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WHEN RECORDED MAIL TO:

City of Rocklin  
Attention: City Clerk and Housing Division  
3970 Rocklin Road  
Rocklin, California 95677

Space above this line for recorder's use

**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

(Terracina at Whitney Ranch)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made and entered into as of May 24, 2022 ("Effective Date"), by and between the **City of Rocklin**, a California municipal corporation ("City"), and **Rocklin 688, L.P.**, a California limited partnership ("Owner"), with reference to the following recitals of fact. City and Owner may be individually referred to herein as a "Party," and collectively as "Parties."

RECITALS

A. WHEREAS, Owner is the owner of a leasehold interest in the real property described in Exhibit A, attached hereto, and incorporated herein by reference (the "Property"); and

B. WHEREAS, in connection with the development of a 288-unit multifamily affordable rental housing community known as "Terracina at Whitney Ranch" (the "Project"), the City Council of the City adopted Resolution No. 2021-151 approving a Density Bonus for an additional 23% density for the Project (the "Council Resolution");

C. WHEREAS, pursuant to Condition A.19 of the Council Resolution, the Project shall be subject to an affordability regulatory agreement restricting 285 units at the Project (the "Affordability Condition"); and

D. WHEREAS, City and Owner desire to enter into this Agreement to satisfy the Affordable Condition by imposing affordability restrictions on 285 units at the Project as more fully set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. The following terms have the respective meanings assigned to them in this Agreement.

1.1 “Agreement” means this Regulatory Agreement and Declaration of Restrictive Covenants.

1.2 “City” means the City of Rocklin.

1.3 “Code” means the municipal code of the City of Rocklin.

1.4 “CTCAC” means the California Tax Credit Allocation Committee or any successor agency thereto.

1.5 “Event of Default” shall have the meaning set forth in Section 7.1, below.

1.6 “Extremely Low Income Household” means a household whose income does not exceed 30% of the Median Income applicable to Placer County, adjusted for family size, as published and annually updated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, and as published annually by CTCAC. If such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, then the City will provide other income determinations that are reasonably similar with respect to methods of calculations to those previously published by the state or provide an adequate substitute manner for determining the Median Income.

1.7 “Extremely Low Income Units” means the Units which, pursuant to Section 2, below, are required to be occupied by Extremely Low Income Households.

1.8 “Indemnitees” shall have the meaning set forth in Section 8, below.

1.9 “Low Income Household” means a household whose income does not exceed 60% of Median Income applicable to Placer County, adjusted for family size, as published and annually updated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, and as published annually by CTCAC. If such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, then the City will provide other income determinations that are reasonably similar with respect to methods of calculations to those previously published by the state or provide an adequate substitute manner for determining the Median Income.

1.10 “Low Income Units” means the Units which, pursuant to Section 2, below, are required to be occupied by Low Income Households.

1.11 “Lower Income Household” means a household whose income does not exceed 70% of Median Income applicable to Placer County, adjusted for family size, as published and annually updated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, and as published annually by CTCAC. If such income determinations are no longer published,

or are not updated for a period of at least eighteen (18) months, then the City will provide other income determinations that are reasonably similar with respect to methods of calculations to those previously published by the state or provide an adequate substitute manner for determining the Median Income.

1.12 “Lower Income Units” means the Units which, pursuant to Section 2, below, are required to be occupied by Lower Income Households.

1.13 “Median Income” means the median income adjusted for household size applicable to Placer County as determined annually by the United States Department of Housing and Urban Development as calculated in accordance with the applicable rules and regulations of the California Tax Credit Allocation Committee. If such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, then the City will provide other income determinations that are reasonably similar with respect to methods of calculations to those previously published by the state or provide an adequate substitute manner for determining the Median Income.

1.14 “Owner” means Rocklin 688, L.P., a California limited partnership, or its successor in interest.

1.15 “Property” means the real property described in Exhibit A attached hereto.

1.16 “Project” means the 288-unit affordable apartment complex located at 801 - 818 University Avenue, in the City of Rocklin, Placer County, California

1.17 “Rent” means the monthly total of payments by the tenants of a Unit for the following: use and occupancy of the Unit and associated facilities, including parking; the separately charged fees or service charges assessed by Owner which are required of all tenants, other than security deposits; the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service, internet or television; any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Owner, and paid by the Tenant.

