limitations imposed by law or by court order, Lessee shall furnish to City a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting Portion B in Lessee's possession and/or shall notify City of any environmental entitlements or inquiries relating to or affecting Portion B within Lessee's actual or constructive knowledge if Lessee is not in possession of same, including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

12. ALTERATION OF IMPROVEMENTS.

Upon completion of the Improvements, Lessee shall not make or permit to be made any material structural alteration of, addition to or change in the Improvements (which shall be deemed to be material if the cost or value of such alteration(s) or addition(s) exceeds $50,000.00 as to any item or $125,000.00 as all such items are aggregated), nor demolish all or any part of the Improvements without the prior written consent of City; provided, however, that the foregoing shall not prohibit or restrict the repair and/or replacement of the Improvements by Lessee in accordance with Section 10 hereof. In requesting such consent Lessee shall submit to City detailed plans and specifications of the proposed work and an explanation of the need and reasons therefor.

This provision shall not limit or set aside any obligation of Lessee under this Lease to maintain the Improvements and Portion B in a clean and safe condition, including structural repair and restoration of damaged Improvements. City shall not be obligated by this Lease to make any improvements to Portion B or to assume any expense therefor.

Lessee shall not commit or suffer to be committed any waste or impairment of Portion B or the Improvements, or any part thereof, except as otherwise permitted pursuant to this Lease. Lessee agrees to keep Portion B and the Improvements clean and clear of refuse and obstructions, and to dispose of all garbage, trash and rubbish in a manner satisfactory to City.

13. DAMAGE OR DESTRUCTION.

13.1 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. Subject to Section 13.3 below, if the Improvements shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against and recoverable by insurance proceeds held by such policy(ies) maintained by Lessee, Lessee shall proceed to obtain insurance proceeds as soon as practicable and take all steps necessary to begin reconstruction and, upon receipt of insurance proceeds as soon as practicable, to commence the repair or replacement of the Improvements to substantially the same condition as the Improvements are required to be maintained in pursuant to this Lease, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Lessee shall complete the same as soon as practicable thereafter so that the Improvements can continue to be operated and occupied as an affordable housing project in accordance with this Lease. Subject to Section 26.23, in no event shall the repair, replacement, or restoration period exceed thirty (30) months from the date Lessee obtains

one hundred percent (100%) of the insurance proceeds unless City Manager, in his or her reasonable discretion, approves a longer period of time. City shall cooperate with Lessee, at no expense to City, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over Portion B do not permit the repair, replacement, or restoration, Lessee may (with the consent of the Limited Partner so long as the Partnership Agreement remains in effect) elect not to repair, replace, or restore the Improvements by giving notice to City (in which event, subject to the terms of all of Lessee's Mortgages, Lessee will be entitled to all insurance proceeds but Lessee shall be required to remove all debris from Portion B) or Lessee may reconstruct such other improvements on Portion B as are consistent with applicable land use regulations and approved by the City, Limited Partner (so long as the limited Partnership Agreement remains in effect) and the other governmental City or agencies with jurisdiction. In the event Lessee elects not to repair, replace, or restore and give City notice of such election as provided herein, this Lease shall, subject to Section 1.3(a) of Exhibit E to this Lease, terminate.

13.2 Continued Operations. During any period of repair, Lessee shall continue, or cause the continuation of, the operation of the Improvements on Portion B to the extent reasonably practicable from the standpoint of prudent business management.

13.3 Damage or Destruction Due to Cause Not Required to be Covered by Insurance. If the Improvements are completely destroyed or substantially damaged by a casualty for which Lessee is not required to (and has not) insured against, then Lessee shall not be required to repair, replace, or restore such improvements and may elect (with the consent of the Limited Partner so long as the Partnership Agreement remains in effect) not to do so by providing City with written notice of election not to repair, replace, or restore within ninety (90) days after such substantial damage or destruction. In such event, Lessee shall remove all debris from Portion B. As used in this Section 13.3, "substantial damage" caused by a casualty not required to be (and not) covered by insurance means damage or destruction which is twenty-five percent (25%) or more of the replacement cost of the improvements comprising the Improvements. In the event Lessee does not timely elect not to repair, replace, or restore the Improvements as set forth in the first sentence of this Section 13.3, Lessee shall be conclusively deemed to have waived its right not to repair, replace, or restore the Improvements and thereafter Lessee shall promptly commence and complete the repair, replacement, or restoration of the damaged or destroyed Improvements in accordance with Section 13.1 above and continue operation of the Improvements during the period of repair (if practicable) in accordance with Section 13.2 above. In the event Lessee elects not to repair, replace, or restore, and gives City notice of such election as provided herein, subject to Section 1.3 of Exhibit E to this Lease, this Lease shall terminate.

14. SALE, ASSIGNMENT, SUBLEASE OR OTHER TRANSFER.

Except for (a) leases of particular dwelling Units to tenants, and (b) the lease of or grant of an easement or license to the City, Lessee shall not sell, assign, sublease, or otherwise transfer this Lease or any right therein, nor make any total or partial sale, assignment, sublease, or transfer in any other mode or form of the whole or any part of Portion B or the Improvements (each of which events is referred to in this Lease as an "Assignment"), without prior written approval of City. The term "Assignment" shall be deemed to include (without limitation) all refinancing thereof and any other loans approved by City, excepting to the extent loans have been previously approved from one or more approved Construction and/or Permanent Lenders (with respect to such loans); provided that a change in limited partners shall not be deemed to constitute an Assignment. Any purported assignment without the prior written consent of City shall be made null and void and shall confer no rights whatsoever

upon any purported assignee or transferee. Notwithstanding the foregoing, Exhibit E shall be enforceable in accordance with its terms.

Notwithstanding any other provision of this Lease to the contrary, the City shall not unreasonably withhold its approval of an assignment of this Lease or conveyance of Portion B or Improvements, or any part thereof, in connection with any of the following:

(a) Any transfers to an entity or entities in which Lessee retains a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retains management and control of the transferee entity or entities.

(b) The conveyance or dedication of any portion of Portion B to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Improvements. In the event of a proposed assignment by Lessee under subparagraphs (a) through (c), inclusive, above, Lessee agrees that at least thirty (30) days prior to such assignment it shall give written notice to City including a request for approval of such assignment and satisfactory evidence that the assignee has assumed the obligations of this Lease, subject to the provisions of the following paragraph.

City agrees that it will consider in good faith a request for City's consent to a transfer made pursuant to this Section 14 after the achievement of occupancy of ninety percent (90%) or more of the Housing Units in conformity with this Lease following the issuance by City of a Certificate of Completion for the last building to be constructed as part of the Improvements, provided Lessee delivers written notice to City requesting such approval and provided further that, the Regulatory Agreement remain in full force and effect (unless the same have been extinguished or terminated by operation of such documents or under another document as may be hereafter executed by City). Such notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, and its financial commitments and resources, and the financial terms of such Assignment (including the consideration proposed to flow to the Developer or a Related Entity and/or the Principals) in sufficient detail to enable City to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 14, and as reasonably determined by City. City shall evaluate such proposed transferee or assignee on the basis of its development qualifications and experience and/or qualifications and experience in the operation of facilities similar to the Improvements, and its financial commitments and resources, and may reasonably disapprove any proposed transferee or assignee, which City reasonably determines does not possess sufficient qualifications. An assignment and assumption agreement in form satisfactory to City's legal counsel shall also be required for all proposed assignments. The Lessee agrees and acknowledges that in connection with any such assignment approved by the City pursuant to this Lease, the Lessee shall remain liable for performance pursuant to this Lease for a period of five (5) years following such assignment; provided that the five-year limitation shall not apply (and the ongoing liability of Developer shall not be thereby limited) in connection with the transfer of limited partnership interests to tax credit investors. For the avoidance of doubt, no transfer of limited partner interests in Lessee shall require the approval of City. Within thirty (30) days after the receipt of the Lessee's written notice requesting approval of an assignment or transfer pursuant to this Section 14, City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, the Lessee shall promptly furnish to City such further information as may be reasonably requested.

Notwithstanding any provision in this Section 14 to the contrary, in no event shall Lessee make any assignment which would or could be effective beyond the Term without the prior consent of the City. Notwithstanding anything contained in this Section 14 to contrary effect, transfers or assignments otherwise permitted in Section 8.3 of the AHA shall not be limited by the terms of this Section 14 or require City consent and in the event of any conflict between the terms of this Section 14 and Section 8.3 of the AHA with respect to transfers or assignments under the purview of Section 8.3, Section 8.3 of the AHA shall control; provided that Lessee shall promptly inform City in writing of any such transfers.

15. ANCILLARY DUTIES.

The City and the Lessee intend that this Lease be a so called "triple net" lease, and that except as expressly provided herein all costs, expenses and obligations with respect to Portion B during the Term shall be borne by the Lessee and not by the City. Unless this Lease provides otherwise, all Ancillary Duties shall be satisfied and/or paid with the next applicable payment of Rent. "Ancillary Duties" shall include, without limitation: (i) the payment of all taxes and assessments, including without limitation those taxes (whether characterized as possessory interest taxes or otherwise) described in Section 7.4 of this Lease, which become due and owing during the Term (provided that Lessee shall not hereby be precluded from applying for or obtaining any applicable exemption from property tax); (ii) an amount equal to one hundred fifteen percent (115%) of the amounts paid by City for insurance premiums or costs to repair and maintain the Development upon the failure by Lessee to timely and fully provide such insurance and maintenance; (iii) Reporting Amount(s) (as described in Section 6.6 hereof); and (iv) in the event an Audited Financial Statement shows an underpayment to the City of five percent (5%) or greater of the amount paid to the City for the corresponding Lease Year, the Developer shall pay to the City: (a) the City's costs (including accountant and consultant fees, attorneys' fees, and a reasonable estimation of the cost of staff time) incurred in connection with the City's audit of Lessee under Section 26.5 of this Lease, and (b) an amount equal to twenty-five percent (25%) of the shortfall as a penalty which shall not be deemed to constitute an Operating Expense for the purposes of this Lease; and (iv) the Reporting Amount(s), which Reporting Amount(s) shall not be deemed to constitute an Operating Expense for the purposes of this Lease.

16. INDEMNITY.

During the Term, Lessee agrees that City, its agents, officers, representatives and employees, shall not be liable for any claims, liabilities, penalties, fines or for any damage to the goods, properties or effects of Lessee, its sublessees or representatives, agents, employees, guests, licensees, invitees, patrons or clientele or of any other person whomsoever, nor for personal injuries to, or deaths of any persons, whether caused by or resulting from any act or omission of Lessee or its sublessees or any other person on or about Portion B and the Improvements, or in connection with the operation thereof, or from any defect in Portion B or the Improvements, or from any displacement of tenants or liability for relocation assistance pursuant to Government Code Section 7260, *et seq*., due to the acts of Lessee hereunder. Lessee agrees to indemnify and save free and harmless City and its authorized agents, officers, representatives and employees against any and all claims, actions, damages, liability (including reasonable expenses and attorneys' fees) concerning loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at Portion B and/or the Improvements or the occupancy or use by Lessee of Portion B and/or the Improvements or any part thereof, or arising from or out of Lessee's failure to comply with any provision of this Lease or otherwise occasioned wholly or in part by any act or omission of Lessee, its agents, representatives, contractors, employees, servants, customers or licensees. Lessee shall not be responsible for (and such

indemnity shall not apply to) any acts, errors or omissions of City or its agents, officers, representatives or employees.

17. INSURANCE.

17.1 Insurance to be Provided by Lessee. Commencing as of first day of the Term and continuing throughout the Required Covenant Period, and, in addition at all times during which Lessee is conducting work on Portion B or any portion thereof, including times prior to the Leasehold Transfer, Lessee shall maintain at Lessee's sole expense, with insurers reasonably approved by City, the following policies of insurance in form and substance reasonably satisfactory to City: (i) at all times commencing with the Leasehold Transfer and continuing throughout the Required Covenant Period, Lessee shall provide those coverages described in the "Insurance During Lease Term" (Note: to be conformed to Affordable Housing Agreement); and (ii) at all times during the period commencing with the Leasehold Transfer and ending as of end of the Required Covenant Period when construction is taking place on Portion B, the Lessee shall additionally provide those coverages set forth in the "Insurance During Construction" (to be conformed to the Affordable Housing Agreement).

17.2 Definition of "Full Insurable Value". The term "Full Insurable Value" as used in this Section 17 means the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the Improvements, including the cost of construction of the Improvements, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, Lessee shall cause the Full Insurable Value to be determined from time to time by appraisal by the insurer or, if no such appraisal is available, by an appraiser mutually acceptable to City and Lessee, not less often than once every five (5) years.

