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**SECOND AMENDMENT OF DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF ROSEVILLE AND SV 218, LLC
RELATIVE TO THE SIERRA VISTA SPECIFIC PLAN**

This Second Amendment of Development Agreement is entered into this ____ day of _____, 2022, by and between the CITY OF ROSEVILLE, a municipal corporation (“City”), and SV 218, LLC, a California limited liability company (“SV 218”) pursuant to Sections 65864 through 65869.5 of the Government Code of California.

RECITALS

A. DF Properties, Inc., a California corporation (“DF”) and City entered into a Development Agreement (the “Development Agreement”) which was approved by the City Council of City on May 19, 2010, and recorded on June 18, 2010, in the Official Records of Placer County as Document No. 2010-0045939-00.

B. DF and City entered into the Development Agreement relative to development within a portion of the Sierra Vista Specific Plan Area as defined in Exhibit “A” and depicted in Exhibit “B” of the Development Agreement (the “Property”). Except as otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed thereto in the Development Agreement.

C. DF and City entered into a First Amendment to the Development Agreement (the “First Amendment”) which was approved by the City Council of City on February 3, 2021, and recorded on April 13, 2021, in the Official Records of Placer County as Document No. 2021-0050636-00.

D. DF and City entered into the First Amendment relative to development within certain portions of the Property as described in Exhibit “A” and depicted in Exhibit “B” of the First Amendment.

E. DF assigned a portion of its interest in the Development Agreement to Mourier pursuant to that certain Assignment and Assumption Agreement Relative to the Sierra Vista Specific Plan Development Agreement (“Assignment”) dated as of August 27, 2021, and recorded August 30, 2021, as Document No. 2021-0109007-00, in the Official Records of Placer County, California.

F. DF and SV 218 entered into the Assignment with respect to that certain portion of the Property described in Exhibit “A” thereto (“Second Amendment Property”).

G. This Second Amendment to the Development Agreement (the “Second Amendment”) affects the Second Amendment Property as described in Exhibit “A” and depicted in Exhibit “B” attached hereto. SV 218 and City intend for this Second Amendment to eliminate SV 218’s obligation to reserve four (4) units as detached and/or attached single-family residential units affordable to middle-income purchasers within DF-20, revise the parties’ obligations with respect to groundwater production wells and recycled water facilities, update the parties’ evaluation of water conservation goals, and resolve the parties’ inconsistent interpretations of Subsection 3.17.1.2(i) of the Development Agreement.

H. This Second Amendment is authorized by Section 1.4 of the Development Agreement.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. AMENDMENT OF DEVELOPMENT AGREEMENT.

- a. The term “Entitlements” set forth in Recital F of the Development Agreement for the Second Amendment Property is hereby revised to include the Sierra Vista Specific Plan and Design Guidelines, as amended and adopted by Resolution No. ____-____.
- b. The first paragraph of Section 2.6 of the Development Agreement for the Second Amendment Property is hereby deleted in its entirety.
- c. Section 2.6.1 (inclusive of Sections 2.6.1.1 through 2.6.1.6) of the Development Agreement for the Second Amendment Property is hereby deleted in its entirety.
- d. Section 3.7.2 of the Development Agreement for the Second Amendment Property is hereby amended and revised in its entirety to read as follows:

“3.7.2 Groundwater Wells. If applicable, Landowner shall dedicate to City Parcels JM-60 and FD-63 for two (2) groundwater wells at the approximate locations shown in Exhibit “Q”. The City shall be responsible for the construction of monitoring wells for determining water production and quality and the topside improvements.

Landowner shall be responsible for drilling and completing the production wells (but not above ground well improvements such as pumping and treatment facilities) as further described below (“Well Construction Requirements”). To facilitate the drilling of the monitoring wells Landowner will provide City and its contractors access to and within the location of the well site to enable City to install monitoring wells to confirm desired capacity and water quality.

It is the intent of this section (and the Parties) that the groundwater well locations identified within the SVSP shall be capable of achieving a yield of approximately 1,800 gallons per minute and the groundwater water is of such quality that only disinfection will be required to meet California Drinking Water Quality Standards. Should the City determine the available capacity or water quality does not achieve these objectives, Landowners shall, at its own cost, work with the City to relocate well sites within the SVSP until these objectives are satisfied.

The Landowner shall contact the City Environmental Utilities Department prior to construction of the production wells. Landowner shall receive approval from the City of the well design and drilling method prior to commencement of this work. Wells shall be drilled at the time of occupancy of any residential units within 500 feet of the well site. Landowner shall include noise curtains for a particular well if at the time of construction of the well homes are occupied between 500 feet and 1000 feet of the well.

