

Recording Requested by:

CITY OF ROSEVILLE

When Recorded Mail to:

City Clerk
City of Roseville
311 Vernon Street
Roseville, CA 95678

Exempt from recording fees
Pursuant to Govt. Code 27383



PLACER, County Recorder

JIM MCCAULEY

DOC- 2007-0036507-00

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(THIS SPACE RESERVED FOR RECORDER'S USE)

SEVENTH AMENDMENT OF DEVELOPMENT AGREEMENT RELATIVE TO THE
NORTH ROSEVILLE SPECIFIC PLAN (DIAMOND CREEK VILLAGES)

HA 5/1

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

City Clerk
City of Roseville
311 Vernon Street
Roseville, CA 95678
Attn: Sonia Orozco

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**SEVENTH AMENDMENT OF
DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF ROSEVILLE AND DIAMOND CREEK PARTNERS
RELATIVE TO THE NORTH ROSEVILLE SPECIFIC PLAN
(Diamond Creek Villages)**

THIS SEVENTH AMENDMENT (the "**Seventh Amendment**") is entered into this 7th day of March, 2007 by and between the CITY OF ROSEVILLE, a municipal corporation ("**City**"), and DIAMOND CREEK PARTNERS, LTD., a California limited partnership (hereinafter "**Landowner**"), pursuant to the authority of Section 65864 through 65869.5 of the Government Code of California.

WITNESSETH:

A. On September 19, 1997, the City and Landowner entered into that certain agreement entitled "Development Agreement By and Between The City of Roseville and Diamond Creek Partners Relative to the North Roseville Specific Plan", which was recorded in the Official Records of Placer County on September 29, 1997, as Document No. 97-0059806 (the "**Original Development Agreement**").

B. Thereafter, City and Landowner entered into the following Amendments to the Original Development Agreement: the First Amendment, dated August 31, 1998 and recorded September 15, 1998 as Document No. 98-0073814; the Second Amendment, dated November 30, 1999 and recorded December 15, 1999 as Document No. 1999-0106726; the Third Amendment, dated October 9, 2002 and recorded November 14, 2002 as Document No. 2002-0143109; the Fourth Amendment, dated April 20, 2004 and recorded May 7, 2004 as Document No. 2004-0058294; the Fifth Amendment, dated September 15, 2004 and recorded November 12, 2004 as Document No. 2004-0151579; and the Sixth Amendment, dated March 15, 2006 and recorded March 21, 2006 as Document No. 2006-0029929 (collectively, the "**Prior Amendments**"). The Prior Amendments and Original Development Agreement are collectively referred to herein as the "**Development Agreement**." Except as otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed thereto in the Development Agreement.

C. This Seventh Amendment amends the Development Agreement as to the property identified in the North Roseville Specific Plan as Parcel 30, Parcel 31, and the portion of Parcel 33 excluding the approximately 1.2 acre Lakemont Parcel, which property is more particularly described in **Exhibit "A"** attached hereto (the "**Villages Property**"). This Seventh Amendment shall run with the land with respect to the Villages Property.

D. On November 9, 2006, the City Planning Commission, designated by Roseville Ordinance No. 3014 as the planning agency for purposes of development agreement review pursuant to Government Code Section 65867, in a duly noticed and conducted public hearing, considered this Seventh Amendment and recommended that the City Council approve this Agreement.

E. On February 21, 2007, the City Council ratified as adequate and complete the Addendum to North Roseville Specific Plan EIR and Mitigated Negative Declaration (the "**Addendum**") for the mixed use commercial and residential development of the Villages Property (the "**Project**"). Mitigation measures were suggested in the Addendum and are incorporated in the Project and in the terms and conditions of this Agreement, as reflected by the findings adopted by the City Council concurrently with this Agreement.

F. The City Council has determined that the adoption of this Seventh Amendment involves no new impacts not considered in the Addendum; therefore, no further environmental documents relating to the adoption of this Agreement are required.

G. The City Council has found and determined that this Seventh Amendment of the Development Agreement is consistent with the General Plan and the North Roseville Specific Plan.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Amendment of Development Agreement. The following sections of the Development Agreement for Parcel 30, Parcel 31, and the portion of Parcel 33 excluding the approximately 1.2 acre Lakemont Parcel, are hereby amended as follows:

a. Revised Recital 5 (Entitlements). Recital 5 is revised with respect to the Villages Property to read as follows:

"5. Entitlements. The City Council has approved the following land use entitlements for the Villages Property, which entitlements are the subject of this Agreement:

5.1 The Roseville General Plan, as amended by Resolution No. 07-103;

5.2 The North Roseville Specific Plan, as amended and adopted by Resolution No. 07-104, (the "**Specific Plan**");

5.3 The Rezoning of the portion of the Villages Property for single family and town house residential use, for mixed use commercial residential use and for increased building square footage for the remaining commercial portion, all pursuant to Ordinance No. 4505, dated March 7, 2007;

5.4 The Tentative Subdivision Map (the “**Tentative Map**”) and Design Guidelines for development of the residential and mixed use residential commercial portions of the Villages Property, as approved by the Planning Commission; and

5.5 This Seventh Amendment to Development Agreement, as adopted by Ordinance No. 4506 (the “**Adopting Ordinance**”) and as amended hereby.