17.3 General Insurance Provisions. All policies of insurance provided for in this Section 17, except for the workers' compensation insurance, shall name Lessee as the named insured and loss payee and City and its officers, employees, agents, and representatives, as additional insureds (for general liability and excess liability insurance), as their respective interests may appear. All property casualty insurance policies shall include the interest of any Lessee's Mortgagees and may provide that any loss is payable to Lessee's Mortgagee in which event such policies shall contain standard mortgage loss payable clauses. Lessee agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Lessee agrees to submit policies of all insurance required by this Section 17 of this Lease, or certificates evidencing the existence thereof, to City on or before the effective date of this Lease, indicating full coverage of the contractual liability imposed by this Lease. At least thirty (30) days prior to expiration of any such policy, copies of renewal policies, or certificates evidencing the existence thereof shall be submitted to City. All policies of insurance required of Lessee herein shall be issued by insurance companies with a general policy holder's rating of not less than A and a financial rating of not less that Class XVII as rated in the most current available "Best's Key Rating Guide", and which are approved to do business in the State of California. All policies or certificates of insurance shall also: (i) provide that such policies shall not be canceled or limited in any manner without at least thirty (30) days prior written notice to City; and (ii) provide that such coverage is primary and not contributing with any insurance as may be obtained by City and shall contain a waiver of subrogation for the benefit of City.

Coverage provided hereunder by Lessee shall be primary insurance and not be contributing with any insurance maintained by City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the City.

None of the above-described policies shall require Developer to meet a deductible or self-insured retention amount of more than One Hundred Thousand Dollars ($100,000.00) or such other amount as may be approved by the City Manager in writing in connection with the Financing Plan. All policies shall be written by good and solvent insurers approved to do business in California and shall have a policyholder's rating of A or better in the most recent edition of "Best's Key Rating Guide – Property and Casualty." The required certificate shall be furnished by Lessee at the time set forth herein.

17.4 Failure to Maintain Insurance. If Lessee fails or refuses to procure or maintain insurance as required by this Lease, City shall have the right, at City's election, and upon ten (10) days prior notice to Lessee, to procure and maintain such insurance. The premiums paid by City shall be treated as added rent due from Lessee, to be paid on the first day of the month following the date on which the premiums were paid. City shall give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

17.5 Insurance Proceeds Resulting from Loss or Damage to Improvements. All proceeds of insurance with respect to loss or damage to the Improvements during the term of this Lease shall be payable, under the provisions of the policy of insurance, to Lessee, and said proceeds shall be used for the restoration, repair and rebuilding of the Improvements in accordance with plans and specifications approved in writing by City and as further described in Section 13 of this Lease. To the extent that such proceeds exceed the cost of such restoration, repair or rebuilding, then such proceeds shall be retained by the party that purchased the insurance. Notwithstanding the foregoing, within the period during which there is an outstanding mortgage upon the Improvements, such proceeds shall be payable in accordance with Section 17.3 of this Lease.

In the event this Lease is terminated by mutual agreement of City and Lessee and said Improvements are not restored, repaired or rebuilt, the insurance proceeds shall be applied first to any payments due under this Lease from Lessee to City, second to restore Portion B and Improvements to their original condition and to a neat and clean condition, and finally any excess shall be apportioned between Lessee and City as their interests may appear; provided, however, that within any period when there is an outstanding mortgage upon the Improvements, such proceeds shall be applied first to discharge the debt secured by the mortgage and then for the purposes and in the order set forth above in this paragraph, subject to the requirements of Lessee's mortgagees.

18. EMINENT DOMAIN.

In the event that Portion B and/or the Improvements or any part thereof shall be taken for public purposes by any public agency other than the City by condemnation as a result of any action or proceeding in eminent domain, then, as between City and Lessee (or mortgagee, if a mortgage is then in effect), and subject to the requirements of any Leasehold Mortgagee, the interests of City and Lessee (or mortgagee) in the award and the effect of the taking upon this Lease shall be as follows:

(a) Lessor shall provide notice of any pending condemnation proceeding (of which City has actual knowledge) to the holder of any Leasehold Mortgage of which City has prior written notice in accordance with Exhibit E attached hereto. Lessor and Lesse acknowledge and agree that a holder of a Leasehold Mortgage may participate in any such condemnation proceeding.

(b) In the event of such taking of only a part of Portion B, leaving the remainder of Portion B in such location and in such form, shape and size as to be used effectively and practicably for the conduct thereon of the uses permitted hereunder, this Lease shall terminate and end as to the

portion of Portion B so taken as of the date title to such portion vests in the condemning authority, but shall continue in full force and effect as to the portion of Portion B not so taken and from and after such date the rental required by this Lease to be paid by Lessee to City shall be reduced in the proportion which the number of square feet so taken bears to the total number of square feet in Portion B.

(c) In the event of taking of only a part of Portion B, leaving the remainder of Portion B in such location, or in such form, shape or reduced size as to render the same not effectively and practicably usable, for the conduct thereon of the uses permitted hereunder, this Lease and all right, title and interest thereunder shall cease on the date title to Portion B or the portion thereof so taken vests in the condemning authority.

(d) In the event the entire Portion B is taken, this Lease and all of the right, title and interest thereunder, shall cease on the date title to Portion B so taken vests in the condemning authority.

(e) Promptly after a partial taking, at Lessee's expense and in the manner specified in provisions of this Lease related to maintenance, repairs, alterations, Lessee shall restore the Improvements, to the extent of condemnation proceeds received by Lessee and allowed to be used for such purpose by Lessee's Mortgages, so as to place them in a condition suitable for the uses and purposes for which Portion B was leased.

(f) In the event of any taking under subparagraphs (a), (b) or (c) hereinabove, that portion of any award of compensation attributable to the fair market value of Portion B or portion thereof taken, valued as subject to this Lease, shall belong to City. That portion of any award attributable to the fair market value of Lessee's leasehold interest in Portion B pursuant to this Lease as determined by taking into account the limitation on rents and income levels as set forth in Sections 6.1 through 6.7 hereof and, in the event a Foreclosure Event has occurred, Section 3 of Exhibit E hereof, shall belong to Lessee. That portion of any award attributable to the fair market value of the Improvements or portion thereof taken shall belong to City and Lessee, as their interests may appear, except that in the event of a partial taking, where this Lease remains in effect and Lessee is obligated to restore or repair the Improvements, then Lessee shall be entitled to any portion of the award attributable to severance damages to the remaining Improvements to the extent necessary to restore or repair the Improvements and any remaining severance damages shall be payable to City and Lessee as their interests may appear. Said award shall be used for the restoration, repair or rebuilding of the Improvements in accordance with plans and specifications approved in writing by City to the extent necessary to restore or repair the Improvements and any remaining severance damages shall be payable to Lessee; except that, during the last ten (10) years of the Term, any remaining severance damages shall be payable to City. The value of each interest for the purpose of apportionment under this Section shall be the fair market value of such interests at the time of the taking.

(g) Provided, however, that within the period during which there is an outstanding mortgage on the Improvements, the mortgagee shall be entitled to any portion of the award attributable to the fair market value of Lessee's leasehold interest in Portion B as determined by taking into account the limitation on rents and income levels as set forth in Sections 6.1 through 6.7 hereof and, in the event a Foreclosure Event has occurred, Section 3 of Exhibit E hereof, and the value of the Improvements, to the extent of its interest therein. Any excess portion of the award attributable to the condemnation of the Improvements shall be payable as provided in this Section 18.

(h) Notwithstanding the foregoing provisions of this Section, City may, in its discretion and without affecting the validity and existence of this Lease, transfer City's interests in Portion B in lieu of condemnation to any authority entitled to exercise the power of eminent domain. In the event of such transfer by City, Lessee (or mortgagee if a mortgage is then in effect) and City shall retain whatever rights they may have to recover from said authority the fair market value of their respective interests in Portion B, as the value of Lessee's interest is determined taking into account the limitation on rents and income levels as set forth in Sections 6.1 through 6.7 hereof and, in the event a Foreclosure Event has occurred, Section 3 of Exhibit E hereof, the Improvements taken by the authority.

(i) All valuations to be made pursuant to this Section 18 shall be made by mutual agreement of City and Lessee.

(j) The City and the City agree that during the Term, provided that this Lease shall remain in effect, neither the City nor the City shall exercise eminent domain powers as to Portion B or the Improvements.

19. OBLIGATION TO REFRAIN FROM DISCRIMINATION.

There shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of Portion B and the Improvements, and Lessee itself or any person claiming under or through it shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees thereof or any portion thereof, or in the providing of goods, services, facilities, privileges, advantages and accommodation.

Lessee shall refrain from restricting the rental, sale, or lease of Portion B and the Improvements, or any portion thereof, on the basis of sex, marital status, race, color, creed, religion, ancestry or national origin of any person. All such leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In Leases:

"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(b) In Contracts:

"There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

20. NONDISCRIMINATION IN EMPLOYMENT.

Lessee, for itself and its successors and assigns, agrees that during the operation of the Improvements provided for in this Lease, and during any work of repair or replacement, Lessee shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, physical or mental disability, sexual orientation, ancestry or national origin, or on the basis of any other category or status not permitted by law.

21. CITY PURCHASE OPTION.

In addition to and without limitation as to all other rights and remedies the City has under this Lease, the City shall have an option to purchase and Lessee shall be obligated to sell the leasehold and improvements as more particularly described in the AHA. This option to purchase shall be subordinate in all respects to the rights of any senior lender. The City's option to purchase is a material part of this Lease but for which the City would not have entered into this Lease.

22. COMPLIANCE WITH LAW.

Lessee agrees, at its sole cost and expense, to comply and secure compliance by all contractors and tenants of Portion B and Improvements with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to Portion B and the Improvements, as well as operations conducted thereon, and to faithfully observe and secure compliance by all contractors and tenants of Portion B and Improvements with, in the use of Portion B and the Improvements all applicable county and municipal ordinances and state and federal statutes now in force or which may hereafter be in force, and to pay before delinquency all taxes, assessments, and fees, if any, assessor levied upon Lessee or Portion B or the Improvements, including the land and any buildings, structures, machines, appliances or other improvements of any nature whatsoever, erected, installed or maintained by Lessee or by reason of the business or other activities of Lessee upon or in connection with Portion B and the Improvements. Lessee shall use good faith efforts to prevent tenants from maintaining any nuisance or other unlawful conduct on or about the Property and shall take such actions as are reasonably required to abate any such violations by tenants of Portion B and Improvements. The judgment of any court of competent jurisdiction, or the admission of Lessee or any sublessee or permittee in any action or proceeding against them, or any of them, whether City be a party thereto or not, that Lessee, sublessee or permittee has violated any such ordinance or statute in the use of Portion B or the Improvements shall be conclusive of that fact as between City and Lessee,

or such sublessee or permittee. Lessee shall comply with all applicable laws, regulations, and any applicable labor standards, all of which laws and regulations shall be deemed to be incorporated herein by reference. Lessee shall comply with the Tax Credit Rules.

23. ENTRY AND INSPECTION.

In addition to and without limitation to such rights as the City may have as a matter of law, the City reserves and shall have the right between the hours of 8:00 a.m. and 8:00 p.m., upon twenty-four (24) hours prior notice (except in cases of emergency in which case entry may be made at any time and without notice) to Lessee by the City Manager, to enter Portion B and the Improvements for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in Portion B and the Improvements or to inspect the operations conducted thereon. In exercising such rights, the City shall endeavor to avoid any unreasonable interference with the use or operation of the Development.

24. RIGHT TO MAINTAIN.

In the event that the entry or inspection by City pursuant to Section 23 hereof discloses that Portion B or the Improvements are not in a decent, safe, and sanitary condition, City shall have the right, after thirty (30) days written notice to Lessee (except in case of emergency, in which event no notice shall be necessary), to have any necessary maintenance work done for and at the expense of Lessee and Lessee hereby agrees to pay promptly any and all costs incurred by City in having such necessary maintenance work done in order to keep Portion B and the Improvements in a decent, safe and sanitary condition. The rights reserved in this Section shall not create any obligations on City or increase obligations elsewhere in this Lease imposed on City.