Notwithstanding the foregoing, if the City adopts a revised water connection fee which is uniformly applied on a City-wide basis and encompasses the costs of the Well Construction Requirements, Landowner shall be relieved of the Well Construction Requirements set forth in this Section 3.7.2 so long as Landowner pays the applicable fee.”

- e. Section 3.7.4 of the Development Agreement for the Second Amendment Property is hereby amended and revised in its entirety to read as follows:

“3.7.4 Water Conservation Goal. The City has determined, and Landowner agrees, that the available water supply is sufficient to serve all phases of the Project. This determination was the conclusion of a review of the demand and source issues created by the projected build-out of the Project based upon the various technical studies completed in connection with the environmental review of the Project. The demand for water at build-out of the Project was determined by reference to the City's current

information on water usage by the various land uses included and permitted within the City and the proposed land uses within the Project and by reference to the Landowner's Sierra Vista Specific Plan Water Conservation Plan which includes a reduction in water use by 17% over current use characteristics.

The sources for water evaluated for the Project are the same types of sources currently used throughout the City; namely, surface water contracts with federal and local agencies and the use of groundwater. City and Developer are satisfied, based upon detailed technical analysis, that the demand and source assumptions relied upon to assure water for the Project are valid. However, the Parties have agreed to the following procedure to assure the continued validity of the underlying assumptions and the continued availability of sufficient water to service all phases of the SVSP Project.

With the implementation of the City's Advanced Metering Infrastructure ("AMI") system, the City will have the ability to monitor potable water consumption on a near real time basis. If the City determines that water consumption exceeds what was anticipated and will negatively affect the City's ability to provide water for the Project, then the Parties shall meet and in good faith attempt to implement whatever measures are needed to assure the water supply will meet the Project's demands. In the event that the City adopts a City-Wide requirement for a reduction in water use by more than the 17% over current potable water usage as set forth herein, and the then built portion of the SVSP has met its 17% objective set forth in this Section 3.7.4, the residential units for which building permits have not yet been issued shall be required to implement such measures necessary to achieve such City-Wide requirement, above the 17% objective set forth in this Section 3.7.4. Development and implementation of such measures shall be at Landowner's cost. The foregoing notwithstanding, should City achieve its adopted City-Wide water conservation goals, the SVSP Area shall not under any circumstances be deemed out of compliance with its Water Conservation Plan water conservation objective as set forth herein."

- f. Section 3.9 of the Development Agreement for the Second Amendment Property is hereby amended and revised in its entirety to read as follows:

"3.9 Recycled Water Facilities. Landowner shall construct recycled water system facilities as provided in this Section 3.9 and the Phasing Plan in Section 3.3, and as shown in Exhibit "U", attached hereto and made a part hereof. Recycled water shall be used for irrigation of parks and landscape setbacks, medians, paseos

adjacent to collector streets and other landscape areas including all multi-family and non-residential landscaping uses. Landowner shall construct and dedicate upon completion thereof, a recycled water distribution system as generally shown in Exhibit "U". In the event that the WRSP has not constructed recycled water facilities necessary to serve the SVSP, Landowner shall construct the necessary off-site recycled facilities and obtain reimbursement from the WRSP in accordance with Section 4.2.2 herein.

City shall construct a recycled water tank(s), pump station expansion and appurtenant recycled water facilities on City property in the WRSP as required for the Project. City shall be responsible to dismantle and eliminate each potable water charging station (5 total) as set forth in Section 3.3, and make the appropriate connections to the WRSP recycled water system as part of the construction of the recycled water tank(s) and pump station expansion on City property in the WRSP. City costs, estimated at \$5.3 million, associated with the recycled water tank(s), pump station expansion, elimination of the potable water charging stations and connections to the West Roseville Specific Plan recycled water system, and appurtenant recycled water facilities (hereinafter, the "Recycled Water Facilities"), which include, but are not limited to, permitting, design, construction, design support during construction phase, construction management, inspection, and City's administrative and labor costs, shall be paid through a combination of methods, as follows:

The City shall, as part of maximum special taxes in the Project CFD(s), as defined in Section 3.17.1 of the Agreement, include in such levy of maximum special taxes on all DUEs in the Specific Plan, comprised of 6,650 residential units and 2,095,236 square feet of non-residential building square footage, an amount of \$30/sewer equivalent dwelling unit ("sewer EDU")/year starting at the time a water meter is installed for the particular land use or as classified as a developed parcel in the rate and method for the Project CFD(s);