1.18 “Tenant” means an occupant of the Units.

1.19 “Term” means the period of time beginning on the date of the issuance of the last certificate of occupancy for the Units and ending 55 years thereafter.

1.20 “Unit” means each of the 288 multifamily rental units to be constructed on the Property as a part of the Project, to be comprised of 285 Lower Income Units, Low Income Units, Very Low Income Units or Extremely Low Income Units, and 3 unrestricted employee units.

1.21 “Very Low Income Household” means a household whose income does not exceed 50% of the Median Income applicable to Placer County, adjusted for family

size, as published and annually updated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, and as published annually by CTCAC. If such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, then the City will provide other income determinations that are reasonably similar with respect to methods of calculations to those previously published by the state or provide an adequate substitute manner for determining the Median Income.

1.22 “Very Low Income Units” means the Units which, pursuant to Section 2, below, are required to be occupied by Very Low Income Households.

2. Affordability Covenants.

2.1 Occupancy Requirement. 285 of a total of 288 Units in the Project (excluding the three employee units) shall be occupied by Extremely Low Income Households, Very Low Income Households, Low Income Households or Lower Income Households, with the requirement that:

2.1.1 Not less than twenty-nine (29) of the Units shall be rented and occupied by, or if vacant, available for rental in occupancy by Extremely Low Income Households;

2.1.2 Not less than sixty (60) of the Units shall be rented and occupied by, or if vacant, available for rental in occupancy by Very Low Income Households;

2.1.3 Not less than fifty-four (54) of the Units shall be rented and occupied by, or if vacant, available for rental in occupancy by Low Income Households; and

2.1.4 Not less than one hundred forty-two (142) of the Units shall be rented and occupied by, or if vacant, available for rental in occupancy by Lower Income Households.

2.2 Allowable Rent.

2.2.1 Subject to Section 4.2 below, the monthly Rent charged for the Extremely Low Income Units shall not exceed one-twelfth of 30% of 30% of the Median Income applicable to Placer County, adjusted for assumed household size.

2.2.2 Subject to Section 4.2 below, the monthly Rent charged for the Very Low Income Units shall not exceed one-twelfth of 30% of 50% of the Median Income applicable to Placer County, adjusted for assumed household size.

2.2.3 Subject to Section 4.2 below, the monthly Rent charged for the Low Income Units shall not exceed one-twelfth of 30% of 60% of the Median Income applicable to Placer County, adjusted for assumed household size.

2.2.4 Subject to Section 4.2 below, the monthly Rent charged for the Lower Income Units shall not exceed one-twelfth of 30% of 70% of the Median Income applicable to Placer County, adjusted for assumed household size.

2.3 Lease Provisions. The lease for all Lower Income Units, Low Income Units, Very Low Income Units and Extremely Low Income Units shall include provisions which authorize Owner to immediately terminate the tenancy of any Household one or more of whose members misrepresented any fact material as to the Household's qualification as a Lower Income Household, Low Income Household, Very Low Income Household or Extremely Low Income Household to the fullest extent allowed by applicable laws, rules and regulations. Each lease or rental agreement of a Lower Income Unit, Low Income Unit, Very Low Income Unit or Extremely Low Income Unit shall also provide that the Household is subject to annual certification in accordance with Section 4, below.

2.4 Calculation of Rents. The Rent levels, income limits and household size set forth in this Regulatory Agreement shall be calculated in accordance with the applicable rules, regulations and procedures of CTCAC. Owner shall provide City with notice annually of the then-applicable Rent levels. If such CTCAC rent schedules are no longer published, no longer applicable, or are not updated for a period of at least eighteen (18) months, then the City will provide other rent schedules that are reasonably similar with respect to methods of calculations to those previously published by the state or provide an adequate substitute manner for determining the maximum Rent for the applicable Unit.

### 3. Operation and Maintenance of the Project.

3.1 Residential Use. The Project shall be operated for residential use (and related facilities such as common areas, parking facilities and similar amenities) only in accordance with the Code. No part of the Project shall be operated as transient housing or commercial use other than otherwise required by law.