25. EVENTS OF DEFAULT AND REMEDIES.

25.1 Events of Default by Lessee. The occurrence of any one (1) or more of the following shall constitute an event of default hereunder:

(a) Lessee shall fail to construct the Improvements in accordance with the AHA and within the times set forth in the AHA; or

(b) Lessee shall abandon or surrender Portion B, or the Improvements after sixty (60) days written notice to Lessee; or

(c) Lessee shall fail or refuse to pay, within fifteen (15) days of written notice from City that the same is due, any installment of rent or any other sum required by this Lease to be paid by Lessee; or

(d) Lessee shall fail to perform any covenant or condition of this Lease other than as set forth in subparagraphs (a) or (b) above or paragraphs (e), (h), (i) or (j) below, and any such failure shall not be cured within thirty (30) days following the service on Lessee of a written notice from City specifying the failure complained of, or if it is not practicable to cure or remedy such failure within such thirty (30) day period, then Lessee shall not be deemed to be in default if Lessee shall commence such cure within such thirty (30) day period and thereafter diligently prosecute such cure to completion; or

(e) Subject to any restrictions or limitations placed on City by applicable laws governing bankruptcy, Lessee's (i) application for, consent to or suffering of the appointment of a receiver, trustee or liquidator for all or for a substantial portion of its assets; (ii) making a general assignment for the benefit of creditors; (iii) admitting in writing its inability to pay its debts or its willingness to be adjudged a bankrupt; (iv) becoming unable to or failing to pay its debts as they mature; (v) being adjudged a bankrupt; (vi) filing a voluntary petition or suffering an involuntary petition under any bankruptcy, arrangement, reorganization or insolvency law (unless in the case of an involuntary petition, the same is dismissed within ninety (90) days of such filing); (vii) convening a meeting of its creditors or any class thereof for purposes of effecting a moratorium, extension or composition of its debts; or (viii) suffering or permitting to continue unstayed and in effect for sixty (60) consecutive days any attachment, levy, execution or seizure of all or a portion of Lessee's assets or of Lessee's interest in this Lease; or

(f) Lessee shall charge or accept rent that is in excess of the Affordable Rents; provided however, if any such default shall not be cured within thirty (30) days following the service on Lessee of a written notice from City specifying the default complained of, or if it is not practicable to cure or remedy such default within such thirty (30) day period, then Lessee shall not be deemed in default if Lessee shall commence such cure within such thirty (30) day period and thereafter diligently prosecute such cure to completion, in any event within thirty (30) additional days. A cure of a default by the Limited Partner shall be accepted as if made of tendered by the Lessee; or

(g) Lessee shall rent a Required Affordable Unit to a tenant, or allow occupancy by a person or household, that is not an Extremely Low Income Household, a Very Low Income Household or a Lower Income Household in accordance with the Prescribed Income Levels; provided, however, if such default shall not be cured within sixty (60) days following the service on Lessee of a written notice from City identifying the default complained of because it is impractical to do so, then Lessee shall not be deemed in default if lessee commences to cure within such sixty (60) day period and thereafter diligently prosecutes such cure to completion, in any event within thirty (30) additional days; or

(h) Lessee shall repeatedly rent one or more Units not in compliance with the Tenant Selection and Tenant Services Plan; provided, however, if such default shall not be cured within sixty (60) days following the service on Lessee of a written notice from City identifying the default complained of because it is impractical to do so, then Lessee shall not be deemed in default if lessee commences to cure within such thirty (30) days period and thereafter diligently prosecutes such cure to completion, in any event within thirty (30) additional days;

then, upon notice having been given by City and the failure to cure within thirty (30) of such notice or such longer period as provided above in this Section 25.1, such event shall constitute an event of default under this Lease. Any cure provided by any Limited Partner of the Lessee shall be treated as a cure by the Lessee. A copy of any default notice delivered hereunder to Lessee shall also be delivered to its Limited Partner at the address set forth herein.

25.2 Remedies of City.

In the event of any default as described in Section 25.1 which default has not been timely cured, the City may, at its option:

(1) Correct or cause to be corrected said default and charge the costs thereof (including costs incurred by the City in enforcing this provision) to the account of Lessee, which charge shall be due and payable within thirty (30) days after presentation by the City of a statement of all or part of said costs;

(2) Correct or cause to be corrected said default and pay the costs thereof (including costs incurred by the City in enforcing this provision) from the proceeds of any insurance;

(3) Exercise its right to maintain any and all actions at law or suits in equity to compel Lessee to correct or cause to be corrected said default;

(4) Have a receiver appointed to take possession of Lessee's interest in Portion B and the Improvements, with power in said receiver to administer Lessee's interest in Portion B and the Improvements, to collect all funds available to Lessee in connection with its operation and maintenance of Portion B and the Improvements; and to perform all other activities consistent with Lessee's obligations under this Lease as the court deems proper;

(5) Maintain and operate Portion B and the Improvements, without terminating this Lease; or

(6) Terminate this Lease by written notice to Lessee of its intention to do so; or

(7) Exercise its rights under the City Promissory Note and/or the City Deed of Trust.

25.3 Right of City in the Event of Termination of Lease. Upon termination of this Lease pursuant to Section 25.2, it shall be lawful for City to re-enter and repossess Portion B and the Improvements and Lessee, in such event, does hereby waive any demand for possession thereof, and agrees to surrender and deliver Portion B and the Improvements peaceably to City immediately upon such termination in good order, condition and repair, except for reasonable wear and tear. Lessee agrees that upon such termination, title to all the Improvements on Portion B shall vest in City pursuant to Section 8.2.

Even though Lessee has breached this Lease and abandoned Portion B, this Lease shall continue in effect for so long as City does not terminate Lessee's right to possession, and City may enforce all of its right and remedies under this Lease, including, but not limited to, the right to recover the rent as it becomes due under this Lease. No ejectment, re-entry or other act by or on behalf of City shall constitute a termination unless City gives Lessee notice of termination in writing.

Termination of this Lease shall not relieve or release Lessee from any obligation incurred pursuant to this Lease prior to the date of such termination. Termination of this Lease shall not relieve Lessee from the obligation to pay any sum due to City or from any claim for damages against Lessee.

25.4 Damages. Should City elect to terminate this Lease pursuant to the provisions of this Section 25, City may recover from Lessee, as damages, the following: (a) The worth at the time of the award of any unpaid rent which had been earned at the time of the termination, plus (b) the worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of rent loss Lessee proves could have been reasonably avoided, plus (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of rent loss that Lessee proves could be reasonably avoided, plus (d) any other amounts necessary to compensate City for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom including, but not limited to, any costs or expenses incurred by City in (i) retaking possession of Portion B and the Improvements, including reasonable attorneys' fees therefor, (ii) maintaining or preserving Portion B and the Improvements after default, (iii) preparing Portion B and the Improvements for reletting to a new tenant, including repairs or alterations to Portion B and the Improvements, (iv) leasing commissions, or (v) any other costs necessary or appropriate to relet Portion B and the Improvements, plus I at City's election, any other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the law of the State of California.

As used in subparagraphs (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the maximum lawful rate. As used in subparagraph (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of Portion B at the time of the award plus one percent (1%).

25.5 Rights and Remedies are Cumulative. The remedies provided by this Section 25 are not exclusive and shall be cumulative to all other rights and remedies possessed by City. The exercise by City of one or more such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by Lessee.

26. MISCELLANEOUS.

26.1 Governing Law; Interpretation. The laws of the State of California shall govern the interpretation and enforcement of this Lease.

This Lease shall be reasonably interpreted in light of its purposes to provide affordable housing and to afford the City those rents and other revenues as are provided for herein.

This Lease shall be interpreted as if jointly prepared by both parties.

This Lease shall be construed as consistent with the AHA and the Regulatory Agreement to the greatest extent feasible; in the event of conflict this Lease shall control.

26.2 Legal Actions. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Lease. Such legal actions must be instituted in the Superior Court of Placer County, State of California, in any other appropriate court in that County, or in the Federal District Court in the District of California in which Portion B is located.

26.3 Acceptance of Service of Process. In the event that any legal action is commenced by Lessee against City, service of process on City shall be made by personal service upon the Chairman of the City or the City Manager, or in such other manner as may be provided by law.

In the event that any legal action is commenced by City against Lessee, service of process on Lessee shall be made by personal service upon Lessee or in such other manner as may be provided by law and shall be effective whether made within or without the State of California.

26.4 Attorneys' Fees And Court Costs. In the event that either City or Lessee shall bring or commence an action to enforce the terms and conditions of this Lease or to obtain damages against the other party arising from any default under or violation of this Lease, then the prevailing party shall be entitled to and shall be paid reasonable attorneys' fees and court costs therefor in addition to whatever other relief such prevailing party may be entitled.

26.5 Financial Statement; Inspection of Books and Records. Lessee shall submit to the City on an annual basis, not later than ninety (90) days after the last day of each Lease Year, an Audited Financial Statement for the operation of Portion B and Improvements, which is prepared by a certified public accounting firm, including without limitation the information described in Section 6.6 hereof. In addition, City shall have the right (at Lessee's office, upon not less than forty-eight (48) hours' notice, and during normal business hours) to inspect the books and records of Lessee pertaining to Portion B as pertinent to the purposes of this Lease and the AHA. Lessee also has the right (at City's office, upon not less than forty-eight (48) hours' notice, and at all reasonable times) to inspect the books and records of City pertaining to Portion B as pertinent to the purposes of this Lease and the AHA.

26.6 Interest. Any amount due City that is not paid when due shall bear interest from the date such amount becomes due until it is paid. Interest shall be at a rate equal to the lesser of (i) ten percent (10%) per annum, compounded annually, on the first day of the month such amount becomes due, and (ii) the maximum rate permitted by applicable law.

26.7 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) mailing in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

City:	City of Rocklin 3970 Rocklin Road Rocklin, California 95677 Attention: City Manager
with a copy to each:	(delivery of which copies shall not constitute notice to City) Office of City Attorney 3970 Rocklin Road Rocklin, California 95677
Lessee:	Pacific Street Housing Associates Nine, L.P., c/o

Community HousingWorks
3111 Camino del Rio North, Suite 350
San Diego, California 92108
Attention: Sean Spear

with a copy to: (delivery of which copy shall not constitute notice to Lessee)

Gubb & Barshay
235 Montgomery Street, Suite 1110
San Francisco, California 94104
Attention: Nicole Kline

and a copy to: NEF Assignment Corporation
540 W. Madison Street, Suite 1990
Chicago, Il 60661
Attention: General Counsel

and a copy to: Bocarsly Emden Cowan Esmail & Arndt
633 West 5th Street, Suite 5880
Los Angeles, CA 90071
Attention: Rachel Rosner

and a copy to: Cedar Rapids Bank and Trust Company
500 First Avenue NE, Suite 100
Cedar Rapids, Iowa 52401
Attention: Brad Curtin

and a copy to: Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402
Attention: Robert P. Singleton

or to such other address as either party shall later designate for such purposes by written notice to the other party.

Notices shall be deemed effective upon receipt provided that the party to whom notice is being given has notified the other party of its current address, and otherwise upon the earlier of personal receipt or within seven (7) days after delivery thereof to the address(es) as provided above; provided, however that refusal to accept delivery after reasonable attempts thereto shall constitute receipt. Any notices attempted to be delivered to an address from which the receiving party has moved without notice to the delivering party shall be effective on the third day after the attempted delivery or deposit in the United States mail. Lessee and City hereby agree that any cure of any default made or tendered by Lessee's limited partners shall be deemed to be a cure by Lessee and shall be accepted or rejected on the same basis as if made or tendered by Lessee.

26.8 Time is of the Essence. Time is of the essence in the performance of the terms and conditions of this Lease.

26.9 Non-Merger of Fee and Leasehold Estates. If both City's and Lessee's estates in Portion B or the Improvements or both become vested in the same owner, this Lease shall nevertheless not be destroyed by application of the doctrine of merger except at the express election of City and Lessee's Mortgagee. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of City, terminate all or any existing sublease or subtenancies or may, at the option of City, operate as an assignment to City of any or all such existing subleases or subtenancies.

26.10 Holding Over. The occupancy of Portion B after the expiration of the Term of this Lease shall be construed to be a tenancy from month to month, and all other terms and conditions of this Lease shall continue in full force and effect.

26.11 Conflict of Interest. No member, official or employee of City shall have any personal interest, direct or indirect, in this Lease nor shall any such member, official or employee participate in any decision relating to this Lease which affects his personal interests or the interests of any limited partnership, partnership or association in which he is directly or indirectly interested.

Lessee warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Lease.

26.12 Non-Liability of City Officials And Employees. No member, official, officer, employee, agent, or representative of City shall be personally liable to Lessee, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Lessee or successor or on any obligations under the terms of this Lease.

26.13 Relationship. The relationship between the parties hereto shall at all times be deemed to be that of landlord and tenant. The parties do not intend nor shall this Lease be deemed to create a partnership or joint venture.

26.14 Transactions with Affiliates. Lessee shall not have the right to enter into transactions with subsidiaries, affiliates and other related entities for the purpose of leasing space, providing cleaning, maintenance and repair services, insurance policies and other purposes related to the use and development of Portion B and the Improvements, without the prior written approval of the City, which approval shall be given only if the City reasonably concludes that all such costs, charges and rents are competitive with the costs, charges, rent and other sums which would be paid by or to, as the case may be, an unrelated third party.

The City acknowledges that Lessee is entering into or has entered into a property management agreement with [to come], substantially in the form dated as of [to come], a copy of which is on file with the City (the "Designated Management Agreement"), on terms and conditions which have been reviewed by City, and City hereby expressly approves and consents to Lessee entering into the Designated Management Agreement. The approval of the Designated Management Agreement shall not amend or modify any provision of this Lease. The final Designated Management Agreement shall be maintained on file with the City.

