

FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT
AMORUSO RANCH COMMUNITY FACILITIES DISTRICT NO. 1
(Public Facilities)

This Funding, Construction and Acquisition Agreement (“**Agreement**”) is entered into as of the 1st day of September 1, 2024, by and between the **CITY OF ROSEVILLE**, a California charter city and municipal corporation (the “**City**”), and **BROOKFIELD SACRAMENTO HOLDINGS LLC**, a Delaware limited liability company (“**Developer**”).

Recitals

A. On June 21, 2023, the City Council of the City adopted Resolution No. 23-292 entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM A COMMUNITY FACILITIES DISTRICT, DESIGNATE AN IMPROVEMENT AREA THEREIN, ESTABLISH A FUTURE ANNEXATION AREA, PROVIDE FOR ADDITIONAL FUTURE IMPROVEMENT AREAS THEREIN, AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN TO FINANCE PUBLIC FACILITIES AND PUBLIC SERVICES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT” (the “**Resolution of Formation**”) with respect to City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) (the “**District**”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “**Act**”).

B. In forming the District, the City Council also designated (i) Improvement Area No. 1 of the City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) (“**Improvement Area No. 1**”) and (ii) the area identified as Future Annexation Area of City of Roseville Amoruso Ranch Community Facilities District No. 1 (Public Facilities) (the “**Future Annexation Area**”). Property located within the Future Annexation Area may be annexed by the submission of the owners of the property being annexed of a unanimous approval (“**Unanimous Approval**”) requesting annexation to Improvement Area No. 1 or a subsequently designated improvement area of the District (whether previously designated in connection with a prior submission of a Unanimous Approval or created for the annexation requested in the Unanimous Approval, a “**Future Improvement Area**”). As used herein, the term “**Improvement Area**” means, as applicable, Improvement Area No. 1 or any Future Improvement Area.

C. This Agreement applies to the District, including Improvement Area No. 1 and each Future Improvement Area.

D. Developer is developing all the real property in Improvement Area No. 1 of the District and in the Future Annexation Area, which is shown on the map recorded in the Placer County Recorder’s Office on April 11, 2023 in Book 4 at Page 83, as Document No. 2023-0018570 of Maps of Assessment and Community Facilities Districts (the “**Property**”) and which consists of approximately 148.7 acres within Improvement Area No. 1 of the District and an additional 525.7 acres in the Future Annexation Area, all within the corporate limits of the City, and all in the 674.4-acre “Amoruso Ranch Specific Plan” (the “**Specific Plan**”) area. The Specific Plan sets forth a comprehensive land use plan and establishes detailed regulations, conditions and programs for development of the Property.

E. In 2016, the City Council of the City adopted an Ordinance approving a Development Agreement by and among the City and Brookfield Sunset, LLC, a California limited liability company ("**Brookfield Sunset**"), and Jennifer M. Amoruso, Successor Trustee of the Amoruso Family Living Trust Dated March 14, 2005 (the "**Trust**"), pursuant to the provisions of Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 of Title 7 of the California Government Code with respect to the permitted uses of the Property (the "**Original Development Agreement**"), as amended by the First Amendment of Development Agreement dated April 1, 2020, by and among the City, Brookfield Sunset, and the Trust (the "**First Amendment**"), and as further amended by the Second Amendment of Development Agreement dated May 11, 2022, by and among the City, the Developer, Brookfield Sunset, and the Trust (the "**Second Amendment**" and together with the Original Development Agreement and the First Amendment, the "**Development Agreement**"). Subsequent to the acquisition of all of the Property by the Developer, the Development Agreement was assigned in full by the Trust to the Developer, and the Trust is no longer a party to the Development Agreement or the Developer of any part of the Property. The Specific Plan, Development Agreement, including conditions of approval, and other existing and subsequent approvals granted by City and agreements between the Developer and the City in implementation of the Project, as the same may be amended from time to time, including amendments thereto, are herein collectively referred to as the "**Project Approvals.**"

F. Section 53313.5 of the California Government Code provides that a community facilities district may finance the purchase of public facilities, including those completed after the adoption of the resolution of formation establishing the community facilities district if the facilities have been constructed as if they had been constructed under the direction and supervision, or under the authority of, the local agency whose governing body is conducting proceedings for the establishment of the District.

G. As described in Exhibit A hereto and in the Resolution of Formation, Developer proposes to construct improvements in connection with development of the Property to be owned by the City (the "**Public Facilities**") and to pay development impact fees associated with development of the Property (the "**Authorized Fees**") as required by the Project Approvals, which Public Facilities and Authorized Fees are authorized to be financed by the District, Improvement Area No. 1 and, upon annexation to the District, each Future Improvement Area (the "**Project**").