The City shall levy up to maximum special taxes in the Project CFD(s), as defined in Section 3.17.1, necessary to generate what is estimated at \$2.4 million (in year 2010 dollars), adjusted annually by the CCI, for a portion of the Recycled Water Facilities to be financed pursuant to this Section 3.9. Such maximum special taxes shall be levied at issuance of building permits in the case of residential land uses, and at certificate of occupancy for non-residential land uses, on a pro-rata basis for a Landowner's proportionate share of its obligation under this Section 3.9, with sewer EDUs on all properties in the SVSP as the denominator, and the sewer EDUs in a large lot parcel as the numerator, and shall

remain in place until Landowner's proportionate share of the \$2.4 million in pay-as-you-go special tax revenue for such Recycled Water Facilities set forth in this Section 3.9, as may be adjusted by the CCI, is fully paid.

City shall impose a charge for recycled water of \$20/sewer EDU/month (based on meter size) over the standard City charge for irrigation service (including the use of potable water on an interim basis) as such standard recycled water charge may from time to time be adjusted by City, charged to future recycled water billing accounts in the Plan Area for landscape setbacks for high density residential and non-residential land uses, until such time as \$2.9 million for the Recycled Water Facilities, beyond the \$2.4 million of maximum special taxes collected, is fully funded; and

If the costs of the Recycled Water Facilities fall below or rise above the \$5.3 million estimated cost, City shall adjust accordingly the amounts financed as set forth in this Section 3.9.

All recycled water system facilities including storage tank(s), pump station, transmission, distribution and public and private irrigation systems shall be designed and constructed pursuant to City's then current Improvement Standards, unless modifications are otherwise mutually agreed to by Landowner and the Environmental Utilities Director, and shall be subject to City plan review, construction, inspection and final approval and payment of all applicable fees for plan review, mapping and inspection of such improvements.

If City adopts a revised water connection fee (which is uniformly applied on a City-wide basis and encompasses the estimated \$5.3 million for the "Recycled Water Facilities" described in this Section 3.9), Landowner shall not be responsible for the payment of the estimated \$5.3 million pro-rata share of the cost of the Recycled Water Facilities, except through the payment of the City's recycled water connection fee, or City's revised water connection fee if a recycled water connection fee is embedded into City's revised water connection fee, or any special benefit fees as may be applicable to the Project to fund the Recycled Water Facilities."

- g. Section 3.17.1.2(i) of the Development Agreement for the Second Amendment Property is hereby amended and revised in its entirety to read as follows:

"(i) For the Second Amendment Property, the previous fee deferral provisions of this subsection are hereby deemed null and void and the only fee deferral eligible to be paid with bond proceeds

from future bond sales commencing in the year 31 timeframe shall be fifty percent (50%) of the SPRTA Tier II Traffic Fee pursuant to the terms and conditions of the Tier II Development Fee Deferral Program and one hundred percent (100%) of the City-Wide Park Fee that would otherwise be paid at the time of issuance of building permits for low, medium, and high density residential dwelling units. The amount of the SPRTA Tier II Traffic Fee deferral provided by this Section shall be adjusted as the SPRTA Tier II Traffic Fee may be subsequently adjusted. The amount of the City-Wide Park Fee deferral provided by this Section shall be adjusted as the City-Wide Park Fee may be subsequently adjusted pursuant to Section 3.12.4 of the Development Agreement.”

h. REVISED EXHIBITS. Exhibit “C” attached to this Second Amendment is added to the exhibits and replaces Exhibit “F” in the Development Agreement.

2. CONSISTENCY WITH GENERAL PLAN. The City Council has found and determined that this Second Amendment is consistent with the General Plan and the Sierra Vista Specific Plan.

3. AMENDMENT LIMITED TO SECOND AMENDMENT PROPERTY. This Second Amendment is limited to and applies only to development of the Second Amendment Property and does not affect or apply in any manner with respect to the development of any other property within the Sierra Vista Specific Plan Area, including without limitation, any other portion of the Property.

4. AMENDMENT. This Second Amendment amends, but does not replace or supersede, the Development Agreement, except as specified herein. As amended hereby with respect to the Second Amendment Property, the Development Agreement remains in full force and effect.

5. FORM OF AMENDMENT. This Second Amendment is executed in two duplicate originals, each of which is deemed to be an original.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Second Amendment in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 2022.