26.15 Waivers And Amendments. All waivers of the provisions of this Lease must be in writing and signed by the appropriate authorities of City or Lessee. The waiver by City of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition

herein contained. The subsequent acceptance of rent hereunder by City shall not be deemed to be a waiver of any preceding breach of Lessee of any term, covenant or condition of this Lease, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent. Failure on the part of City to require or exact full and complete compliance with any of the covenants or conditions of this Lease shall not be construed as in any manner changing the terms hereof and shall not prevent City from enforcing any provision hereof.

All amendments or modifications hereto must be in writing and signed by the appropriate authorities of City and Lessee and, so long as the Partnership Agreement remains in effect, approved by the Limited Partner. The Leasehold Mortgagees permitted by this Lease shall not be bound by any waiver, modification, or amendment to this Lease without such Leasehold Mortgagee having given its prior written consent to same.

The Lessee's mortgagee permitted by this Lease shall not be bound by any waiver or amendment to this Lease without Lessee's mortgagee giving its prior written consent.

26.16 Non-Merger With AHA. None of the terms, covenants or conditions agreed upon in writing in the AHA and other instruments between the parties to this Lease with respect to obligations to be performed, kept or observed by Lessee or City in respect to Portion B or any part thereof, shall be deemed to be merged with this Lease.

26.17 Entire Agreement; Duplicate Originals; Counterparts. Except as set forth in Section 26.16, this Lease sets forth the entire understanding of the parties with respect to Lessee's ground lease of Portion B. This Lease is executed in three (3) duplicate originals and counterparts, each of which is deemed to be an original. This Lease includes forty-seven (47) pages, plus signature pages, and nine (9) exhibits, Exhibits A, B, C, D, E, F, G, H and I. The Exhibits are incorporated by reference herein.

26.18 Severability. If any provision of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforceable to the greatest extent permitted by law.

26.19 Terminology. All personal pronouns used in this Lease, whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of sections are for convenience only and neither limit nor amplify the provisions of this Lease itself. Except for terms expressly defined in this Lease, all terms shall have the same meaning as set forth in the AHA.

26.20 Recordation. A short form memorandum of this Lease, in the form attached hereto as Exhibit C, shall be recorded concurrently with the Closing. The failure to record such Memorandum shall not affect this Lease.

26.21 Binding Effect. This Lease, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

26.22 Estoppel Certificate. Each of the parties shall at any time and from time to time, but not more frequently than twice during any calendar year, upon not less than twenty (20) days' prior

notice by the other, execute, acknowledge and deliver to such other party a statement in writing certifying that this Lease is unmodified and is in full force and effect (or if there shall have been modifications that this Lease is in full force and effect as modified and stating the modifications), and the dates to which the rent has been paid (which may be based upon the best knowledge of the party providing the certificate), and stating whether or not to the best knowledge of the signer of such certificate such other party is in default in performing or observing any provision of this Lease, and, if in default, specifying each such default of which the signer may have knowledge, and such other matters as such other party may reasonably request, it being intended that any such statement delivered by Lessee may be relied upon by City or any successor in interest to City or any prospective mortgagee or encumbrancer thereof, and it being further intended that any such statement delivered by City may be relied upon by any prospective assignee of Lessee's interest in this Lease or any prospective mortgagee or encumbrancer thereof. Reliance on any such certificate may not extend to any default as to which the signer of the certificate shall have had no actual knowledge.

26.23 Force Majeure. The time within which City or Lessee is obligated herein to perform any obligation hereunder, other than an obligation that may be performed by the payment of money, shall be extended and the performance excused when the delay is caused by fire, earthquake or other acts of God, pandemics, quarantine restrictions, strike, lockout, acts of public enemy, riot, insurrection or other cause beyond the control of the applicable party.

26.24 Quiet Enjoyment. City does hereby covenant, promise and agree to and with Lessee that Lessee, for so long as Lessee is not in default hereof, shall and may at all times peaceably and quietly have, hold, use, occupy and possess Portion B throughout the Term.

26.25 City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by City, the City Manager or his or her designee is authorized to act on behalf of City unless specifically provided otherwise or the law otherwise requires.

26.26 No Third Parties Benefited Except for City, Limited Partner, and Approved Leasehold Mortgagee; City Option to Acquire Interest of City. This Lease is made for the purpose of setting forth rights and obligations of Lessee and City, and no other person (except for the City) shall have any rights hereunder or by reason hereof. Except for the City, the Limited Partner, and each leasehold mortgagee approved by City, each of which shall be deemed to be a third party beneficiary of this Lease, there shall be no third party beneficiaries of this Lease. City, in addition to City, shall have the authority to enforce this Lease.

The City shall have an option to acquire from the City all interest of the City in Portion B, together with a remainder interest in any improvements thereon, upon payment of the sum of One Dollar ($1.00), at any time commencing as of the Date of Agreement and continuing throughout the Term. In the event City exercises such option, City shall provide notice thereof to Lessee and to City. The transfer of Portion B, together with a remainder interest in any improvements thereon, from City to City shall not modify the rights of Lessee under this Lease (or the rights of Developer under the AHA).

26.27 Lessee's Limited Partners. Lessee has advised the City that concurrently with the execution of this Lease, the Limited Partner will be admitted to Lessee's partnership pursuant to the Partnership Agreement.

(a) Notwithstanding anything to the contrary contained in this Lease or the AHA, the respective interests of the Limited Partner shall be freely transferable and any amendment to Lessee's Partnership Agreement, to the extent such amendment effectuates such transfers, shall not require City consent; provided that the Limited Partner and/or investor limited partner inform the City in writing of any such transfers.

(b) Notwithstanding anything to the contrary contained in this Lease or the AHA, the removal, or withdrawal in lieu of removal and replacement thereof, of Lessee's general partner(s) for cause in accordance with Partnership Agreement shall not require the consent of the City and/or the City and shall not constitute a default under this Lease or the AHA. Any amendment to Lessee's Partnership Agreement, to the extent such amendment effectuates such removal and/or withdrawal, and such admission of the substitute general partner shall not require Lessor consent.

(c) Notwithstanding anything to the contrary contained in this Lease or the AHA, if a default or event of default occurs under the terms of any of this Lease, prior to exercising any remedies thereunder, Lessor will give lessee and its Limited Partner written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Lessee shall have such period to effect a cure prior to exercise of remedies by Lessor under this Lease, or such longer period of time as may be specified in this Lease. If the default is such that it is not reasonably capable of being cured within thirty (30) days (or such longer period if so specified), and if Lessee (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Lessee shall have such additional time as is reasonably necessary to cure the default prior to the exercise of any remedies by Lessor.

Notwithstanding any provision of this Lease to contrary effect (including without the preceding portion of this Section 26.27), approval by the Limited Partner and notice to the Limited Partner shall not be required as of such time as Limited Partner does not hold an interest in the Project or Lessee's rights under this Lease.

26.28 Bankruptcy.

If any case commenced by or against Lessor under Title 9 or 11 of the United States Code (the "Bankruptcy Code"), and Lessor elects to reject this Lease pursuant to the provisions of the Bankruptcy Code, such rejection will not terminate this Lease but will be treated only as a breach of this Lease by Lessor. Lessor further agrees that in any such bankruptcy case, Lessee shall be deemed in possession of the Project for purposes of Section 365(h) of the Bankruptcy Code, whether Lessee has retained actual occupancy and use, or has by sublease, assignment or license permitted third parties to occupy and use portions of the Project; and as a result, upon a rejection of the Lease by Lessor, Lessee shall have the right to elect to remain in possession of the Project under Section 365(h), Lessor acknowledges that the Approved Construction Lender and/or Permanent Lender, as applicable, shall have a lien on any rights and interests acquired or retained by Lessee as a result of Lessor's rejection of the Lease. Lessor further agrees that following rejection of the Lease, if Lessee assigns to Approved Construction Lender and/or Permanent Lender, or any third party its interest in the Lease or its interest or right to remain in possession of the leasehold estate under Section 365(h) of the Bankruptcy Code, then such assignee shall have all of the rights of Lessee, and Lessor will not assert that this Lease has been terminated, nor will Lessor otherwise attempt to limit, modify or prohibit the assignment of such interests. Lessor acknowledges that any Approved Construction Lender and/or Permanent Lender has in such bankruptcy case a power of attorney or other right to act for and on behalf of Lessee in relation to any proposed rejection or assumption of this Lease, and as such any Approved Construction Lender

and/or Permanent Lender shall have standing to appear and act as a party to this Lease for purposes of Section 365 of the Bankruptcy Code (but no Approved Construction Lender and/or Permanent Lender shall have any obligations under this Lease unless such Leasehold Mortgagees expressly assumes the same). Lessor shall, during its bankruptcy case, serve on each Approved Construction Lender and/or Permanent Lender and the Limited Partner a copy of all notices, pleadings or documents which would otherwise be given to Lessee, and service shall be contemporaneous with and in the same manner as given to Lessee.

26.29 Liens on Lessor's Fee Estate.

(a) Lessor represents and warrants to any Approved Construction and/or Permanent Lender that as of the date of this Lease, (i) Lessor has not caused Lessor's fee interest in Portion B to be subject to a lien, and (ii) Lessor's predecessor-in-interest has not caused Lessor's fee interest in Portion B to be subject to a lien.

(b) This Lease, and any first leasehold mortgage encumbering the leasehold interest created by this Lease, shall be and remain superior in priority to any fee mortgage hereafter encumbering Portion B, and Lessor shall cause any fee mortgagee to execute and deliver to the holder of such first leasehold mortgage a written subordination agreement in form and substance satisfactory to such leasehold mortgagee providing further assurance of the superior priority of this Lease and the leasehold mortgage.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their lawfully authorized officers.

LESSOR:

CITY OF ROCKLIN, a municipal corporation

By:_____
Aly Zimmermann, City Manager

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

APPROVED AS TO FORM:

_____
Mark Huebsch, Consulting Attorney

[*signatures continue on following page*]

[*signatures continue from previous page*]

LESSEE:

PACIFIC STREET HOUSING ASSOCIATES NINE, L.P., a California limited partnership

By: CHW Pacific Street Nine LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President of Housing and Real Estate Development

EXHIBIT A

SITE MAP

[to come: to be adjusted if Portion B is divided]

EXHIBIT B

SITE LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PLACER, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS: [conform if Portion B is divided]

[to come]

Assessor's Parcel Number:

EXHIBIT C

MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO (and mail tax statement to): City of Rocklin 3970 Rocklin Road Rocklin, CA 95677 Attention: City Manager	

Exempt from Recording Fee Pursuant to Government Code Section 27383.
Documentary transfer tax: $

APNs: _____

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is hereby made and dated as of _____ __, 202_ by and between the **CITY OF ROCKLIN**, a municipal corporation (the "City"), and **PACIFIC STREET HOUSING ASSOCIATES NINE, L.P.,** a California limited partnership (the "Lessee" or "Developer").

RECITALS

A. City and the Lessee have entered into an unrecorded ground lease dated as of _____ __, 202_, for that certain parcel of real property (the "Property") which is legally described in Addendum A attached hereto and incorporated herein by reference (the ground lease, as amended is hereafter referred to as the "Lease"). A copy of the Lease is on file as a public record with the City office at 3970 Rocklin Road, Rocklin, California. The term of the Lease is fifty-seven (57) years unless extended by action of City; in the event any such extension is granted by City, the extension will be effective without regard to whether City causes to be recorded a modification of this Memorandum. The Lease implements that certain unrecorded agreement between City and Lessee entitled "Amended and Restated Affordable Housing Agreement" dated as of October __, 2025 (the "AHA"); a copy of the AHA is on file with the City office as a public record.

B. The Lease provides that a short form memorandum of the Lease shall be executed and recorded in the Official Records of Placer County, California.

C. The Lease includes restrictions which limit the rents chargeable, the incomes of renters, as more fully set forth in the Lease. The Lease includes an option to purchase by the City, as referenced in the Lease and the AHA.

D. The Lease provides that Lessee shall pay taxes upon the assessed value of the entire Property, and not merely a leasehold interest, as provided pursuant to Section 33673 of the California Health and Safety Code, to the extent such Section 33673 is applicable.

NOW, THEREFORE, the parties hereto certify as follows:

City, pursuant to the Lease, has leased the Property to the Lessee upon the terms and conditions provided for therein. This Memorandum of Lease is not a complete summary of the Lease and shall not be used to interpret the provisions of the Lease.