The approvals described in paragraphs 5.1 through 5.4, inclusive, are referred to herein as the “**Entitlements.**”

b. Revised Section 2.2 (Vested Entitlements). All references in the Agreement with respect to **Exhibit "B"** shall refer to **Revised Exhibit "B"** attached hereto. The approximate land use acreages set forth in Section 2.2 of the Development Agreement with respect to the Villages Property are revised to read as follows:

Small Lot, Medium Density Residential	131 units (MDR-10.7) on 12.29± acres
Townhouses, Medium Density Residential	8 units (MDR-10.6) on 0.75± acres
Condominium, High Density/Commercial Mixed Use	on 6.52 acres (HDR- 54/CC)
Condominium, High Density	352 units
Commercial	75,000 sq. ft.
Commercial	120,663 sq. ft. on 10.36± acres
Neighborhood Park/Green Space	0.5± acres

c. Revised Section 2.6 (Affordable Housing). Section 2.6 of the Development Agreement is hereby revised in its entirety with respect to the Villages Property to read as follows:

"2.6 Affordable Housing. In accordance with the goals and policies contained in City's General Plan, and subject to the provision by Landowner of affordable housing as described below and the other terms of this Agreement, Landowner shall develop or cause ten percent (10%) of the total residential units which are actually constructed within the residential portion of the Villages Property (under a breakdown of 2% of total development affordable to middle income households, 4% affordable to low income households, and 4% affordable to very low income households) to be developed as affordable housing. This affordable obligation shall be satisfied within the high-density multifamily, residential condominium development within Parcel DC-31B, provided, however, Landowner may elect to satisfy some or all of the low and very-low income affordable obligations off-site in accordance with Section 2.6.3 below. In accordance with the terms of this Section and subject to adjustment based on actual development, and except as may otherwise be provided off-site, Landowner shall provide ten (10) units affordable for purchase to middle income households in accordance with the provisions of Section 2.6.1 below and shall provide twenty (20) units affordable for rent to very low income households in accordance with the provisions of Section 2.6.2 below. Except as may otherwise be provided off-site, Landowner shall also provide twenty (20) units affordable to low income households, which may be provided either for purchase in accordance with the provisions of Section 2.6.1 below or for rent in accordance with the provisions of Section 2.6.2 below. Any adjustment based on

actual development shall be subject to the approval of the City Manager and/or Housing Programs Manager (collectively, the "Housing Programs Manager").

For purposes of this Agreement, the term "very low income" means households earning fifty percent (50%) of median income or less, "low income" means households earning not more than seventy percent (70%) of median income, and "middle income" means households earning not more than one hundred percent (100%) of median income. Median income and allowable assets shall be determined in accordance with the General Plan Housing Element and City policy.

"2.6.1 Affordable Purchase Residential Units. Landowner agrees that, subject to the provisions of Section 2.6 above, twenty (20) condominium residential units may be reserved in Parcel DC-31B for participation in the City's low income affordable purchase program, and ten (10) condominium residential units shall be reserved in Parcel DC-31B for participation in the City's middle income affordable purchase program.

2.6.1A Agreement Required. Prior to the approval of each (if more than one) final residential condominium subdivision map containing affordable purchase units, the parties shall enter into City's then current form Affordable Purchase Housing Development Agreement for such affordable purchase units. Specific requirements of the agreement will be determined by the Housing Program Manager.

2.6.1B Content. The Affordable Purchase Housing Development Agreement(s) shall, for the residential condominium subdivision, set forth, among other things, the distribution of affordable housing units within the condominium project (provided that, with approval of the Housing Programs Manager, affordable units may be moved within the condominium project without requiring amendment to the Affordable Purchase Housing Development Agreement), and Landowner's obligations for marketing the affordable units.

The Affordable Purchase Housing Development Agreement shall include specific requirements for marketing affordable purchase units, inclusion or modifications of amenities, exterior materials and finishes, alternate means of satisfying the affordable housing obligation, and good faith efforts requirements.

2.6.1C No City Subsidies. Landowner agrees to provide any low-income affordable purchase units and all of the middle-income affordable purchase units without subsidy from the City.

2.6.2 Multi-Family Affordable Rental Units. Subject to Landowner's election to provide any affordable units for purchase to low income households pursuant to Section 2.6.1 above, Landowner agrees that twenty (20) units will be reserved for rental to low income households and twenty (20) units will be reserved for rental to very low income households within Parcel DC-31B for development, in accordance with the terms of this Agreement. If Landowner elects to provide affordable purchase opportunities for low income households, each of those units identified for low income purchase will be credited on a unit for unit basis against the low income rental obligation as stated above.

2.6.2A Agreement Required. Prior to issuance of a building permit for a structure on such parcel, City and Landowner shall enter into an Affordable Rental Housing Development Agreement (or applicable City-approved form) with Landowner or its successor giving effect to the intent of this section. The term of the Agreement shall require the affordable units to be rented only to qualified affordable households for a term of thirty (30) years, commencing from the date of issuance of a certificate of occupancy for each affordable unit.

2.6.2B Content. The Affordable Rental Housing Development Agreement(s) shall, for the residential condominium subdivision, set forth, among other things, the distribution of affordable housing units within the condominium project (provided that, with approval of the Housing Programs Manager, affordable units may be moved within the condominium project without requiring amendment to the Affordable Rental Housing Development Agreement), and Landowner's obligations for marketing the affordable units for rent. No City subsidies will be required for Landowner's provision of residential rental units affordable to low and very low-income households.

The Affordable Rental Housing Development Agreement shall include specific requirements for marketing affordable rental units, inclusion or modifications of amenities, exterior materials and finishes, alternate means of satisfying the affordable housing obligation, and good faith efforts requirements.