H. The Public Facilities and the Authorized Fees shall be financed by the following sources of funds (collectively, the "**Funding Sources**"): (i) the net proceeds of Bonds (as defined and described herein); (ii) special taxes to fund the Gap Shortfall (as defined herein); and (iii) (a) within any Improvement Area of the District, any prepayment of special taxes made prior to the issuance of Bonds in such Improvement Area under any rate and method of apportionment for an Improvement Area of the District (an "**RMA**") net of administrative expenses associated with such prepayment and (b) within any Improvement Area of the District, any prepayment of special taxes made subsequent to the issuance of Bonds in such Improvement Area net of administrative expenses associated with such prepayment and net of the amount allocable to the prepayment of bonds associated with the prepayment.

I. The purpose of this Agreement is to agree upon and implement the terms of Section 3.17 of the Development Agreement regarding the use of Funding Sources to provide for the acquisition of Public Facilities and the financing of the Authorized Fees.

AGREEMENTS

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

1. Establishment of District. The City has conducted proceedings pursuant to the Act for the establishment of the District, the designation of Improvement Area No. 1, and the designation of the Future Annexation Area. Such proceedings included but are not limited to, elections pursuant to Sections 53326 and 53327 of the California Government Code on (i) the issuance of bonds for the District (including all Improvement Areas thereof) to finance the construction or acquisition of the aforementioned Public Facilities and the Authorized Fees, (ii) the annual levy of special taxes on all taxable property within Improvement Area No. 1 of the District to finance the Public Facilities and Authorized Fees according to the RMA for Improvement Area No. 1, including payment of debt service on bonds issued on behalf of Improvement Area No. 1 of the District, and for annual administrative expenses of the City and the District in levying and collecting such special taxes, paying the principal and interest on such bonds and providing for the registration, exchange and transfer of such bonds, costs of issuance, including the fees of fiscal agents and paying agents, and any necessary replenishment for the reserve fund for such bonds, accumulation of funds for future bond payments, and (iii) the establishment of an appropriations limit for the District. Developer shall cooperate with City in its conduct of the proceedings for the administration of the District.

Pursuant to Resolution No. 23-181 adopted on May 17, 2023 by the City Council, the City authorized the issuance of bonds in the maximum aggregate principal amount of \$594,000,000, initially allocated as follows: (i) for Improvement Area No. 1, the amount of \$124,000,000; and (ii) for the Future Annexation Area, the amount of \$470,000,000. Bonds for the District are expected to be issued in Improvement Area No. 1 and in each Future Improvement Area in multiple series with a portion of the authorization to be associated with this Agreement, pursuant to and as contemplated under the Development Agreement:

(i) first, being an initial one or more series of bonds in each Improvement Area of the District to finance the Public Facilities and Authorized Fees other than the **“Development Impact Fee Deferral”** (as defined in the RMA); and

(ii) second, being one or more series of bonds in each Improvement Area of the District to finance the Development Impact Fee Deferral.

Bonds issued to finance Public Facilities and Authorized Fees other than the Development Impact Fee Deferral are bonds issued during the **“Initial Bonding Period”** (as defined in the RMA). Bonds issued to finance the Development Impact Fee Deferral are bonds issued during the **“Deferral Bonding Period”** (as defined in the RMA). Multiple series of bonds are currently contemplated to be issued in each Improvement Area during the Initial Bonding Period; this Agreement is applicable to proceeds from bonds issued in Improvement Area No. 1 and in each Future Improvement Area, excluding bonds issued solely for the purpose of refunding, only during the Initial Bonding Period and such bonds issued in Improvement Area No. 1 and in each Future Improvement Area for such purpose are herein referred to as the **“Bonds.”** The issuance and sale of Bonds, the aggregate principal amount thereof, and the

timing, terms and conditions upon which Bonds shall be sold shall be reasonably determined by the City in consultation with the Developer and as provided herein.¹

2. Sale of Bonds. The City shall proceed, as hereinafter provided, with the sale of Bonds for the District (and each Improvement Area thereof) in an aggregate amount to be determined by the City for the primary purpose of generating money to pay for Public Facilities and Authorized Fees described in the Resolution of Formation and as shown on Exhibit A hereto.

In determining the principal amount of each series of Bonds within Improvement Area No. 1 and each Future Improvement Area the following shall apply:

(i) the aggregate principal amount of Bonds shall not exceed an aggregate amount, as determined by the City, which results in a remaining amount of bond authorization for the District after issuance of all series of Bonds, determined by the City in its sole discretion to be sufficient to issue Deferral Bonds during the Deferral Bonding Period to finance the Development Impact Fee Deferral; and

(ii) each series of Bonds shall have a maturity date that is not later than thirty (30) years prior to the termination of the special tax. For example, in Improvement Area No. 1, the special tax terminates in Fiscal Year 2088-89, which means that Bonds in Improvement Area No. 1 must mature no later than Fiscal Year 2058-59.

3. Tax Requirements. If tax-exempt Bonds are issued, the City shall take all actions which, in the opinion of City's bond counsel, are necessary to conform to certain requirements of the Internal Revenue Code and regulations thereto in order to avoid classification of the Bonds as "arbitrage bonds" or the loss of tax exemption for the Bonds for any other reason. Nothing in this Agreement shall prevent the issuance of taxable bonds in the District.