3.2 Taxes and Assessments. Owner shall pay all taxes, assessments, charges, fees, and all franchise, income, employment, old age benefit, withholding, sales, and other taxes, and other governmental charges, levied, imposed, or assessed against it, or payable by it, its income, or the Property otherwise due and payable, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, owner shall have the right to contest, in good faith, any such taxes, assessments, or charges by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. In event Owner exercises its right to contest any tax, assessment or charge, Owner, upon final determination of the preceding, shall immediately pay or discharge any judgment rendered against it, together with all costs, charges and interest. Nothing in this Agreement shall in any way prohibit, limit or condition Owner's right to apply for and receive a partial or total abatement of property taxes, including, without limitation, any abatement available pursuant to Sections 214(g) and/or 236 of the California Revenue and Taxation Code.

3.3 Management and Maintenance. Owner shall operate and manage the Property in the same manner as is customary and usual in the operation and management of affordable apartment communities generally. Owner shall maintain the Project in good repair and condition, and in a neat, clean, and orderly condition, including walkways, driveways, alley ways and landscaping, and, from time to time, make all necessary and proper repairs, renewals, and replacements to all improvements, including the buildings and building systems with the Project.

3.3.1 Management, Maintenance, and Service Responsibilities. Owner shall be responsible for all management, maintenance, and service functions with respect to the Property and the Project, including without limitation the certification and recertification of household income and eligibility, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. City shall have no responsibility for management, maintenance, or service of the Property or the Project.

3.3.2 Repair, Maintenance and Security. Owner shall at its own expense, maintain the Property and the Project in good physical condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions in conformity with all applicable state, federal, and local laws, ordinances, codes, and regulations, reasonable wear and tear accepted. Without limiting the foregoing, Owner agrees to maintain the Project and the Property (including without limitation, the Units, common areas, meeting rooms, landscaping, driveways, commercial building(s) and areas, parking areas and walkways) in a condition free of all waste, nuisance, debris, unmaintained landscaping, graffiti, disrepair, abandoned vehicles/appliances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property or at the Project. Owner shall prevent and/or rectify any physical deterioration of the Property and the Project and shall make all repairs, renewals and replacements necessary to keep the Property and the Project located thereon in good condition and repair.

3.3.3 City's Right to Perform Maintenance. In the event that Owner breaches any of the covenants contained in Section 3.3.2, and such default continues for a period of ten (10) days after written notice from City (with respect to graffiti, debris, and waste material) or thirty (30) days after written notice from City (with respect to landscaping, building improvements and general maintenance), then City, in addition to any other remedy it may have under this Agreement or at law or in equity, shall have the right, but not the obligation, to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the improvements and the landscaped areas on the Property. All costs expended by City in connection with the foregoing, shall constitute indebtedness, and shall be paid by Owner to City upon demand. All such sums remaining unpaid thirty (30) days following delivery of City's invoice therefor shall bear interest at the lesser of 10% per annum or the highest rate permitted by applicable law. The rights and remedies of City set forth herein

shall be in addition to any right or remedy the City may have in the exercise of the City's police powers and nothing herein shall in any way be deemed to limit or abrogate any police or other power the City may have at law.

### 3.4 Non-Discrimination; Compliance with Fair Housing Laws.

3.4.1 Fair Housing. Owner shall comply with state and federal fair housing laws in the marketing and rental of the Units in the Project subject to Sections 2.1 and 2.2 of this Agreement. Owner shall accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing Section 8 program or any successor thereto.

3.4.2 Non-Discrimination. The Owner 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, or any other impermissible basis under federal, state, or local law in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the dwelling units at the Property and the Project, nor shall the Owner itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy for the dwelling units of tenants, lessees, subtenants, sublessees or vendees of the Property and the Project or in connection with the employment of persons for the construction, operation and management of the Property, Project, or any Unit on the Property. The foregoing covenants shall run with the land for the duration of this Agreement. All deeds, leases or contracts made or entered into by Owner as to the Units over the Property, or portion thereof, shall contain the following covenants concerning discrimination:

#### In Deeds:

“The grantee herein covenants by and for itself or himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry, 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, or any other impermissible basis under federal, state, or local law in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or any person claiming

under or through it or him 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, sub lessees, subtenants or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the above paragraph, with respect to familial status, the above paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the above paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51, Section 4760, and Section 6714 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the above paragraph.”

In Leases:

“The lessee herein covenants by and for itself or himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, 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 race, color, creed, religion, sex, marital status, national origin, ancestry, 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, or any other impermissible basis under federal, state, or local law in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee himself or any person claiming under or through him 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, sub lessees, subtenants or vendees in the land herein leased. The foregoing covenants shall run with the land.