2.6.3 Off-Site Affordable Units. As an alternative to providing some or all of the low and/or very low income affordable units within Parcel DC- 31B, Landowner may, upon approval of the Housing Programs Manager, develop affordable housing off-site within the City, which housing may consist of new construction or redevelopment of existing housing. The transfer of this affordable obligation from Parcel DC-31B to other replacement property within the City shall be contingent upon Landowner entering into the applicable affordability agreement with the City on terms acceptable thereto, including time frames for completion of the new or redeveloped affordable housing units, and recording such agreement against the replacement property. The identification and process of recordation of the applicable agreement (either purchase or rental) of the transfer site(s) for the affordable very low or low income housing units for this project shall be identified before the final map is recorded for Parcel DC-31B. In addition, the Landowner shall have sufficient ownership interest of such transfer site before the final map is recorded for Parcel DC-31B to allow for recordation of the affordability agreement.

2.6.4 Facilities Districts. The Housing Program Manager shall maintain a list of the very low and low-income affordable purchase and rental units that are being maintained under an affordability agreement (or applicable City-approved form) and, on or about May 1 of each calendar year, shall send a copy thereof to the City Finance Director. In reliance thereon, when determining the special taxes to be levied against such affordable units each year by either the Existing Facilities CFD or Additional Facilities CFD described in Section 3.14 herein, to the extent permitted by law. Similarly, when determining the special taxes to be levied against such affordable units each year by the CFD's, to the extent permitted by law, the Finance Director shall set the applicable special tax for the very low

and low income affordable units by using a factor of one-half (1/2) times the special tax levied by such CFD's for an unrestricted multi-family unit.

“2.6.5 Effect of New Legislation. Should state or federal legislation be enacted that mandates that the City implement an affordable housing production standard that differs from the affordable housing obligations set forth in this Agreement, Landowner shall be obligated to comply with such mandated standard provided that (i) such standard is implemented City-wide; and (ii) City does not apply such standard retroactively to residential units already constructed in the Project to require more than ten percent (10%) of those units to be affordable to low income households.”

d. Revised Section 3.2.7 (Parks and Open Space). Section 3.2.7 of the Development Agreement is hereby revised in its entirety to read as follows:

“3.2.7 Parkland Dedications. Landowner is required to dedicate the equivalent of 3.5 acres each of open space, neighborhood and city-wide parkland in order to satisfy its 10.5 acre obligation.

3.2.7A Neighborhood Parkland Dedication. In accordance with the parkland dedication requirement for the Villages Property, Landowner shall provide in consideration of dedication a small .25 acre minimum private pocket park and green space in an acceptable location and configuration on the Villages Property as shown on the Tentative Map. Landowner shall develop, and the POA shall own and maintain said park as a private recreation amenity. In addition, Landowner agrees to assist City with development of the 3.6 acre parcel in Hughes Park along Bent Tree Way, by generation of new neighborhood park fees from the new units associated with this rezone project, as well as provide a meeting space for neighborhood meetings and provide other assistance as directed by City staff to gain approval of development of this site. For this assistance and the provision of the POA .25 private park and green space, Landowner will receive 3.5 acres of credit towards its neighborhood parkland dedication obligation.

3.2.7B City Wide Parkland Dedication. To satisfy Landowner's City Wide Parkland dedication requirement, Landowner shall, at Landowner's sole expense, design and install a surface dry-creek streambed to convey stormwater drainage from McCloud Way to Diamond Creek on parcel DC 52 to allow additional use of that park site. The design of such surface streambed shall begin north of the discharge point of the existing drain pipe for McCloud Way and shall include a culvert to allow the stormwater drainage to flow underneath the planned bike trail to be located within parcel DC-52. The design, location and configuration of the surface streambed shall be subject to the review and approval of the City and shall be installed consistent with Landowner's existing 404 Permit for development of Diamond Creek. This design and installation by Landowner to allow additional use of parcel DC 52 shall be deemed equivalent to 3.5 acres of City Wide park dedication obligation. The costs of this work shall be eligible for reimbursement by the Additional Facilities CFD described in Section 3.14.4 below, but shall not be credited against the City Wide Park Fees to be paid by Landowner pursuant to Section 3.2.7E(b) below.

3.2.7C Open Space Dedication. Except as otherwise expressly provided herein, the Open Space Component of the Landowner's parkland dedication requirement shall be satisfied by the payment of in-lieu park fees for the 3.5 acres, at \$70,000 per acre, which equates to \$245,000 (the "**In-Lieu Open Space Payment**"). This In-Lieu Open Space Payment shall be paid as and when Landowner is issued building permits for development of multifamily condominium units within Parcel 31-B at \$696 per unit (352 units divided by \$245,000); no portion of this In-Lieu Open Space Payment shall be required to be paid by Landowner with respect to Landowner's development of the single family or townhome units planned for Parcels 31-A or 31-C of the project.

If the City amends its method for calculating open space parkland dedications prior to issuance of the first building permit for multifamily condominium development of Parcel 31-B, the In-Lieu Open Space Payment will be adjusted accordingly.

3.2.7E Park Fees and Credits :

- (a) **Neighborhood Park Fees.** Each single family unit within the project will be subject to paying the current established single family Neighborhood Park Fee, which is initially \$2,394 per residential unit. Each townhome or multifamily unit within the project will be subject to paying the current established multifamily Neighborhood Park Fee, which is initially \$1,597 per residential unit.
- (b) **City Wide Park Fees.** Each residential unit within the project will pay the City Wide Park Fee of \$1,781, with a credit of \$554.00 for meeting land dedication requirements, for a net City Wide park fee of \$1,227 per residential unit.
- (c) **Pooled Unit Park Fees.** The parties still further acknowledge and agree that the 30 units remaining unused from the original plan area have an obligation to pay the pooled unit park fee of \$516.00 per unit. This fee shall be charged on the first 30 units developed in the project and will be paid upon issuance of those building permits.
- (d) **Annual Fee Adjustments.** All park fees outlined above, excluding the open-space dedication in-lieu payment, are subject to standard annual City fee adjustment increases on July 1."