CITY

CITY OF ROCKLIN,
a municipal corporation

By: _____
Aly Zimmermann, City Manager

ATTEST:

_____
Avinta Madhukansh-Singh, City Clerk

LESSEE

PACIFIC STREET HOUSING ASSOCIATES NINE, L.P., a California limited partnership

By: CHW Pacific Street Nine LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President of Housing and Real Estate Development

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ADDENDUM A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PLACER, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

[to come]

Assessor's Parcel Number:

EXHIBIT D

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

TO: City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attention: City Manager

The undersigned, _____, being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of [name to be conformed to Lease] [(the "Developer")], hereby represents and warrants that:

1. He/she has read and is thoroughly familiar with the provisions of that certain agreement entitled "Affordable Housing Agreement" by and between the City of Rocklin (referred to herein as "City") and the Developer dated as of [AHA Date] (the "AHA"), including without limitation the Regulatory Agreement, the City Lease, and other attachments thereto. Capitalized terms used herein shall have the same meaning as that set forth in the AHA; and

2. As of the date of this Certificate, the following number of completed residential units at Portion B: (i) are currently occupied by Extremely Low Income Households at Affordable Rent; (ii) are currently occupied by Very Low Income Households at Affordable Rent; (iii) are currently occupied by Lower Income Households at Affordable Rent; (iv) are currently vacant and being held available for occupancy by an Extremely Low Income Household at Affordable Rent; (v) are currently vacant and being held available for occupancy by a Very Low Income Household at Affordable Rent; (vi) are currently vacant and being held available for occupancy by a Lower Income Household and have been so held continuously since the date a Lower Income Household vacated such unit. Developer shall also delineate which Units are occupied by Locals by means of annotations to the categories set forth below (and/or the submittal of additional reports, which shall be based upon the same reporting period, and which designate income levels, and availability as well as occupancy by households within such category [namely, Locals]):

Occupied at an Affordable Rent by:

i. Extremely Low Income Households (30%) _____# of Units, Nos.: _____
ii. Very Low Income Households (50%) _____# of Units, Nos: _____
iii. Low Income Households (60%) _____ # of Units, Nos.: _____

Vacant:

a. Held for occupancy by:

i. Extremely Low Income Households (30%) _____ # of Units, Nos.: _____
ii. Very Low Income Households (50%) _____ # of Units, Nos.: _____
iii. Lower Income Households (60%) _____ # of Units, Nos.: _____

b. Last occupied by:

i. Extremely Low Income Households (30%) _____# of Units, Nos.: _____
ii. Very Low Income Households (50%) _____ # of Units, Nos.: _____
ii. Lower Income Households (60%) _____ # of Units, Nos.: _____

3. At no time since the date of filing of the last Certification of Continuing Program Compliance have less than one hundred percent (100%) of the Required Affordable Units as completed units in the Project been occupied by, or been last occupied, or have been available for occupancy by Extremely Low Income Households, Very Low Income Households and/or Lower Income Households at an Affordable Rent.

4. The Developer is not in default under the terms of the AHA, including without limitation the attachments thereto (such as the City Lease and the City Regulatory Agreement).

(DEVELOPER)

PACIFIC STREET HOUSING ASSOCIATES NINE, L.P., a California limited partnership

By: CHW Pacific Street Nine LLC, its managing general partner

By: Community HousingWorks, a California nonprofit public benefit corporation (its sole member and manager)

By: _____
Kevin Leichner
Senior Vice President of Housing and Real Estate Development

EXHIBIT E

GROUND LEASE RIDER

THIS GROUND LEASE RIDER (the "Rider") is attached to and forms a part of that certain Ground Lease (the "Lease") by and between the City of Rocklin, as lessor (the "Landlord") and Pacific Street Housing Associates NIne, L.P., a California limited partnership, as lessee (the "Tenant"). All capitalized terms used herein and not otherwise defined in this Rider shall have the meanings given that term in the Lease.

1. **TENANT'S RIGHT TO MORTGAGE:**

1.1 In addition to the Primary Construction Loan and the Primary Permanent Loan (which loans have been approved by Landlord prior to the commencement of the Term of the Lease), Tenant shall have the right, with Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed subject to Section 14 of the Lease, to mortgage the Lease and Tenant's leasehold interest by one or more deeds of trust (each, together with the mortgages of the Primary Construction Loan and the Primary Permanent Loan, a "Leasehold Mortgage"). Landlord shall base its review upon: (i) agreement by the new lender to be subject to the Lease and the Regulatory Agreement to the same extent as the original (or, if applicable, subsequent) Approved Construction and/or Permanent Lender; (ii) agreement by the new lender to provide City with prior written notice and a reasonable opportunity to cure defaults; (iii) agreement by the new lender to provide City with the right to purchase from the lender such lender's interest in the event of foreclosure or deed of assignment in lieu of foreclosure for the outstanding amount of such loans as of foreclosure and such costs as such lender incurs in processing such foreclosure or deed or assignment in lieu of foreclosure; (iv) treatment of Cost Savings, if any, shall be in accordance with the AHA; (v) lender to be an Approved Permanent Lender; and (vi) the new loan will not reduce the debt service coverage below 1.15 to 1.00 or add additional bases for acceleration compared to the loan it replaces. No foreclosure (or deed or other transfer in lieu of foreclosure) under any Leasehold Mortgage shall require the consent of the Landlord under, or constitute a breach or default under, the Lease. In the event a Leasehold Mortgagee shall acquire title to Tenant's leasehold interest by foreclosure (or deed or other transfer in lieu of foreclosure), such Leasehold Mortgagee may freely assign such leasehold interest to an assignee agreeing unconditionally to be bound by and be subject to the Lease as well as covenants of record as to the subject property after notice to but without the consent of Landlord, and thereupon Leasehold Mortgagee shall be released from all liability for performance or observance of the covenants and conditions in the Lease from and after the date of such assignment.

1.2 If Tenant shall mortgage the Lease and Tenant's leasehold estate hereunder, then Tenant or the holder (each, a "Leasehold Mortgagee") of such mortgage shall forward to Landlord:

(a) an executed counterpart of the mortgage or mortgages, in form proper for recording, or, at Tenant's option, a true copy of such mortgage or mortgages; and

(b) a written notice setting forth the name and address of the holder of such mortgage.

In the event of any assignment of the mortgage or mortgages held by a Leasehold Mortgagee, or change in its name and/or address, the assignee of the Leasehold Mortgagee shall give written notice thereof to Landlord, changing the name of the Leasehold Mortgagee and/or the address to which copies of notices are to be sent.

1.3 Until the time, if any, that each Leasehold Mortgage shall be satisfied of record, or each Leasehold Mortgagee shall give to Landlord written notice that the Leasehold Mortgage held by it has been satisfied:

a. no surrender or acceptance of the Property, or cancellation, termination, amendment or modification of the Lease, shall be binding upon any Leasehold Mortgagee, or affect any Leasehold Mortgage, if the same is effectuated without the prior written consent of such Leasehold Mortgagee;

b. if Landlord shall give any notice of default and/or termination to Tenant under the Lease, Landlord shall, at the same time and in the same manner, give a copy of such notice to each Leasehold Mortgagee at the respective address theretofore designated by each of them; and

c. no notice of default and/or termination given by Landlord to Tenant shall be binding upon, or affect, any Leasehold Mortgagee, unless a copy of such notice shall be given to such Leasehold Mortgagee.

1.4 Each Leasehold Mortgagee shall be afforded the right, but not the obligation, to perform any term, covenant, or condition of the Lease to be performed by Tenant, as well as to remedy any default by Tenant hereunder, and Landlord shall accept such performance by any Leasehold Mortgagee with the same force and effect as if furnished by Tenant, provided, however, that the Leasehold Mortgagee shall not thereby or hereby be subrogated to the rights of Landlord. Additionally, Tenant may delegate irrevocably to any Leasehold Mortgagee(s) the authority to exercise any or all of Tenant's rights hereunder, including, but not limited to the right of the Leasehold Mortgagee to participate (in conjunction with or to the exclusion of Tenant) in any proceeding, arbitration or settlement involving condemnation or eminent domain affecting Tenant's leasehold interest in the Property, but no such delegation shall be binding upon Landlord unless and until either Tenant or the Leasehold Mortgagee in question shall give to Landlord a true copy of a written instrument effecting such delegation, in form required for recording. Such delegation of authority may be effected by the terms of a Leasehold Mortgage itself, in which event the service upon Landlord of an executed counterpart or certified copy of the Leasehold Mortgage in accordance with Section 2, together with a written notice specifying the provisions therein that delegate such authority to such Leasehold Mortgagee, shall be sufficient to give Landlord notice of such delegation. Any provision of the Lease that gives a Leasehold Mortgagee the privilege of exercising a particular right of Tenant hereunder on condition that Tenant shall have failed to exercise such right shall not be deemed to diminish any privilege that any Leasehold Mortgagee may have, by virtue of a delegation of authority from Tenant, to exercise such right without regard to whether or not Tenant shall have failed to exercise such right. No foreclosure (or deed or other transfer of foreclosure) under any Leasehold Mortgage shall require the consent of Landlord under, or constitute a breach or default under, the Lease.

1.5 If:

(a) Tenant shall default under the provisions of the Lease and Landlord shall give notice of such default as provided under the provisions of the Lease;

(b) such default shall not be remedied within any applicable grace and/or cure period pursuant to the provisions of the Lease; and

(c) Landlord, by reason of such default, shall become entitled to (i) re-enter the Property or the improvement thereon, or (ii) terminate the Lease or (iii) bring a proceeding to dispossess Tenant and/or any other occupants of the Property or improvements thereon, re-enter the Property and/or improvements thereon and/or terminate the Lease,

then, before so re-entering the Property or the improvements, terminating the Lease or commencing such proceeding, and as a condition precedent thereto, Landlord shall:

(x) give to each Leasehold Mortgagee not less than sixty (60) days additional written notice as to a monetary default (specifying the amount and description thereof to the extent then known to Landlord) or default in furnishing any insurance required to be furnished by Tenant hereunder, or ninety (90) days' additional written notice of any non-monetary default (which shall specify in detail the nature of such default); and

(y) allow each Leasehold Mortgagee:

(A) such sixty (60) days or ninety (90) days (as the case may be) within which to cure the default; or

(B) if such default is a non-monetary default (other than a default in furnishing any insurance required to be furnished by Tenant hereunder) and cannot, with the exercise of due diligence, be cured by such Leasehold Mortgagee within such ninety (90) day period, then provided:

(i) prior to the expiration of such ninety (90) day period, such Leasehold Mortgagee has delivered to Landlord an instrument in writing duly executed and acknowledged wherein it agrees to use reasonable efforts to cure such default; and

(ii) such default is susceptible of being cured by Leasehold Mortgagee without regard to whether Leasehold Mortgagee has possession of the Property and such Leasehold Mortgagee shall, prior to the expiration of such ninety (90) day period, have commenced curing such default, then such ninety (90) day period shall be extended, as long as such Leasehold Mortgagee diligently pursues the curing of such default with continuity, for such period as may be necessary to cure same provided that such period of time shall not be so extended if to do so would subject Landlord to any criminal or civil liability or the cancellation of any insurance required to be maintained by Tenant or the inability to obtain any such insurance.

Nothing herein contained shall affect the right of Landlord, upon occurrence of any subsequent default, to exercise any right or remedy herein reserved to Landlord, subject, however, to the provisions of this Section.

1.6 If:

(a) Tenant shall default in the performance or observance of any term, covenant, or condition of the Lease on Tenant's part to be performed or observed, other than a term, covenant or condition requiring the payment of a sum of money; and

(b) such default is of such a nature that the same either:

(i) cannot practicably be cured by a Leasehold Mortgagee without taking possession of the Property and/or the improvements thereon; or

(ii) is not susceptible of being cured by any Leasehold Mortgagee, then Landlord shall not:

(x) re-enter the Property and/or the improvements thereon or serve a notice of election to terminate the Lease;

(y) bring a proceeding to dispossess Tenant and/or any other occupants of the Property or the improvements, re-enter the Property and/or the improvements and/or terminate the Lease; or

(z) otherwise terminate the leasehold estate of Tenant hereunder,

If, and for so long as:

(A) a Leasehold Mortgagee shall deliver to Landlord, prior to the date on which Landlord shall be entitled to give notice of election to terminate the Lease or re-enter the Property and/or the improvements, a written instrument, duly executed and acknowledged, in which the Leasehold Mortgagee agrees that:

(X) it will use reasonable efforts to cure such default to the extent the same is susceptible of being cured by the Leasehold Mortgagee, nominee or purchaser; and

(Y) if the Lease thereafter is terminated, or Landlord thereafter re-enters the Property and/or the improvements prior to the curing of such default, the Leasehold Mortgagee shall pay to Landlord the cost of curing such default; and

(B) if the default is of such a nature that same cannot practicably be cured by a Leasehold Mortgagee without taking possession of the Property and/or the improvements, a Leasehold Mortgagee shall proceed diligently, subject to any stay in any proceedings involving the insolvency of Tenant or any other proceeding, stay or injunction, to obtain possession of the Property and/or the improvements by foreclosure or deed in lieu of foreclosure, and, upon obtaining such possession, shall promptly cure such default; and

(C) if the default is of such a nature that the same is not susceptible of being cured by such Leasehold Mortgagee, a Leasehold Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion, subject to any stay in any proceedings involving the insolvency of Tenant or other proceeding, stay or injunction (unless, in the meantime, the Leasehold

Mortgagee shall acquire Tenant's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure).