Notwithstanding the above paragraph, with respect to familial status, the above paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the above paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51, Section 4760,

and Section 6714 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the above paragraph.”

In Contracts:

“There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry, 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, or any other impermissible basis under federal, state, or local law in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of property, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees 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, sub lessees, subtenants or vendees in the land. The foregoing covenants shall run with the land.

Notwithstanding the above paragraph, with respect to familial status, the above paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the above paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51, Section 4760, and Section 6714 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the above paragraph.”

3.5 Section 8 Certificate Holders. Owner will 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 housing program under Section 8 of the United States Housing Act, as amended. Owner shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants, nor shall Owner apply or permit the application of management policies or lease provisions with respect to the Project that have the effect of precluding occupancy of the Units by such prospective tenants.

3.6 No Condominium Conversion. Owner shall not convert the Units in the Property to condominium or cooperative ownership or sell condominium or cooperative rights to the Units during the Term of this Agreement.

#### 4. Reporting.

##### 4.1 Income Certification and Reporting.

4.1.1 Owner will obtain, complete, and maintain on file, immediately prior to initial occupancy, and annually thereafter, complete certifications from each Extremely Low Income Household renting any of the Extremely Low Income Units, each Very Low Income Household renting any of the Very Low Income Units, each Low Income Household renting any of the Low Income Units and each Lower Income Household renting any of the Lower Income Units. Owner shall make a good-faith effort to verify that the income provided by an applicant or occupying household income certification is accurate by taking one or more of the following steps as part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the most recent tax year (3) conduct an income inquiry through a credit reporting agency, (4) obtain an income verification form from the applicant's current employer, (5) obtain an income verification form from the Social Security Administration or the California Department of Social Services, if the applicant receives assistance from either of such agencies, (6) if the applicant is unemployed and has no such tax return, obtain another form of independent verification. Copies of tenant income certifications shall be made available to City immediately upon request. If, and for so long as, the Project is subject to the requirements of a Low-Income Housing Tax Credit Program Regulatory Agreement with CTCAC, income certifications which comply with the requirements of the California Tax Credit Allocation Committee shall be deemed to comply with the requirements of this Section 4.1.1. If the Project is not subject to the Low-Income Housing Tax Credit Program Regulatory Agreement with the California Tax Credit Allocation Committee at any point in time during the Term of this Agreement, all income certifications must comply with any reasonable requirements set forth by the City.

##### 4.2 Over Income Households.

4.2.1 If the income of the tenant, upon recertification, exceeds the upper limit for Lower Income Households, Owner shall terminate such occupancy within 6 months of discovery of the Tenant's failure to qualify as a Lower Income Household to the fullest extent allowed by CTCAC rules and regulations and applicable law. Once the over-income Tenant is removed, Owner shall rent the Unit to a household, whose tenancy of the Unit will allow the Project's overall median income occupancy requirements to most closely resemble the Occupancy Requirements of Section 2.1 of the Agreement.

4.2.2 Where a household occupying a Unit designated for occupancy by a Low Income Household no longer qualifies at the time of recertification, but qualifies as a Lower Income Household, the Rent may be increased to the Rent for a Lower Income Household, and Owner shall rent the next available Unit of the same size to a Low Income Household.

4.2.3 Where a household occupying a Unit designated for occupancy by a Very Low Income Household no longer qualifies at the time of recertification, but qualifies as a Low Income Household or a Lower Income Household, the Rent may be increased to the Rent for a Low Income Household or Lower Income Household, as applicable, and Owner shall rent the next available Unit of the same size to a Very Low Income Household.

4.2.4 Where a household occupying a Unit designated for occupancy by an Extremely Low Income Household no longer qualifies at the time of recertification, but qualifies as a Very Low Income Household, a Low Income Household, or a Lower Income Household, the Rent may be increased to the Rent for a Very Low Income Household, Low Income Household, or Lower Income Household, as applicable, and Owner shall rent the next available Unit of the same size to an Extremely Low Income Household.

4.3 Annual Report to City. Owner shall submit to City (i) not later than 120 days after the close of each calendar year, a report to City setting forth the status of Owner's compliance with the requirements of this Agreement, and (ii) within 30 days after receipt of a written request, any other information or completed forms requested by City in order comply with reporting requirements of the State of California.