e. Revised Section 3.3 (School Fee Agreements). Section 3.3 of the Development Agreement is hereby revised in its entirety to read as follows:

"3.3 School Fee Agreements. Landowner has entered into separate written agreements with the Roseville City School District and the Roseville Joint Union High School District to fully mitigate the impacts of development of the Villages Property on said school districts. These agreements have been updated to reflect the new school population resulting from the Project. Landowner has provided City with executed copies of such updated agreements. From and after execution thereof, City agrees that so long as

Landowner is not in default of said agreements, City shall not refrain from approving any subdivision maps or other such entitlements for the Villages Property or from issuing any building permits for development thereof consistent with the Entitlements on the basis of adverse impacts of such development on school facilities. Landowner agrees that a default under either of these school agreements shall also constitute a default under this Agreement with the City. Either School District may request that the City join in its agreement with Landowner to evidence the City's support thereof and the City will cooperate therewith and join in either school agreement as an additional party thereto, subject to its approval of the terms and conditions thereof."

f. Revised Section 3.4 (Electric). Section 3.4 of the Development Agreement is hereby revised in its entirety to read as follows:

3.4 Electric. Landowner shall provide electric utility improvements as provided in this section.

3.4.1 Public Utilities Within Rights-of-Way. All public utilities shall be located within the rights-of-way to be granted by Landowner to City for the arterials, collectors and other local streets within the Villages Property or within public easements granted by Landowner to City for such purposes. Accordingly, upon approval of the final large lot subdivision map (or any phase of it), or demand of the City based upon service needs (which may include needs generated by other nearby development within the Plan Area), Landowner agrees to grant to City the rights-of-way for any arterials, collectors, local streets, or public easements that include the area within which such public utilities will be located. If such utilities need to be installed prior to the construction of the applicable street(s), Landowner shall grant a temporary public utility easement which shall merge with the rights-of-way upon completion of the applicable street improvements. The width of the rights of way, including the area for utilities, for the applicable roadways shall be as shown in Table 4-1 of the Specific Plan.

Landowner shall also grant and convey to City with each of the foregoing easements a non-exclusive, co-extensive easement for sidewalk/pedestrian egress purposes. Each such easement shall be as depicted in the Specific Plan and shall be located within right-of-way for the adjacent roadway as shown in the Plan.

Nothing in this Agreement shall be construed to limit or restrict the right of the City to require the dedication of an easement for utility purposes related to development of any parcel when such requirement would be otherwise consistent with the reasonable exercise of the police powers of the City and is reasonably related to a requirement to serve the parcel or parcels adjacent to the easement.

Landowner shall include a notice in the project CC&R's and its sales document advising property owners adjacent to the public utility easements in which 60kV overhead lines may be constructed (as shown on Exhibit "E-2") that the City may utilize portions of these easements to construct 60kV overhead electric lines.

3.4.2 Streetlights. Concurrently with the construction of the adjacent roadways, Landowner agrees to construct, or finance construction of, streetlights within the Villages Property, as directed by the Electric Utility Director. Except as may otherwise be permitted by the Electric Utility Director, no street shall be opened to the public unless and until streetlights have been installed in accordance with applicable requirements of the Electric Department.

3.4.3 Electric Facilities. Concurrently with the construction of the adjacent roadways, Landowner agrees to construct, or finance the construction of, on-site 12kV electric distribution facilities as directed by the Electric Utility Director. Landowner shall construct or finance construction of on-site 12kV electric distribution facilities in accordance with final on-site electric distribution designs for the Project as directed by the Electric Utility Director in accordance with applicable City Electric Utility Department Specifications. Final on-site electric utility improvements including street lights will be designed upon receipt of approved and adopted improvement plans for the applicable Project roadways. Any relocation, rearrangement, or change to the existing electric facilities due to this development shall be at the Landowner's expense.

3.4.4 Electric Efficiency. In order to insure the energy efficiency rating of the all air conditioning, the following parameters must be met or exceeded:

1. Residential: A minimum Seasonal Energy Efficiency Rating (SEER) of 2 points above the minimum, as defined by the State of California in Title 24 of the Code of California Regulations, and an Energy Efficiency Ratio (EER95) of 12 or greater, and a thermal expansion valve (TXV). The SEER/EER95 ratings will be specified on building plans and Title 24 compliance certificates at the time building permits are requested. The EER95 rating will be verified with appropriate documentation to the satisfaction of the Electric Utility Director.
2. Commercial: All air conditioning units 5 tons or less (<65,000 Btu/h) shall meet the Consortium for Energy Efficiency (CEE) Tier II specifications. The SEER/EER95 ratings will be specified on building plans and Title 24 compliance certificates at the time building permits are requested. The EER95 rating will be verified with appropriate documentation to the satisfaction of the Electric Utility Director.

In a further effort to reduce the residential energy load, the Landowner is encouraged to participate in the new construction energy efficiency programs, with regards to all dwelling units in the Project area. All energy efficiency programs are voluntary incentive based programs offered by Roseville Electric.

g. New Sections 3.6.10 through 3.6.13 (Water and Construction Waste). New Sections 3.6.10 through 3.6.13 are hereby added as follows:

“3.6.10 Re-Circulating Hot Water System. For the purpose of providing a water conservation opportunity, every residential unit within the Project shall include a recirculating hot water system, or similar technology to provide instantaneous hot water at each hot water faucet.”

“3.6.11 Contribution to Water Meter Retrofit Program. In furtherance of its water conservation program, City has implemented a Water Meter Retrofit Program. To participate in the Water Meter Retrofit Program and to provide a benefit to the City and existing residents, Landowner shall pay to City, at the time of building permit for each residential unit, the sum of \$115.00 per dwelling unit equivalent (DUE) inflated annually based upon

the Construction Cost Index for the United States average of the 20-cities and San Francisco (CCI). Should the CCI no longer exist, the Director of Environmental Utilities shall choose a similar index which in his/her opinion fairly estimates the inflation factor applicable to construction.”