1.7 No Leasehold Mortgagee shall be required to continue to proceed to obtain possession, or to continue in possession as mortgagee, of the Property or the Improvements pursuant to subsection (b)(B) of Section 1.6 or to continue to prosecute foreclosure proceedings pursuant to subsection (b)(C) of Section 1.6 if and when Tenant's default shall be cured. Nothing contained in Section 1.6 shall preclude Landlord from exercising any of its rights or remedies with respect to any other default by Tenant during any period of Landlord's forbearance under Section 1.6 but, in such event, if any Leasehold Mortgagee, any nominee thereof, or any purchaser at a foreclosure sale shall:

(a) acquire title to Tenant's leasehold estate hereunder; and

(b) thereafter exercise reasonably diligent efforts to cure all non-monetary defaults of Tenant hereunder that are susceptible of being cured by such Leasehold Mortgagee, nominee or purchaser, as the case may be; the defaults of any prior holder of Tenant's leasehold estate hereunder that are not susceptible of being cured by such Leasehold Mortgagee, nominee or purchaser exercising such efforts shall no longer be deemed to be defaults hereunder; and

(c) If the initial construction of the Improvements on the Property is not yet complete, Leasehold Mortgagee or any purchaser at a foreclosure sale shall have thirty-six (36) months from the date of acquiring the Tenant's leasehold estate to complete construction of the Development in accordance with the terms of this Lease.

1.8 If, for any reason, the Lease shall be terminated prior to the Expiration Date, Landlord will give each Leasehold Mortgagee written notice of such fact and shall also, on the written request of any Leasehold Mortgagee made within sixty (60) days of such termination (or, if later, within sixty (60) days after Landlord gives each Leasehold Mortgagee written notice of such termination), enter into a new lease of the Property with such Leasehold Mortgagee, within thirty (30) days after the receipt of such request, for the remainder of the term, effective as of the date of such termination, at the rent, and upon the other terms, covenants and conditions herein contained, subject, however, to the rights, if any, of the parties then in possession of any part of the Property, and provided that all then existing defaults shall be deemed cured.

In the event that more than one Leasehold Mortgagee qualifies to receive a new lease pursuant to the terms of this Section, such new lease shall be entered into with the holder of the Leasehold Mortgagee that is most senior in priority. Upon the execution and delivery of such new lease, any subleases that may have theretofore been assigned and transferred to Landlord shall thereupon be assigned and transferred, without recourse by Landlord, to the new tenant; and

(d) after such termination and cancellation of the Lease and prior to the expiration of the period within which Leasehold Mortgagee may elect to obtain a new lease from Landlord, Landlord shall refrain from terminating any existing sublease or otherwise encumbering the Property without the prior written consent of Leasehold Mortgagee. Any new lease granted Leasehold Mortgagee shall be in the form substantially similar to the Lease and shall enjoy the same priority in time and in right as the Lease over any lien, encumbrance or other interest created by Landlord before or after the date of such new lease and shall vest in Leasehold Mortgagee all right, title, interest, power and privileges of Tenant hereunder in and to the Property, including, without limitation, the assignment

of Tenant's interest in and to all then existing subleases and sublease rentals and the automatic vesting of title to all Improvements, fixtures and personal property of Lessee in Leasehold Mortgagee. Such new lease shall provide, with respect to each and every permitted sublease which immediately prior to the termination of the Lease was superior to the lien of the Leasehold Mortgagee that Leasehold Mortgagee shall be deemed to have recognized the sublessee under the sublease, pursuant to the terms of the sublease as though the sublease had never terminated but had continued in full force and effect after the termination of the Lease, and to have assumed all the obligations of the sublessor under the sublease accruing from and after the termination of the Lease, except that the obligation of the new lessee, as sublessor, under any covenant of quiet enjoyment, expressed or implied, contained in any such sublease shall be limited to the acts of such new lessee and those claiming by, under or through such new lessee.

1.9 The rights hereunder of the Leasehold Mortgagees shall be exercisable by them in order of priority of lien of their respective Leasehold Mortgages. The liability of any Leasehold Mortgagee acquiring Tenant's interest hereunder shall be limited to such Leasehold Mortgagee's then interest in the Property.

1.10 No Leasehold Mortgagee shall be liable, as tenant, under the provisions of the Lease unless and until such time as it becomes, and then only for as long as it remains, the owner of Tenant's interest hereunder.

1.11 Notwithstanding anything to the contrary contained in the Lease, all proceeds arising from any casualty insurance, business interruption insurance, rental loss insurance or similar insurance policy relating to the Property and/or any improvements now or hereafter located thereon, and all proceeds of any award or payment made in connection with any condemnation or eminent domain proceeding (or deed or other transfer under threat of the same or in lieu thereof) involving all or any part of the Property and/or any improvements now or hereafter located thereon, shall be paid to the Leasehold Mortgagees for application in accordance with their respective Leasehold Mortgages.

1.12 Landlord shall, within thirty (30) days after the written request of any Leasehold Mortgagee:

(a) acknowledge in writing to them, or to any of them, the receipt by Landlord of any notice or instrument given, sent, or delivered to Landlord pursuant to the provisions of this Article; and/or

(b) furnish to them, or to any of them, a written statement, duly acknowledged, of the following items:

(i) the amount of net rental due, if any, and amounts due in connection with the failure by Lessee to satisfy the Ancillary Duties or any other provisions of this Lease;

(ii) whether the fire and other insurance required by the Lease have been supplied in compliance therewith;

(iii) whether the Lease is unmodified and in full force and effect (or, if there have been modifications, that the same are in full force and effect as modified and stating the modifications);

(iv) whether, to the best knowledge and belief of Landlord, Tenant is in default, specifying the nature of any known default and any pertinent facts with respect thereto;

(v) whether Landlord has given Tenant any notice of default under the lease, and if given, whether the default set forth therein remains uncured; and

(vi) such other matters as the Leasehold Mortgagee may reasonably request.

Any such statement shall be for the sole benefit of the Leasehold Mortgagee and shall have no effect, as an estoppel or otherwise, with respect to any third party.

2. Notwithstanding anything to the contrary contained elsewhere herein, upon the acquisition by any Leasehold Mortgagee of leasehold title to the Property, whether by foreclosure, deed in lieu of foreclosure, acceptance of a new lease pursuant to the terms of the Lease or otherwise, (i) the obligation to pay past due rent under the Lease (or any such new lease) and to pay any other amounts then due by the original Tenant, shall irrevocably terminate, excepting only in the event [to come: Lessee], CHW, or an Affiliated Person other than an Approved Construction and/or Permanent Lender shall become owner of Portion B (whether of a leasehold or greater interest) in which event rent will be restored to the rent set forth in Section 5.1 of the Lease and (ii) rent shall be payable prospectively in the manner and at the amounts determined under the Lease.

3. Notwithstanding anything to the contrary set forth in this Lease, commencing upon the completion of a Foreclosure Event and continuing for the remainder of the Term hereof, but expressly subject to compliance with the Regulatory Agreement, Tenant shall only be required to make available, restrict occupancy to, and rent all of the Required Affordable Units to Lower Income Households at Affordable Rent; provided that the foregoing portion of this Section 3 shall cease to be effective and the Affordability Requirements shall be restored to effectiveness in the manner originally set forth as to the Prescribed Income Levels in the event [to come], CHW or an Affiliated Person other than an Approved Construction and/or Permanent Lender shall become owner of Portion B (whether of a leasehold or greater interest).

EXHIBIT F

Insurance During Construction

Lessee shall procure or provide evidence to confirm that Lessee or contractor(s) has procured and will maintain for the duration of the contract, *and for 5 years thereafter* [City will review insurance requirements as part of review of the Proof of Financing Commitments], insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Lessee and/or Lessee's contractor, his agents, representatives, employees, or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$5,000,000** per occurrence. Such limits may be achieved through the combination of primary general lability and one or more umbrella/excess liability policy(ies).
2. **Automobile Liability**: Insurance Services Office Form CA 0001 covering all owned (if any), non-owned and hired automobiles, with limits no less than **$5,000,000** per accident for bodily injury and property damage. Such limits may be achieved through the combination of primary general liability and one or more umbrella/excess liability policy(ies).
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **$1,000,000** per accident for bodily injury or disease.
4. **Builder's Risk** (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
5. **Surety Bonds** as described below.
6. **Professional Liability** (if Design/Build), with limits no less than **$2,000,000** per occurrence or claim, and **$2,000,000** policy aggregate. This coverage is to be provided by the architect and/or design-build general contractor providing such professional services
7. **Contractors' Pollution Liability** and/or Asbestos Legal Liability (if project involves environmental hazards) with limits no less than **$1,000,000** per occurrence or claim, and **$2,000,000** policy aggregate. This coverage may be provided by the general contractor.

If the Lessee or contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the either. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Lessee or contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be

satisfied by either the named insured or City. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds $100,000 unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Lessee or contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Lessee or contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named Insured. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Lessee or contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Lessee or contractor. General liability coverage can be provided in the form of an endorsement to the Lessee or contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
2. For any claims related to this project, the **Lessee or contractor's insurance coverage shall be primary and non-contributory** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Lessee or contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.
3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City.

Builder's Risk (Course of Construction) Insurance

Lessee or contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall **name the City as a loss payee** as their interest may appear.

Claims Made Policies

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
3. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Lessee or contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the City for review.

5. If the services involve lead-based paint or asbestos identification/remediation, the Lessee or contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Lessee or contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Umbrella or Excess Policies

The Lessee or contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Lessee or contractor's primary and excess liability policies are exhausted.

Acceptability of Insurers

Insurance is to be placed with insurers approved to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City.

Waiver of Subrogation

Lessee or contractor hereby agrees to waive rights of subrogation which any insurer of Lessee or contractor may acquire from Lessee or contractor by virtue of the payment of any loss. Lessee or contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the City for all work performed by the Lessee or contractor, its employees, agents and subcontractors or contractors.

Verification of Coverage

Lessee or contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee or contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Lessee or contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Lessee or contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors or contractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

Duration of Coverage

CGL & Excess liability policies **for any construction related work, including, but not limited to, maintenance, service, or repair work**, shall continue coverage for a minimum of 5 years for Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***

Surety Bonds
Lessee or contractor shall provide the following Surety Bonds:

1. Performance Bond
2. Payment Bond
3. Maintenance Bond

The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, approved to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Special Risks or Circumstances
City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

EXHIBIT G

Insurance During Remainder of Lease Term

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee. [City will review insurance requirements as part of review of the Proof of Financing Commitments].

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **$1,000,000** per accident for bodily injury or disease. (This applies to lessees with employees).
3. **Property insurance** against risks of loss (ISO "Special Form" perils) to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Lessee.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the **Lessee's insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation

Lessee hereby grants to City a waiver of any right to subrogation which any insurer of said Lessee may acquire against the City by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Lessee to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds $100,000 unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Lessee who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Lessee to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with insurers approved to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Lessee shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