4.3.1 The Annual Report shall, at a minimum, include the following information for each dwelling unit in the Project: (i) unit number; (ii) number of bedrooms; (iii) current rent, utility, and other charges; (iv) dates of any vacancies during the previous year; (v) number of people residing in the unit; (vi) total household Gross Income of residents; (vii) documentation of source of household income; (viii) lease commencement and termination dates; (ix) initial move-in date; and (x) the information required by Section 4.1.

4.3.2 Owner shall include with the Annual Report, an income recertification for each household, documentation verifying tenant eligibility, and such additional information as the City may reasonably request from time to time in order to demonstrate compliance with this Agreement. The Annual Report shall conform to the format requested by the City.

Notwithstanding the foregoing, the Parties agree that the annual Project Status Report (or successor form) submitted to CTCAC shall satisfy the requirements of this Section 4.3.

4.4 Additional Information. Owner shall provide any additional information reasonably requested by the City. Further, Owner shall provide City with any information it requests which City, in its reasonable discretion, deems necessary to ensure Owner's compliance with this Agreement within 30 days of the request (or such longer period as is determined reasonably necessary by both parties to compile any such information). Upon reasonable prior notice, City shall have the right to examine all books, records or other documents of Owner, which pertain to any Unit, the Project, or the Property.

4.5 Records. Owner shall maintain complete, accurate and current records pertaining to the Units, the Project, and the Property, and shall permit any duly authorized representative of City, during normal business hours and with reasonable prior written notice, to inspect records, including records pertaining to income and household size of tenant households. All tenant lists, applications and waiting lists relating to the Project shall, at all times, be kept separate and identifiable from any other business records of Owner and shall be maintained as required by this Agreement, and reasonable condition for proper audit and subject to examination during normal business hours by representatives of City.

4.5.1 Owner shall maintain tenant leases, income certifications and other matters related to the leasing of the Units for a period of five (5) years after the final date of occupancy by the tenant.

4.5.2 Records must be kept accurate and up-to-date. City shall notify Owner of any records it reasonably deems insufficient. Owner shall have fifteen (15) calendar days from such notice to correct any specified deficiency in the records, or, if more than fifteen (15) days shall be reasonably necessary to correct the deficiency, Owner shall begin to correct the deficiency within fifteen (15) days and diligently pursue the correction of the deficiency as soon as reasonably possible.

4.5.3 With at least 48-hours' notice, during normal business hours, Owner shall provide City and its authorized agents and representatives access to the books, documents, papers and records of the Project and Units for the purpose of making audits, examinations, excerpts and transcriptions. Owner shall be allowed to have a representative present during any such examination.

5. Reserved.

6. Transfer of Property. Owner shall not transfer the Property to a new Owner unless such transferee has agreed, in writing and in a form suitable for recordation, to be bound by the terms of this Agreement. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective heirs, successors and assigns. Owner shall not sell, transfer or otherwise dispose of the Property, any portion thereof, or any interest therein unless the proposed transferee shall have executed and delivered to City an express written assumption of all of Owner's obligations under this Agreement, on a form reasonably acceptable to City. Upon assignment and assumption by a successor entity, as approved by City, Owner shall be released from all prospective liability and responsibility under the terms of this Agreement.

7. Defaults and Remedies.

7.1 Event of Default. An Event of Default shall arise hereunder if Owner fails to perform any term, provision, covenant, or obligation under this Agreement and fails to cure such default within thirty (30) days after City has notified Owner in writing of the default, or if the default cannot be cured within thirty (30) days, has failed to commence to cure within thirty (30) days and thereafter diligently pursued such cure and completed

such cure and completes such cure within ninety (90) days, or such longer period as City may approve.

## 7.2 Remedies.

7.2.1 If within the applicable cure period, Owner fails to cure an Event of Default or fails to commence to cure and diligently pursue completion of a cure, as applicable, City may proceed with any of the following remedies:

- (a) Bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking declaratory relief;
- (b) For violations of obligations with respect to rents for the Units, impose as a charge, to be payable to City, in an amount equal to the actual amount collected in excess of the Rent as applicable;
- (c) Bring an action for damages; and/or
- (d) Pursue any other remedy allowed at law or in equity.