“3.6.12 Water Softener Stubouts. As part of its development of the project, neither Landowner nor its successors shall provide water stubouts for the installation of water softeners. Villages Property CC&Rs shall prohibit the use and installation of water softeners.”

“3.6.13 Construction Waste. Landowner shall require construction contractors and subcontractors to reduce construction waste by recycling a minimum of 50% of construction materials or that all construction debris be delivered to the Placer County Western Regional Materials Recovery Facility where recyclable material will be removed. Landowner shall require that contractors and subcontractors submit to the City’s Environmental Utilities Department monthly records of waste diversion and disposal in order to verify compliance with this requirement.”

h. Revised Section 3.9.12 (Master Plan Funding). Section 3.9.12 is hereby revised in its entirety to read as follows:

“3.9.12 Transit Master Plan and Bikeway Plan Funding. Landowner shall pay its fair share, on a City-wide basis, of the Long Range Master Transit Plan (LRMTP), the Short Range Transit Plan (SRTP), and Bikeway Master Plan (BMP) for the Project. The fair share cost for this project is \$20/unit for the LRMTP, \$20/unit for the SRTP and \$20/unit for the BMP. Total City-wide fair share costs for all plans shall not exceed \$60 per residential unit. The fair share payment of \$60 per residential unit for all master plans shall be paid to the City upon issuance of the building permit for each unit within the Project.”

i. Revised Section 3.9.13 (TSM - Residential Distribution of Marketing Materials). Section 3.9.13 is hereby revised to add the following at the end thereof:

“Upon close of escrow for the sale of each residential unit, Landowner shall provide educational and marketing materials for alternative modes of transportation (i.e., deliver a Roseville Transit Services Guide and Bikeways Map) to each new homeowner with a 10-ride general public punch pass for fixed route services. The packets of marketing materials and 10-ride punch passes shall be purchased by Landowner for the entire subdivision prior to occupancy of the first unit.”

j. New Section 3.10.6 (Community Benefit Fee). New Section 3.10.6 of the Development Agreement is hereby added as follows:

“3.10.6 Community Benefit Fee. As partial consideration for this Agreement, to offset a portion of the impact of the Project and the associated tax sharing agreement with Placer County, and to ensure that the Project will benefit current and future residents of Roseville, Landowner shall pay a Community Benefit Fee at the time of obtaining each

residential building permit for the Project. The Community Benefit Fee for each low density and medium density residential unit shall be \$1,530. The Community Benefit Fee for each high density residential unit shall be \$1,010.”

k. New Section 3.10.7 (South Placer Animal Control Shelter Fee). New Section 3.10.7 of the Development Agreement is hereby added as follows:

“3.10.7 South Placer Animal Control Shelter Fee. Landowner shall pay the South Placer Animal Control Shelter Fee for the future construction of a South Placer Animal Control Shelter. The fee shall be paid upon issuance of each residential building permit in the amount of fifty dollars (\$50) per dwelling unit which amount shall be inflated annually based upon the Construction Cost Index for the United States average of the 20-cities and San Francisco (CCI).”

l. New Section 3.10.8 (Air Quality Program). New Section 3.10.8 of the Development Agreement is hereby added as follows:

“3.10.8 Air Quality Mitigation. Landowner agrees that none of the residential units will be installed with wood stoves or wood fireplaces and any such stoves or fireplaces shall be limited to natural gas. The Villages Property CC&R’s shall include a restriction against any subsequent installation of wood stoves or wood fireplaces within any residential units.”

m. New Section 3.10.9 (Public Street Improvements). New Section 3.10.9 of the Development Agreement is hereby added as follows:

“3.10.9 Public Street Improvements – Land Owner shall construct those Public Street Improvements as specified in this section.

3.10.9.1 Blue Oaks Boulevard Widening. Landowner and City shall work together to establish a Reimbursement Agreement to design and install the improvements to widen Blue Oaks Boulevard to three (3) west bound travel lanes between Foothills Boulevard and Crocker Ranch Road, including but not limited to, road widening, transition lanes, signal modifications, stripping, and other facilities and appurtenances related thereto as deemed necessary or appropriate by the City, and landscaping east of the Woodcreek Blvd extension for a distance of 500+/- feet. (collectively, the “**Blue Oaks Widening**”). Such design and construction shall occur at the same time as Landowner is designing and installing the additional frontage improvements to Blue Oaks Boulevard adjacent to the Villages Property. Prior to the commencement of Design and Construction, the Landowner shall provide the City with a preliminary cost estimate for all portions of work. Construction shall be computed using prevailing wages. During Landowner’s design of its additional frontage improvements along Blue Oaks Boulevard, Landowner shall retain an engineer acceptable to the City to design the Blue Oaks Widening, subject to the City funding all costs of such design on a monthly basis as and when such costs are incurred by Landowner (i.e., such that Landowner is not obligated to contribute to or advance any of the costs thereof). Similarly, when Landowner seeks to construct its additional frontage along Blue Oaks Boulevard, as part of its bid package for such work, Landowner may, at its option, either include the Blue Oaks Widening as part such package (with instructions to segregate the costs of such work

from the additional frontage improvements) or separately bid the Blue Oaks Widening from such additional frontage improvements; Landowner's acceptance of any bid for the Blue Oaks Widening shall be subject to the City's review and approval. In consideration of Landowner's entering into any approved construction contract for the Blue Oaks Widening, City shall fund all costs of the construction on a monthly basis as and when such costs are incurred by Landowner (i.e., such that Landowner is not obligated to contribute to or advance any of the costs thereof). City shall also pay Landowner a construction management fee equal to four percent (4%) of the cost of such design and construction at the same time that City is funding such design and construction costs. Landowner shall use good faith, diligent efforts to complete the Blue Oaks Widening on a timely basis.