EXHIBIT H

Map of the Adjacent City Parking Area

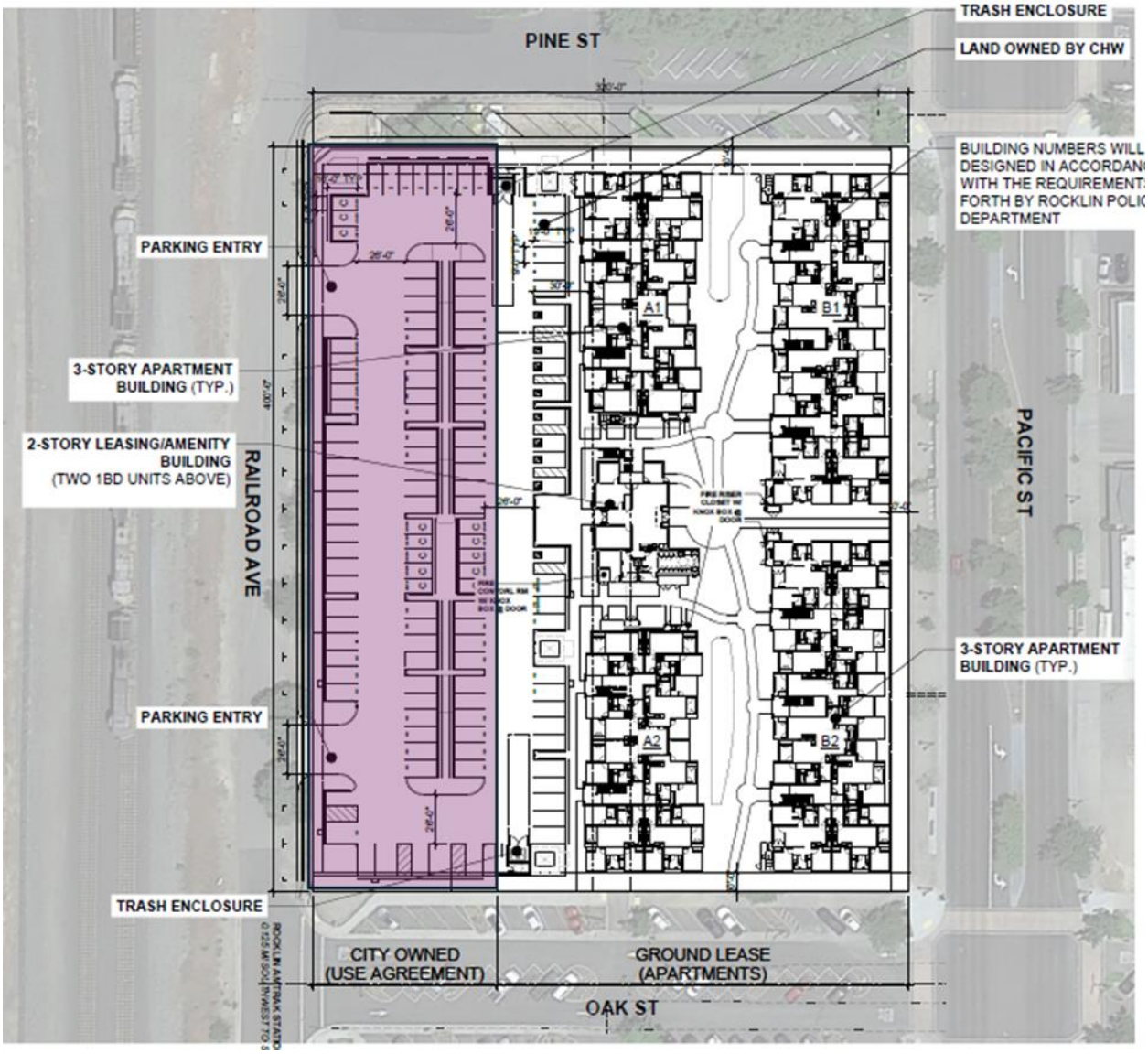
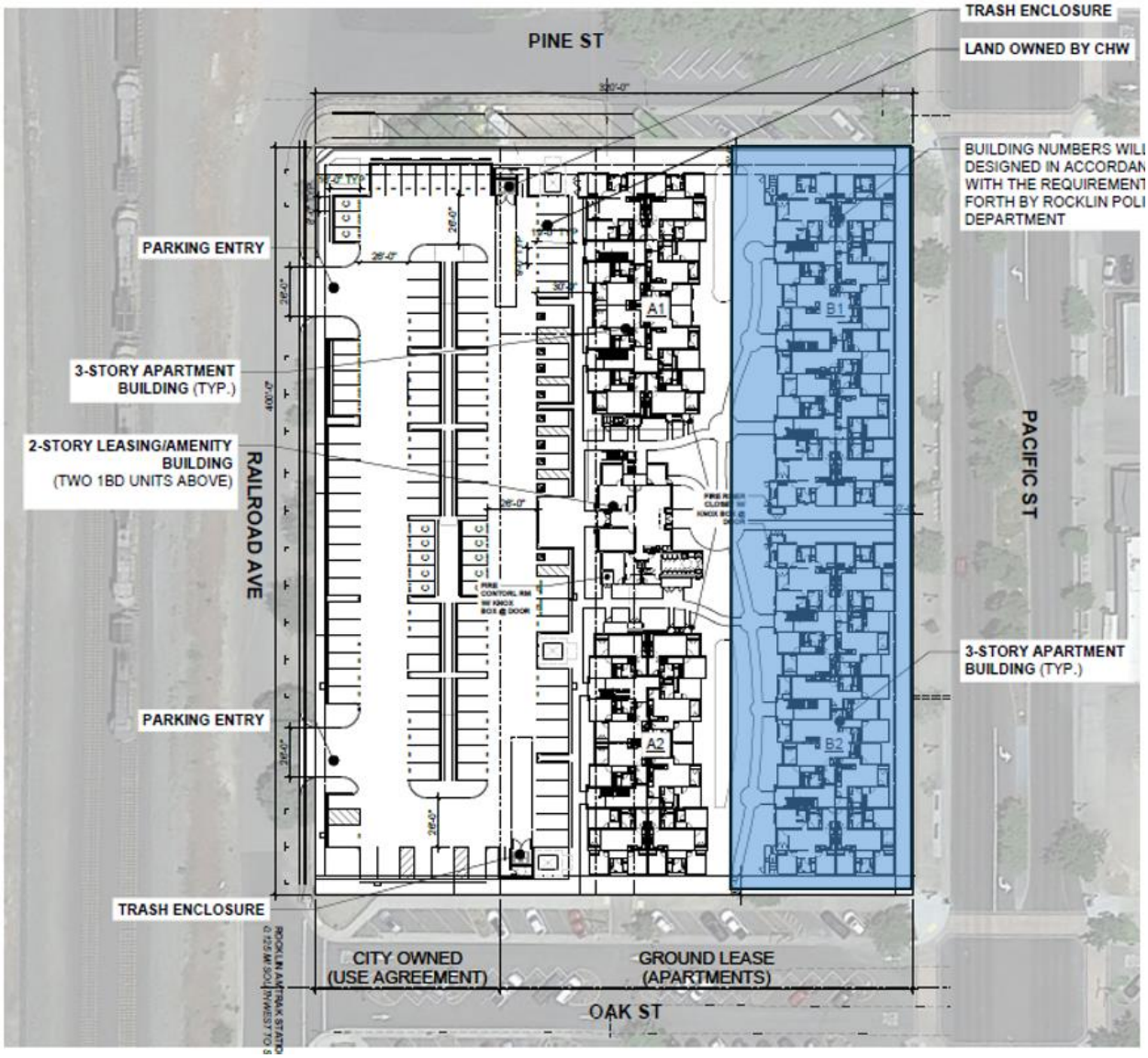


EXHIBIT I

Map of the Portion B Area



INFORMATION SUMMARY
FOR PROPOSED
AFFORDABLE HOUSING AGREEMENT AND GROUND LEASE WITH
COMMUNITY HOUSINGWORKS, INC.
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION
"33433 REPORT"
AMENDED OCTOBER 30, 2025

Introduction:

The original 33433 Report was prepared as of October 17, 2022. Since that time, Community HousingWorks, Inc., a California nonprofit public benefit corporation ("CHW"), the original applicant, has refined the Project, created the limited partnerships needed to finance, develop and operate the affordable housing apartments, obtained preliminary commitments from the California Tax Credit Allocation Committee ("CTCAC") to acquire Low-Income Housing Tax Credit ("LIHTC") equity financing and is poised, by way of the limited partnerships it formed, to enter into the Affordable Housing Agreements ("AHAs") and Ground Leases ("Leases") with the City needed to enable the development of the Project. Therefore, the purpose of this amendment is to modify the original 33433 Report to bring it current as of the date indicated below. Further, this amended 33433 Report will now supersede the original 33433 Report.

Background:

This amended summary was prepared for the City of Rocklin ("City") to address the provisions of and pursuant to California Health and Safety Code ("HSC") § 33433 with respect to the Affordable Housing Agreements ("AHAs") and Ground Leases ("Leases") (collectively, "AHAs/Leases") between Pacific Street Housing Associates Four, L.P., a California limited partnership ("PSHA-4") and Pacific Street Housing Associates Nine, L.P., a California limited partnership ("PSHA-9"). The numbering nomenclature used in naming the limited partnerships ties to the type of LIHTCs applicable to the affected parcel (i.e., 4 = 4% LIHTC and 9 – 9% LIHTC). Both PSHA-4 and PSHA-9 were formed by CHW. For ease of review, collective references to PSHA-4 and PSHA-9 are herein after referred to as the "Developers". Further, CHW created two limited liability companies to serve as general partners for the Developers, as follows: i) CHW Pacific Street Four, LLC is the general partner for PSHA-4; and ii) CHW Pacific Street Nine, LLC is the general partner for PSHA-9. Notwithstanding the complexity of the legal structures needed to finance the Project, the Project will be managed by CHW.

The AHAs/Leases pertain to the development of two apartment complexes consisting of one-hundred and ten (110) units (the "Project") on that certain property located along Pacific Street between Oak and Pine Streets, Rocklin, California (APNs 010-121-001, -002, -004 & -005) and the intersecting alleyway between the parcels ("Site"). Specifically, PSHA-4 will develop 50 units on the portion of the Site identified as Parcel 2 on the attached Project Plan Map and PSHA-9 will develop 60 units on the portion of the Site identified as Parcel 3 on the attached Project Plan Map. Since the date of the original information summary, CHW acquired an adjacent parcel identified as parcel 4 on the attached Project Plan Map and has granted fee ownership of it to the City to allow the City to include it within parcel 2 by way of a lot line adjustment to become a part of the Project. This accommodation will allow the entire block to be used for affordable housing and related parking purposes and will avoid

a hold-out parcel.

In addition, in this matter the City is acting in its capacity as the Successor Housing Agency to the Rocklin Redevelopment Agency since the Site was originally owned by the Rocklin Redevelopment Agency and subsequently sold by the Successor Agency to the Rocklin Redevelopment Agency to the City, wherein the purchase price was exclusively funded with cash from the Successor Housing Agency's Low- and Moderate-Income Housing Asset Fund ("LMIHAF").

The proposed AHAs/Leases with the City, contemplate that the Developers will seek equity funds through federal LIHTCs as well as other private and public funding sources, based upon which the Developers would proceed to develop two family (age unrestricted) apartment complexes. Because the financing plans for the Developers will include LIHTC funding, then: i) not less than thirty percent (30%) of the total units will be required to be reserved for occupancy by households earning not greater than thirty percent (30%) of the Placer County Median Income, adjusted by family size ("Extremely Low-Income"); ii) not less than fifty percent (50%) of the total units will be required to be reserved for occupancy by households earning not greater than fifty percent (50%) of the Placer County Median Income, adjusted by family size ("Very Low-Income"); and iii) up to twenty percent (20%) of the total units may be reserved for occupancy by households earning not greater than fifty-nine percent (59%) of the Placer County Median Income, adjusted by family size ("Low-Income"). Collectively, the Extremely Low-Income, Very Low-Income and Low-Income reserved units are hereinafter referred to as the "Affordable Units".

TKE has reviewed CHW's proformas that are applicable to the Project and confirms the use of LIHTC equity funds and private activity multifamily housing bond financing (recycled bond loan) as essential components of the financing plans. Therefore, since the fiscal viability of the Project requires LIHTC funding and private activity bonds for which both funding sources require the Project to provide the Affordable Units (in the mix described above), it is appropriate for this report to assume that the Project's net operating income will be impaired by the inclusion of the Affordable Units (as described above) within the Project and will affect the residual value of the Site, as further described herein.

Consistent with the foregoing, the structure of the AHAs require the Developers to ground lease specific portions of the Site from the City for a term of least 87 years. The amount of ground rent to be paid is projected to be $1.00 per year. With respect to the City loan proposed for the PSHA-4 AHA (which would be in the original principal amount of $2,600,000: an amount consistent with that previously contemplated by the City in its approval of a Preliminary Commitment Letter), that loan would be repayable from residual receipts: this means that the loan would be payable from Project-generated revenues remaining after taking into account operating costs and other debt service payments. Per the proforma for PSHA-4, repayment of the City loan would begin during 2054.

The City acquired the Site from the Successor Agency to the Rocklin Redevelopment Agency for a $560,000, which was exclusively funded with cash from the Successor Housing Agency's LMIHAF. Fair market value was confirmed pursuant to the Integra Realty Resources, Sacramento, appraisal dated May 24, 2019, without any extraordinary assumptions (i.e., an "as is, where is" valuation). The City's acquisition of the Site was in furtherance of the: i) Rocklin Redevelopment Agency Redevelopment Plan; ii) City's General Plan (Housing Element); and iii) the applicable Regional Housing Needs Allocation ("RHNA") plan that designated Rocklin to produce several thousand lower income housing units during the period of 2021-2029. The need for an HSC § 33433 summary report was prompted by the funding source used for the City's acquisition of the Site (i.e., former Rocklin Redevelopment Agency assets).

1. Cost of Project (AHAs/Leases) to City:

The overall Project is anticipated to produce a net cost to the City of $3,160,000. This conclusion is based upon the following data:

a. **Land Acquisition Cost**: The Site was acquired by the City for $560,000.

b. **Clearance Costs:** None, the Site was vacant at the time of acquisition.

c. **Relocation Costs:** None, the Site was vacant at the time of acquisition.

d. **Improvement Costs**: None, the City has not incurred any improvement costs.

e. **Finance Costs**: The City exclusively funded the acquisition price with cash from the Successor Housing Agency's LMIHAF.

f. **Other Costs:** The development of the Project requires a City soft money loan of $2,600,000 also funded with LMIHAF.

g. **Offsetting Revenue:** The City anticipates receiving repayment of the City loan amount of $2,600,000, plus a modest rate of interest. Per the proforma for PSHA-4, repayment of the City loan would begin during 2054.