CITY OF ROSEVILLE,
a municipal corporation

SV 218, LLC, a California limited
liability company

By: _____

By: _____

Dominick Casey
City Manager

Martin Z. Ziegler
Manager

ATTEST:

By: _____
Carmen Avalos
City Clerk

APPROVED AS TO FORM;

By: _____
Michele Sheidenberger
City Attorney

APPROVED AS TO SUBSTANCE:

By: _____
Mike Isom
Development Services Director

Exhibit A

Legal Description of Second Amendment Property

All that real property situate in the City of Roseville, County of Placer, State of California, located in Section 36, Township 11 North, Range 5 East, M.D.M. and being all of Lot 1, as said Lot is shown on that certain Large Lot Subdivision Map entitled, "Sierra Vista DF Properties Inc., Large Lot Subdivision, Subdivision NO. 15-0192", filed for record in the office of the Recorder of said County in Book 'FF' of Maps, at Page 21, Official Records.

Exhibit B

Depiction of Second Amendment Property

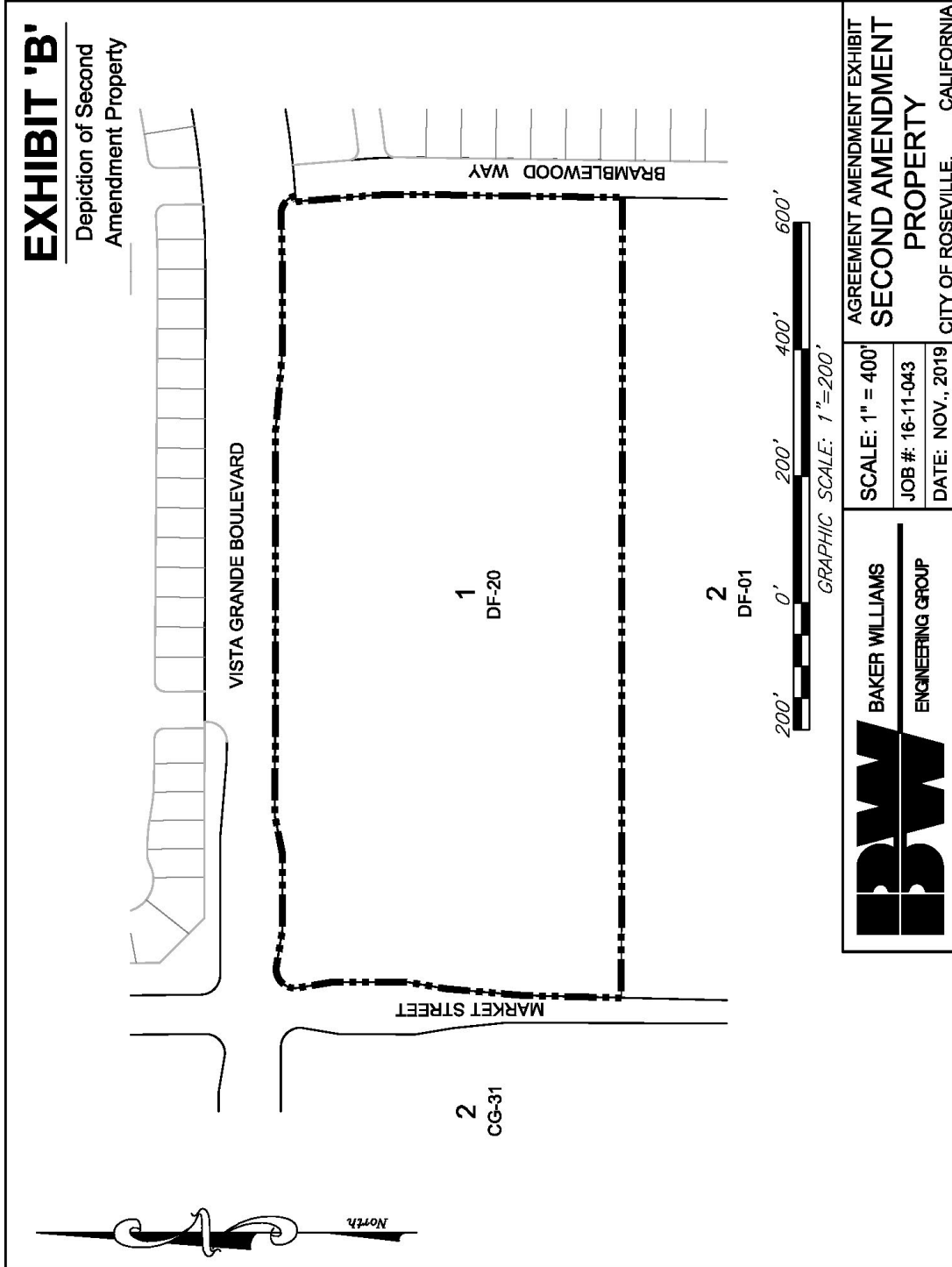


Exhibit C

Affordable Housing Sites