Landowner is offering to manage the design and construction of the Blue Oaks Widening as an accommodation to the City and at City's sole cost and expense. City acknowledges that development of the Villages Property is not contingent on the completion of such work. Accordingly, any failure by Landowner to diligently pursue or complete such work shall not affect or limit the rights and obligations of Landowner and City hereunder to proceed with development of the Villages Property in accordance with the terms of this Agreement and the entitlements vested hereby. In particular, and without limitation thereof, the acceptance of Landowner's additional frontage improvements along Blue Oaks Boulevard shall not be dependent upon the completion of the Blue Oaks Widening.

3.10.9.2 Parkside Way. Parkside Way shall be constructed in its entirety upon the first of either the development of Large Lot Parcel 2, Large Lot Parcel 3, the extension of Street "B" north through Large Lot Parcel 1, or the development of the remaining property north of Parkside Way.

3.10.9.3 Pedestrian Walkway on West Side of Diamond Creek Blvd. With the construction of any portion of the project southeast of Diamond Creek Blvd. and Parkside Way, the minimum of a temporary 2-inch thick AC pedestrian path shall be constructed on the west side of Diamond Creek Blvd to provide a connection between Blue Oaks with Parkside Way.

3.10.9.4 Driveway Location North. The driveway location to the development north of Parkside Way shall be located half way between the intersection of Street "B" North and the traffic circle to the east."

n. New Section 3.14.4 (Additional CFD). New Section 3.14.4 of the Development Agreement is hereby added as follows:

"3.14.4 Formation of Additional CFD. Pursuant to Section 3.14.1 of the Agreement, the City and Landowner caused the formation of the City of Roseville North Roseville Community Facilities District #1 (the "Existing Facilities CFD"). In consideration of the rezoning of Parcel 31, City and Landowner shall use their best efforts and subject to applicable laws of the Government Code to cause the formation of an additional community facilities district to finance additional facilities and services related to the Project (the "**Additional CFD**"). Landowner's property shall be subject to the levy of special taxes in a

fair and proportionate manner as specified in a tax formula agreed to by City and Landowner in accordance with the financing plan for the Additional CFD.

Any formation of the Additional CFD shall include a services component of the special tax for Stormwater Management to provide funds required for conducting, managing and financing the Project's portion of the City's Stormwater Management Program. Services for Stormwater Management shall initially be budgeted at \$18 per unit annually to be escalated in an amount equal to two percent (2%) in each fiscal year following the base tax year of 2007/2008.

Concurrent with the formation of the Additional CFD, Landowner, or any successor thereto constructing facilities to be financed by the Additional CFD, shall enter into a shortfall and acquisition agreement with the City, in form and substance acceptable to the City.

o. New Section 3.16.4 (Additional Service District). New Section 3.16.4 of the Development Agreement is hereby added as follows:

"3.16.4 Additional Services District Formation, Consent, Waiver and Special Benefit. No residential building permit shall be issued until the Villages Property has been annexed into the City's Community Facilities District No. 3 (Municipal Services), which currently levies an annual special tax at the per unit tax rate of \$293 per single family unit, \$196 per townhome, and \$196 per multifamily unit, and will be subject to adjustment in accordance with the terms of said District."

p. New Section 3.18 (Property Owners Association and Disclosures). New Section 3.18 is hereby added as follows:

"3.18 Property Owners Association and Disclosures

"3.18.1 Property Owners Association. Landowner shall establish a Property Owners Association ("POA"), or alternative private financing mechanism, for the purpose of funding the maintenance obligations described in this Section. The maintenance obligations required by this Agreement to be funded by the POA and/or alternative private financing mechanism are as follows: (i) maintenance of the private use common areas, including any landscaping, potted planters, specialty landscape enhancement areas, entry monumentation and signage, masonry walls and/or fences, parks and pedestrian and/or bicycle pathways located within such common areas; (ii) maintain and repair of all the private roadways, alleys and shared driveway aisles located within the Villages Property, including, where applicable, the sidewalks that are appurtenant thereto; and (iii) maintenance and repair of the .25 acre private pocket park and green space areas referred to in Section 3.2.7A above.

3.18.2 The Project CC&Rs shall disclose the location of bus stops and the possible operation of bus service in the locations identified on the Project Plans.

q. New and Revised Exhibits. New **Exhibit "A"** and **Revised Exhibit "B"** are attached hereto and hereby incorporated into and made a part of the Development Agreement.

2. Consistency with General Plan. The City hereby finds and determines that execution of this Amendment is in the best interest of the public health, safety and general welfare and is consistent with the General Plan.

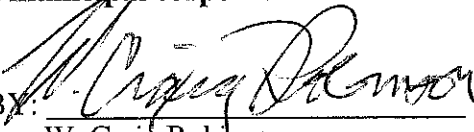
3. Amendment. This Amendment amends, but does not replace or supersede, the Development Agreement except as specified herein. This Amendment only affects the development of the Villages Property described in **Exhibit "A"** attached hereto and does not amend or modify the rights or obligations associated with the development of any other Parcels within the Specific Plan.

4. Form of Amendment. This Amendment is executed in two duplicate counterparts, 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 Amendment in duplicate by its City Manager and the attestation to this Amendment by its City Clerk under the authority of Ordinance No. 4506, adopted by the Council of the City of Roseville on the 7th day of March, 2007, and Landowner has caused this Amendment to be executed.