2. Estimated value of the interest to be conveyed or leased, determined at highest and best use permitted by the Redevelopment Plan:

The Developers financing plans for development of the Project with Affordable Units is very similar to the financing plans presented by affordable housing developers seeking financing for other affordable rental housing projects in California. Although some variances may be included for portions of such financing plans and the Developers may seek additional financing sources, by and large, the basic sources of financing are identical (i.e., 9% or 4% LIHTCs and private activity multifamily housing bonds). These financing sources require that projects they approve include Affordable Units (as described above). The practical effect of including Affordable Units with below-market rental rates is to significantly diminish a project's net operating income, which among other matters, limits the project's capability of obtaining debt financing and the residual lease payments attributable to the land. Further, these requirements render the value of the interest to be conveyed to a negative number, which triggers the need for additional preferential or soft financing.

With respect to the Project, the Developers currently estimate that the Project will require approximately $58.9 million to develop. Overall, it is estimated that the combined Project's projected cash flow only supports approximately 74% of the Project's costs (including permanent scheduled debt and LIHTC equity). The remaining 26% includes a variety of soft financing sources. Consequently, the PSHA-4 financing plan includes a $2.6 million residual receipts loan from the City ("City Loan") (also funded with LMIHAF) and a developer fee contribution of between $2.4 million and $4.1 million (yet to be finalized).

It is important to note that the Developers combined proformas assume that the value of the City's contribution of the Site to the Project (pursuant to a residual receipts lease) of $4,400,000. This

amount is included within the proforma for accounting purposes only and relates to maximizing the Project's eligibility for LIHTCs and does not indicate an actual purchase price. For the purpose of quantifying the cash shortfall in the Project's budget, TKE has subtracted the value of the LIHTCs (approximately $32.4 million), the permanent scheduled debt (approximately $13.5 million) and the accounting estimate for land value (approximately $4.4 million) from the Project's total development cost of approximately $58.9 million. The result is a cash shortfall of approximately $8.6 million. If conventional financing sources were used instead of the preferred ones, the shortfall would be greater.

Therefore, by using the approach described in the preceding paragraph, the financing plan for the Project that includes the required Affordable Units results in a shortfall of approximately $8.6 million, which contributes to a negative land value of approximately $8.6 million. Given that the Site will be solely used for affordable housing purposes, it is the opinion of the undersigned that the estimated value of the interest to be conveyed or leased, determined at highest and best use permitted by the Redevelopment Plan, is a negative value of approximately $8.6 million.

3. Estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants and development costs required by the sale or lease:

The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants and development costs required by the sale or lease, is a negative value of approximately $8.6 million.

4. The purchase price or sum of the lease payments which the lessor will be required to pay during the term of the lease:

The City anticipates receiving a residual receipts lease revenue from the Project during the 87-year term of the Lease of $1.00 per year for each apartment complex for a total of $174.00.

5. Explanation of the reason (if applicable) why the sales price or lease rate paid to the City may be less than market value of the property as determined at its highest and best use:

As noted above, since the fiscal viability of the Project requires LIHTC funding and private activity bonds for which both funding sources require the Project to provide the Affordable Units (in the mix described above), it is appropriate for this report to assume that the Project's net operating income will be impaired by the inclusion of the Affordable Units (as described above) within the Project and will affect the residual value of the Site, as further described herein. As more particularly described above, the estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants and development costs required by the sale or lease, is a negative value of approximately $8.6 million.

6. Explanation of why the sale or lease of the property will assist in the elimination of blight:

Although the Site was acquired by the former Rocklin Redevelopment Agency for blight elimination and/or prevention purposes, the Project is an affordable rental housing project that will include attractive design features and amenities that will enhance the general neighborhood it is located

within, which is anticipated to set a standard for its neighborhood that will contribute to the avoidance of blighting conditions going forward. The AHAs include the requirements that the Developers will follow the City's normal and customary planning process, including without limitation design review.

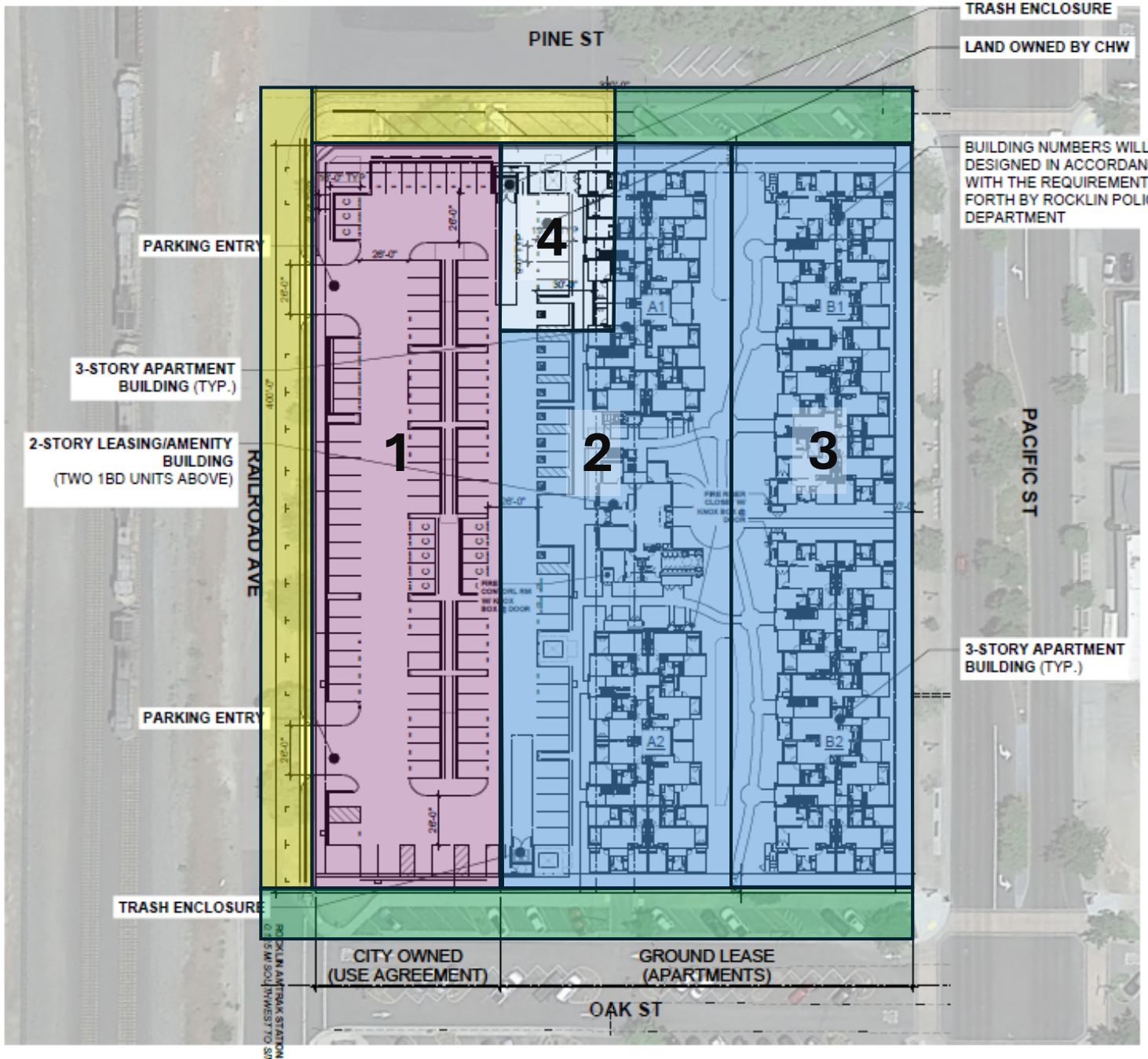
Certification: I certify that this report complies with the reporting requirements of HSC § 33433. Further, I do not have a present or perspective interest in the Site, the Project, or the parties to the AHAs/Leases. My engagement to prepare this amended report was not contingent upon developing or reporting predetermined results. The statements of fact contained herein, and the substance of this report are based on public records, data provided by the City, reports provided by its economics consultant, proformas provided by CHW or as otherwise noted herein. This report reflects my personal, unbiased professional analyses, opinions and conclusions. If any of the underlying assumptions related to the AHAs/Leases change after the date provided below, then the undersigned reserves the professional privilege to modify the contents and/or conclusions of this report.

Respectfully Submitted,
TKE ENGINEERING, INC.

STEVEN H. DUKETT
Managing Director
Development Services

Dated: October 30, 2025

Attachment: Project Plan Map with Legend



Site Summary

Accessor Parcel Number: 010-121-001-000, 010-121-002-000, 010-121-004-000, 010-121-005-000, 010-121-006-000, 010-040-039-000,

Site Area	2.93 AC	(Gross)	Dwelling Units	110 DU
	2.02 AC	(Net)	Gross Density	±37.54 DU / AC
4% Area	0.42 AC	(18,330 SF)	General Plan	Mixed Use
9% Area	2.51 AC	(109,301 SF)	Zoning	C-2, C-4, BARRO

Residential Development Standards

Required per Rocklin Municipal Code		Proposed	
Max DU per Gross Acre		Gross Density	37.54 Units/Acre
Min Lot Area	10,000 SF	Lot Area	2.93 Acres
Min Lot Width	100'	Lot Width	400'
Min Setbacks:			
Front Yard	5'		
Side, Interior	10'		
Rear	10'		
Max Lot Coverage	60%	Lot Coverage	35%
Max Building Height	50'	Building Height	±40'-0"

Project Summary:

Building Summary:
(4) 3-Story Apartment Buildings
(1) 2-Story Leasing/Amenity/Laundry Building
(2) Trash Enclosures

Apartment Unit Summary	1Bd/1Bath	2Bd/1Bath	3Bd/2Bath	
4%				
Building A1	12	07	05	
Building A2	12	07	05	
Amenity Bldg	02	00	00	
4% Total	**26**	**14**	**10**	**50**
9%				
Building B1	12	06	10	
Building B2	12	06	10	
9% Total	**24**	**16**	**20**	
Total	**50**	**30**	**30**	**60**
	45%	27%	27%	

Unit Mix and Requirements per CTCAC Regulations

Unit Mix	Min SF	Net Area	Gross Area	Total	Mix Percentage	
Plan 1-1	450 SF	570 SF	614 SF	38	34.5%	
Plan 1-2	450 SF	638 SF	696 SF	08	7.3%	
Plan 1-3	450 SF	616 SF	665 SF	02	1.8%	
Plan 1-4	450 SF	578 SF	639 SF	02	1.8%	45%
Plan 2-1	700 SF	795 SF	848 SF	24	21.8%	
Plan 2-2	700 SF	821 SF	883 SF	04	3.6%	
Plan 2-3	700 SF	867 SF	935 SF	02	1.8%	27%
Plan 3-1	900 SF	1002 SF	1075 SF	18	16.4%	
Plan 3-2	900SF	1035 SF	1111 SF	12	10.9%	27%
				110	100%	

Parking Summary

Proposed (*Ground Lease + City Owned Parcels*)

Standard Open Parking	055 Spaces
Compact Open Parking	027 Spaces
Open Accessible Parking	002 Spaces
Van Accessible Parking	002 Spaces
US Postal Service Parking	001 Space
Electric Vehicle Charging Station (EVCS)	008 Spaces
Electric Vehicle Charging Capable (EVC)	028 Spaces
Electric Vehicle Charging Ready (EVR)	006 Spaces
	±129 Spaces *Across whole site*

Building Square Footage

Residential
BLDG A = 22,916 SF
BLDG A1= 22,984 SF
BLDG B1= 30,787 SF
BLDG B2= 30,787 SF

TOTAL = 107,474 SF
LEASING/AMENITY BLDG = 4,122 SF
TOTAL = 111,596 SF

Building Occupanies

R-2 (Residential)
A-3 (Leasing/Amenity)

Construction Type

Residential= V-B
Leasing/Amenity = V-B

Fire Sprinkler System

NFPA 13

Legend

- Numbered Parcels
  1. Railroad parcel – City-owned. This parcel has the restrictions from the railroad that require it be open to public use. CHW will construct the parking lot but the City will own and maintain it. It is not part of the ground lease
  2. Parcel 2 – City-owned. This section contains some parking, buildings for the 4% project including the amenity buildings, some of the courtyard, and will include the CHW parcel once it is transferred to the City.
  3. Parcel 3 – City-owned. This section contains the 9% project, some of the courtyard, and no parking
  4. The previously owned CHW parcel that was granted to the City and has been incorporated into Parcel 2

- Colors
  - Yellow areas – These are offsite improvements that are being completed by the City and will be constructed in coordination with CHW. These will provide a total of 25 public parking spots available to residents (9 to the north adjacent to Pine and 16 to the west adjacent to Railroad)
  - Purple area – Railroad parcel. Parking open to residents as well as the public. 97 parking spaces.
  - Blue areas – Project parcels. These will be included in the ground lease. Includes 28 spaces (including 9 ADA spaces).
  - Green areas – Offsite improvements that are already developed and available for public and resident parking. 26 total spaces immediately adjacent to the site. Not included in the ground lease.