7.2.2 Each of the remedies provided herein is cumulative and not exclusive. The City may exercise from time to time any rights and remedies available to it under applicable law or in equity, in addition to, and not in lieu of, any rights and remedies expressly provided in this Agreement. Any failure or delay by City in asserting any of its rights or remedies, including specific performance, as to any Event of Default shall not operate as a waiver of any default or of any such rights or remedies or deprive City 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.

7.3 Cure by Lender or Limited Partner. City agrees to accept a cure made by Owner's lenders and/or limited partners on the same basis as if such cure was tendered by Owner.

8. Indemnification. Owner, for itself and all assigns hereunder, hereby agrees to indemnify, defend (with counsel reasonably selected by the City) and hold harmless the City, its City Council, boards, commissions, members, officers, directors, representatives, consultants, agents and employees, individually and collectively ("Indemnitees") against any and all claims, suits, actions, losses, damages, liability, and expenses (including reasonable attorneys' fees) of every kind, nature and description made against all or any of the Indemnitees (collectively "Claims") which arise out of or in connection with, directly or indirectly, Owner's performance or non-performance of its duties and obligations under this Agreement caused in whole or in part by any negligent act or omission of Owner, any contractor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by the sole negligence or willful misconduct of the Indemnitees. The provisions of this section shall survive the expiration or earlier termination of

this Agreement. The obligations of Owner to indemnify the Indemnitees shall survive any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, any release of record of a lien of a deed of trust, and this Agreement.

9. Miscellaneous.

9.1 Covenants. The provisions contained in this Agreement are covenants which subject and burden the Property, as covenants running with the land. It is intended and agreed that the agreements and covenants provided in the Agreement shall be covenants running with the land and equitable servitudes on the land and that they shall, in any event, and without regard to technical classifications or designation be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the City, the City's successors and assigns, any other governmental entity acting within its authority and any successor in interest to all or any part of the Property against the Owner, its successors and assigns and every successor in interest to all or any part of the Property, regardless of any sale, assignment, refinancing, conveyance or transfer of the Property, or any part thereof or interest therein, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by City. References in this Agreement to Owner shall include all such successors, assigns, occupants, transferees, and any other party over which Owner can enforce its rights concerning such covenants.

Any successor-in-interest to Owner, including without limitation any purchaser, transferee or lessee of the Property (other than the tenants of the individual Units) shall be subject to all of the duties and obligations imposed hereby for the full term of this Agreement. Each and every contract, deed, lease or other instrument affecting or conveying the Property or Units or any part thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, restrictions, duties and obligations set forth herein, regardless of whether such covenants, restrictions, duties and obligations are set forth in such contract, deed, lease or other instrument. If any such contract, deed, lease or other instrument has been executed prior to the date hereof, Owner hereby covenants to obtain and deliver to City an instrument in recordable form signed by the parties to such contract, deed, lease or other instrument pursuant to which such parties acknowledge and accept this Agreement and agree to be bound hereby.

Owner agrees for itself and for its successors that in the event that a court of competent jurisdiction determines that the covenants herein do not run with the land, such covenants shall continue to be enforced as equitable servitudes against the Property, or any part thereof or interest therein, in favor of City.

9.2 Rights of Mortgagee. No violation of any provision contained herein shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon all or any portion of the Project or the Property, and the purchaser at any trustee's sale or foreclosure sale shall not be liable for any violation of any provision hereof occurring prior to the acquisition of title by such purchaser. Such purchaser shall be bound by and subject to this Agreement from and after such trustee's sale or foreclosure sale. Promptly upon determining that a violation of this Agreement has

occurred, City shall give written notice to the holders of record of any mortgages or deeds of trust encumbering the Project or the Property that such violation has occurred.

9.3 Parties Not Co-Venturers; No City Relationship. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of Owner and City shall not be construed as a joint venture, equity venture, partnership or any other relationship. City neither undertakes nor assumes any responsibility or duty to Owner (except as expressly provided in this Agreement) or to any third party with respect to the Project. Owner and its employees are not employees of City. Furthermore, Owner and its employees shall at no time pretend to be or hold themselves out as employees or agents of City. Except as City may specify in writing, Owner shall not have any authority to act as an agent of City or to bind City to any obligation.

9.4 Action by the City. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by the City is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City's City Manager or by any person who shall have been designated by the City's City Manager, without further approval by the City Council.