CITY:

**CITY OF ROSEVILLE,
a municipal corporation**

BY: 

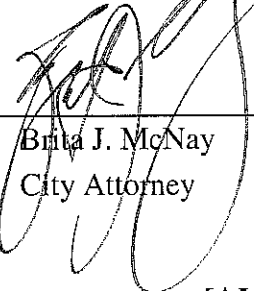
W. Craig Robinson
City Manager

ATTEST:

BY: 

Sonia Orozco
City Clerk

APPROVED AS TO FORM:


BY: 

Brita J. McNay
City Attorney

LANDOWNER:

**DIAMOND CREEK PARTNERS, LTD., a
California limited partnership**

By: Diamond Equities, Inc.,
a California corporation,
General Partner

BY: 

Stephen L. Des Jardins
President

[ALL SIGNATURES MUST BE NOTARIZED]

[ALL SIGNATURES MUST BE NOTARIZED]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

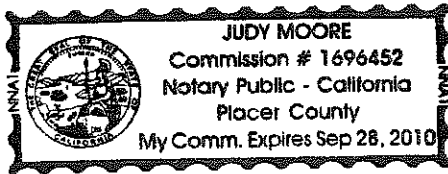
County of Placer

On March 12, 2007 before me, Judy Moore, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared W. Craig Robinson
Name(s) of Signer(s)

personally known to me

(or 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.

WITNESS my hand and official seal.

Place Notary Seal Above

Judy Moore
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: 7th Amendment of Development Agreement - Diamond Creek Villages

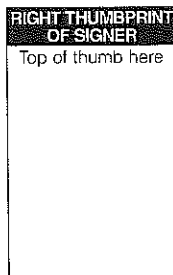
Document Date: March 7, 2007 Number of Pages: 18

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

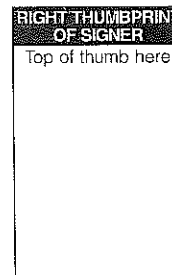
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

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



Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

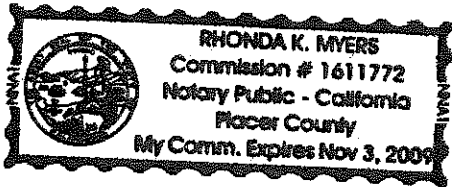
County of Placer } ss.

On February 14, 2007, before me, Rhonda K. Myers, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Stephen L. DesJardins,
Name(s) of Signer(s)

personally known to me

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.



Place Notary Seal Above

WITNESS my hand and official seal.

Rhonda K. Myers
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: 7th Acre to DA - Diamond Creek Village

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer's Name: _____

Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

EXHIBIT A

Legal Description of Villages Property

That certain real property situated in the City of Roseville, County of Placer, State of California, described as follows:

Parcels 30 and 31, as shown on that certain map entitled "Plat of Diamond Creek Large Lot Subdivision", filed in the Office of the County Recorder of Placer County, California, on July 22, 1998, in Book U of Maps, at Page 86; AND

Parcel 2, as shown on that certain map entitled "Parcel Map Lakemont", filed in the Office of the County Recorder of Placer County, California, on February 4, 2005, in Book 32 of Parcel Maps, at Page 44.

APN: 017-115-032-000, 017-115-033-000, 017-115-087-000

REVISED EXHIBIT "B"

Revised Land Use Map for the Villages Property

[To Be Attached]

DC-30	CC/SA	Community Commercial	4.86		
DC-31A	RS/DS	MDR (rezoned)	10.6	12.0	131
DC-31B	R3	MDR (rezoned)	10.7	0.75	8
DC-31C	CC/SA	HDR (rezoned)	54	6.45	352

FIGURE 2-2
PHASE I NEIGHBORHOOD A LAND-USE MAP

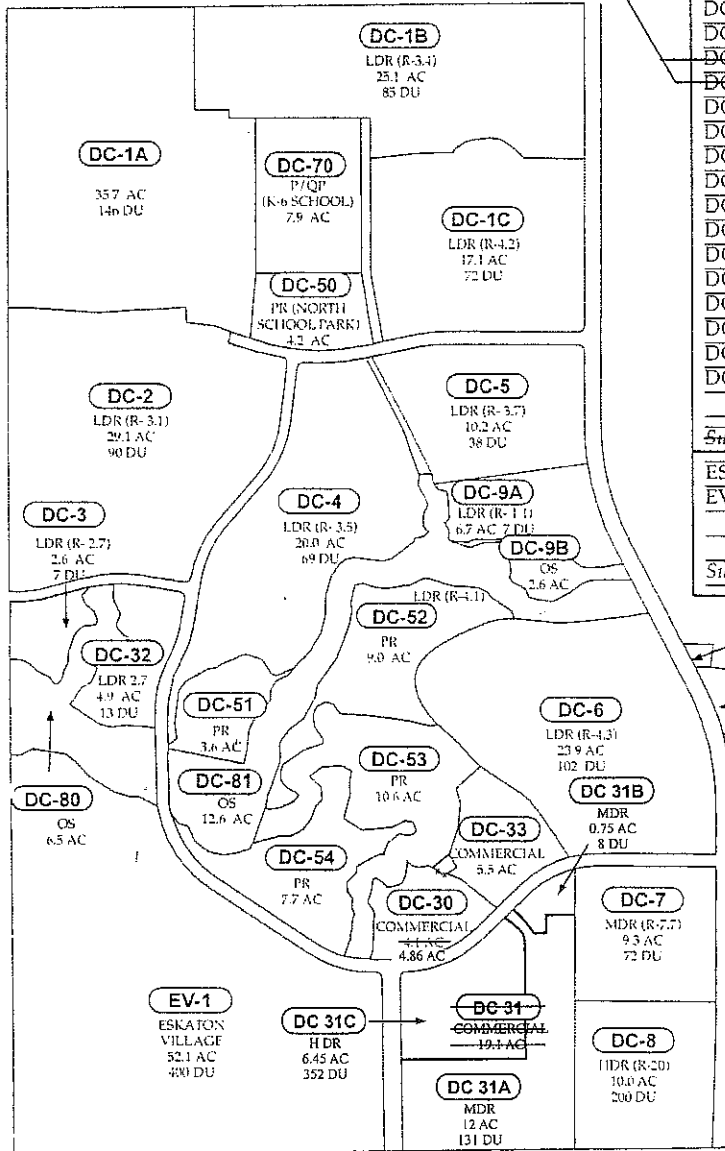


TABLE 2-2
PHASE I: NEIGHBORHOOD A
LAND USE BY PARCEL

ESKATON VILLAGE ROSEVILLE, DIAMOND CREEK					
Land Use by Parcel Table					
Parcel	Zoning	Land Use	Density	Net Acreage	Units
DIAMOND CREEK					
DC-1A	R1	LDR	4.1	35.7	146
DC-1B	R1	LDR	3.4	25.1	85
DC-1C	R2	LDR	4.2	17.1	72
DC-2	R1	LDR	3.1	29.1	90
DC-3	R1	LDR	2.7	2.6	7
DC-4	R1	LDR	3.5	20.0	69
DC-5	R1	LDR	3.7	10.2	38
DC-6	RS	LDR	4.3	23.9	102
DC-7	RS/DS	MDR	7.7	9.3	72
DC-8	R3	HDR	20.0	10.0	200
DC-9A	R1/SA	LDR	1.1	6.7	7
DC-9B	OS	Open Space		2.6	
DC-30	CC/SA	Community Commercial		4.7	
DC-31	CC	Community Commercial		19.1	
DC-32	R-1	LDR (rezoned)	2.7	4.9	13
DC-33	CC/SA	Community Commercial		5.5	
DC-50	PR	North School Park		4.2	
DC-51	PR	Diamond Creek Park		3.6	
DC-52	PR	Diamond Creek Park		9.0	
DC-53	PR	Diamond Creek Park		10.6	
DC-54	PR	Diamond Creek Park		7.7	
DC-70	P/QP	Elementary School ¹		7.9	
DC-80	OS	Open Space		6.5	
DC-81	OS	Open Space		12.6	
DC-90	P/QP	Electric Substation		1.0	
DC-91	P/QP			0.3	
		ROW- Diamond Creek		23.8	
Subtotal Diamond Creek				313.1	961
ESKATON					
EV-1	Eskaton Village				
	CC/SA	Community Commercial		52.1	363
		ROW - Eskaton		0.0	
Subtotal Attached Housing Units				52.1	363

Subtotal Diamond Creek 314.0 1,392

BLUE OAKS BOULEVARD

ORDINANCE NO. 4506

ADOPTING A SEVENTH AMENDMENT TO DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF ROSEVILLE AND DIAMOND CREEK PARTNERS, LTD. RELATIVE TO THE DEVELOPMENT KNOWN AS NORTH ROSEVILLE SPECIFIC PLAN (DIAMOND CREEK VILLAGES) AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. In accordance with Chapter 19.84 of Title 19 of the Roseville Municipal Code (the Zoning Ordinance) of the City of Roseville, the City Council has received the recommendation of the Planning Commission that the City of Roseville enter into a Seventh Amendment to Development Agreement by and between the City of Roseville and Diamond Creek Partners, Ltd., to alter and clarify provisions in the existing Development Agreement relating to the Diamond Creek Villages in the North Roseville Specific Plan with Diamond Creek Partners, Ltd..

SECTION 2. The Council of the City of Roseville has reviewed the findings of the Planning Commission recommending approval of the Seventh Amendment to Development Agreement for the North Roseville Specific Plan, and makes the following findings:

1. The Seventh Amendment to Development Agreement is consistent with the objectives, policies, general land uses and programs specified in the City of Roseville General Plan and the North Roseville Specific Plan;
2. The Seventh Amendment to Development Agreement is consistent with the City of Roseville Zoning Ordinance and Zoning Map;
3. The Seventh Amendment to Development Agreement is in conformance with public health, safety and welfare;
4. The Seventh Amendment to Development Agreement will not adversely affect the orderly development of property or the preservation of property values; and
5. The Seventh Amendment to Development Agreement will provide sufficient benefit to the City of Roseville to justify entering into the Seventh Amendment to Development Agreement.

SECTION 3. The Seventh Amendment to Development Agreement by and between Diamond Creek Partners, Ltd. and the City of Roseville, is hereby approved and the City Manager is authorized to execute it on behalf of the City of Roseville.

SECTION 4. The City Clerk is directed to record the executed the Seventh Amendment to Development Agreement within ten (10) days of the execution of the agreement by the City Manager with the County Recorder's office of the County of Placer.

SECTION 5. This ordinance shall be effective at the expiration of thirty (30) days from the date of its adoption.


SECTION 6. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 7th day of March, 2007, by the following vote on roll call:

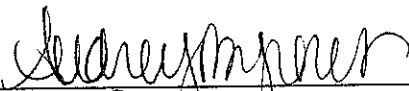
AYES COUNCILMEMBERS: Allard, Roccucci, Garcia, Garbolino, Gray

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None


MAYOR

ATTEST:


for: City Clerk

The foregoing instrument is a correct copy of the original on file in this office.

ATTEST: _____
City Clerk of the City of Roseville, California


DEPUTY CLERK