9.5 Headings; Construction; Statutory References. The headings of the sections and paragraphs of this Agreement are for convenience only and shall not be used to interpret this Agreement. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party. All references in this Agreement to particular statutes, regulations, ordinances or resolutions of the United States, the State of California, or the City of Rocklin shall be deemed to include the same statute, regulation, ordinance or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject.

9.6 Laws. Nothing contained in this Agreement shall be construed as permitting the violation of any requirement of the federal, state, or local statutes, ordinances, or regulations, including, but not limited to, the laws or rules of the City of Rocklin, it being the intent of this Agreement to impose additional restrictions over and above the requirements of any such ordinances. Owner shall comply with all federal, state, and local laws, rules, regulations, and guidelines.

9.7 Modifications. City and its successors and assigns, and Owner and its successors and assigns, shall have the right to consent and agree to changes in, or to eliminate in whole or in part any of the covenants or restrictions contained in this Agreement without the consent of any tenant, lessee, easement holder, licensee, trustee, or any other person or entity having any interest less than a fee in the Property.

9.8 Attorneys' Fees. If any legal or administrative action is brought to interpret or enforce the terms of this Agreement, the prevailing Party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

9.9 Recording and Filing. Owner shall cause this Agreement, and all amendments and supplements to it, to be recorded against the Property in the Official Records of the County of Placer.

9.10 Notice of Expiration of Term. At least six (6) months prior to the expiration of the Term, Owner shall provide by first-class mail, postage prepaid, a notice to all Tenants containing (i) the anticipated date of the expiration of the Term, (ii) any anticipated increase in Rent upon the expiration of the Term, and (iii) a statement that a copy of such notice will be sent to the City.

9.11 Governing Law and Venue. This Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California. Venue of any action arising out of this Agreement 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.

9.12 Waiver of Requirements. Any waiver by City of any term or provision of this Agreement must be in writing. No waiver shall be implied from any delay or failure by City to take action on any breach or default hereunder or to pursue any remedy allowed under this Agreement or applicable law. No failure or delay by City at any time to require strict performance by Owner of any provision of this Agreement or to exercise any election contained herein or any right, power or remedy hereunder shall be construed as a waiver of any other provision or any succeeding breach of the same or any other provision hereof or a relinquishment for the future of such election.

9.13 Amendments. This Agreement may be amended only by a written instrument executed by the City and the Owner or their successors in title, and duly recorded in the real property records of the County of Placer. All amendments to this Agreement must be approved as to form by the City Attorney.

9.14 Notices. All notices that are required to be given by one party to the other under this Agreement 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  
3970 Rocklin Road  
Rocklin, CA 95677  
Attn: City Manager and Housing Division

Copy to: City Attorney  
City of Rocklin  
3970 Rocklin Road  
Rocklin, CA 95677  
E-mail address: LegalNotices@rocklin.ca.us

Owner: Rocklin 688, L.P.  
3200 Douglas Blvd., Suite 200  
Roseville, CA 95661  
Attention: Geoffrey C. Brown

Copy to: Riverside Charitable Corporation  
14131 Yorba St.  
Tustin, CA 92780  
Attention: Kenneth S. Robertson

Copy to: Bank of America, N.A.  
MA1-225-02-02  
225 Franklin Street  
Boston, MA 02110  
Attention: Asset Management

Copy to: Banc of America CDC Special Holding Company,  
Inc.  
MA1-225-02-02  
225 Franklin Street  
Boston, MA 02110  
Attention: Asset Management

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this section. Notices shall be deemed delivered upon receipt or refusal thereof, or with respect to e-mail, on the day of sending such e-mail if sent before 5:00 p.m. on a business day and, otherwise, on the next business day. Such addresses may be changed by notice to the other party given in the same manner as provided above. City agrees to provide copies of all notices to Owner to Owner's limited partner.

9.15 Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to Owner or any successor in interest, in the event of any default or breach by the City, or for any amount of money which may become due to Owner or its successor or for any obligation of City under this Agreement. No member, director, employee or agent of Owner shall be personally liable to City, in the event of any default or breach by Owner, or for any amount of money which may become due to City or for any obligation of Owner under this Agreement.

9.16 Non-Discrimination in Employment and Equal Employment Opportunity. Owner 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, age (over 40), disability (mental and physical), medical condition, marital status, citizenship, and military and veteran status.

9.17 Severability. If any provision of this Agreement shall be deemed invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality and enforceability of the remaining portions of this Agreement shall not in any way be affected or impaired thereby.

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

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

9.20 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

9.21 City's Acquisition of Fee Title. In the event City acquires fee title to the Property or Project, City may, in its sole discretion by written instrument, terminate, amend or modify this Agreement from time to time as it sees fit.

9.22 Multiple Originals; Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

[Signatures appear on the following pages]

IN WITNESS WHEREOF, City and Owner have executed this Agreement on the dates set forth below to be effective on the Effective Date.

**CITY:**

CITY OF ROCKLIN,  
a California municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**NOTICE; SIGNATURE(S) MUST BE NOTARIZED**

**OWNER:**

ROCKLIN 688, L.P.,  
a California limited partnership

By: Riverside Charitable Corporation,  
a California nonprofit public benefit corporation,  
its Managing General Partner

By: \_\_\_\_\_  
Recina Shafer  
Deputy Executive Director

By: USA Rocklin 688, Inc.,  
a California corporation,  
its Administrative General Partner

By: \_\_\_\_\_  
Geoffrey C. Brown  
President

**NOTICE; SIGNATURE(S) MUST BE NOTARIZED**

**ACKNOWLEDGEMENT AND BINDER OF FEE OWNER:**

The undersigned USA Multi-Family Development, Inc., a California corporation (“Fee Owner”) is the fee owner of the Property. The Fee Owner hereby (i) consents to the recordation of the Agreement against the Property, (ii) agrees to be bound by each and every term and condition set forth herein in the same manner as Owner is bound thereby, and (iii) agrees and acknowledges that each and every successor and assign of the Fee Owner shall be bound by the terms and conditions of this Agreement.

USA Multi-Family Development, Inc.,  
a California corporation

By: \_\_\_\_\_  
Geoffrey C. Brown  
President

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, \_\_\_\_\_, a Notary Public in and for said State, 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(ies) 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

[SEAL]

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, \_\_\_\_\_, a Notary Public in and for said State, 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(ies) 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

[SEAL]

EXHIBIT A

**LEGAL DESCRIPTION**

Real property in the City of Rocklin, County of Placer, State of California, described as follows:

A PORTION OF LOTS 8 AND 9, AS SHOWN ON THE MAP ENTITLED "WHITNEY RANCH LARGE LOT SUBDIVISION" FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PLACER COUNTY, CALIFORNIA, OCTOBER 6, 2004, IN BOOK Z OF MAPS, AT PAGE 94, BEING A PORTION OF SECTION 3, T. 11N, R.06E, M.D.M. AND AMENDED BY CERTIFICATE OF CORRECTION RECORDED JUNE 4, 2007, AS INSTRUMENT NO. 2007-56099, OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF SAID LOT 8.

TOGETHER WITH A PORTION OF LOT 9 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 9; THENCE ALONG THE SOUTH LINE OF SAID LOT 9, SOUTH 89°03'19" WEST 108.75 FEET; THENCE LEAVING SAID SOUTH LINE, NORTH 56°39'15" EAST 94.97 FEET, TO A POINT ON THE WEST LINE OF WILDCAT BOULEVARD; THENCE ALONG SAID WEST LINE, ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1265.00 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 30°15'24" EAST 58.36 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM A PORTION OF LOT 8 DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 8; THENCE ALONG THE NORTH LINE OF SAID LOT 8, NORTH 89°03'19" EAST 560.02 FEET; THENCE, LEAVING SAID NORTH LINE, SOUTH 56°39'15" WEST 178.64 FEET; THENCE SOUTH 89°03'01" WEST 409.18 FEET TO A POINT ON THE WEST LINE OF SAID LOT 8; THENCE, ALONG SAID WEST LINE, NORTH 00°56'59" WEST 95.76 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF LOTS 8 AND 9 OFFERED FOR DEDICATION IN FEE AND ACCEPTED BY THE CITY OF ROCKLIN IN THE ACCEPTANCE OF DEDICATION IN FEE OF UNIVERSITY AVENUE RECORDED ON JUNE 27, 2018 AS INSTRUMENT NO. 2018-0045662 OF OFFICIAL RECORDS.

APN: 017-172-014-000