4. Amounts to be Included in Payments. The aggregate principal amount of the Bonds to be issued from time to time shall be determined by the City in consultation with the Developer. The amount of proceeds of Bonds and the other Funding Sources shall be used to reimburse Developer in accordance with this Agreement for the actual costs and expenses incurred by the Developer related to the design and construction of the Public Facilities, or to finance Authorized Fees. The proceeds of Bonds may also be used to pay the Developer's costs related to establishment of the District, provided that the City shall determine the amount to be so reimbursed on the basis of detailed itemizations of costs provided by Developer and the decision of the City shall be final. In no event shall Developer be reimbursed from Funding Sources for (i) in-house administrative overhead (except that Developer shall be entitled to payment equal to four percent (4%) of actual construction costs as and for project and construction management services), (ii) interest expense incurred by Developer on moneys

¹ Pursuant to the terms of the Development Agreement, bonds (the "Deferral Bonds") are contemplated to be issued for the purpose of financing the Development Impact Fee Deferral during the Deferral Bonding Period, all as described in Section 3.17 of the Development Agreement and the RMA, which Deferral Bonds may be issued at the sole discretion of the City and will not generate proceeds to be used to reimburse Developer for costs of Public Facilities or Authorized Fees as contemplated by this Agreement.

advanced during the proceedings for formation of the District and issuance of Bonds, and (iii) any other costs and expenses incurred by Developer which are not authorized by the Act.

The aggregate principal amount of the Bonds issued from time to time shall also include an amount needed to fund a reserve fund for the payment of principal of and interest on the Bonds as is determined by the City to be necessary and appropriate, capitalized interest on the Bonds, if requested by the Developer but for such period as the City shall determine is appropriate, the amount of the discount of the underwriter who purchases the Bonds, and other expenses incurred by the City in connection with the issuance and sale of the Bonds, including bond counsel fees, legal fees, fees of the bank which will act as transfer agent, registrar and paying or fiscal agent for the Bonds, other fees and costs normally incidental to the sale of Bonds, and such other fees and costs enumerated in Section 53345.3 of the California Government Code as the City determines are necessary and appropriate.

Bonds shall not be issued in an aggregate amount which would preclude 30-year bond financing through issuance of the Deferral Bonds as set forth in Section 2(ii) herein. Deferral Bonds, if issued, shall be issued at the discretion of the City and no proceeds thereof shall be used for reimbursement to the Developer in accordance with this Agreement.

5. Design; Reimbursements. Public Facilities to be acquired by the City shall be designed in conformance with all applicable City standards, requirements and the Development Agreement. Upon completion of the design of each such Public Facility to the satisfaction of the City and when Developer has paid to the City all applicable plan checking and other fees, the City shall notify Developer that the design of the Public Facility is completed and acceptable to the City. It shall be the responsibility of Developer, not the City, to determine the requirements for design and construction of Public Facilities to be acquired by or dedicated to other public agencies, and City's acceptance of Developer's design shall not relieve Developer of this responsibility.

Developer shall be reimbursed out of Funding Sources for Developer's expenses incurred in designing the Public Facilities, including all applicable plan checking and other fees paid by Developer as provided above in this Section, subject to the City's determination of the amount to be so reimbursed pursuant to the terms hereof, and subject to the limitation that reimbursement in all cases is to be made from available Funding Sources of the District and from no other source. Pursuant to Section 3.5.2 of the Development Agreement, reimbursement for the cost of construction of all arterial roadways and underground facilities below such roadways, including design and plan check services, shall be made via progress payments, based on invoices for actual work constructed, for stages of the arterial roadway improvements as described in Section 3.5.2 of the Development Agreement that have been signed off by City inspectors, and, for all other Public Facilities, in one or more lump sum payments only after City has received and approved all invoices for such services associated with any particular Public Facility.

Notwithstanding the preceding provisions of this Section, if the City determines that Developer is not proceeding with the design of the Public Facilities on a reasonable schedule which will enable the City to ensure that construction of all of the Public Facilities can be completed within the times specified in Section 6(k) hereof, the City may, after providing the Developer with thirty (30) days' notice and an opportunity to cure, take over the design of the Public Facilities by giving Developer written notice thereof. Upon receipt of such a notice,

Developer shall surrender to the City all plans and specifications which have then been completed or which are in progress.

If the City takes over the design of the Public Facilities as provided above, the City shall reimburse Developer from the proceeds of the sale of the Bonds a reasonable amount, as determined by the City, for the expenses incurred by Developer in connection with the design of the Public Facilities to the extent such expenses have not previously been reimbursed. The City's obligation to reimburse is only from and to the extent of funds remaining, after payment for the Public Facilities, to do so.

6. Construction for Acquisition.

- (a) This Agreement governs only the acquisition of the Public Facilities by the City. Nothing in this Agreement shall prohibit the financing of authorized public improvements (including utilities) owned by an entity other than the City or the acquisition of any facilities or fees of another local agency (which shall be governed by a joint community facilities agreement). Developer shall proceed with the construction of the Public Facilities in accordance with the approved plans and specifications (either prior to or following the formation and confirmation of the authority of the District).
- (b) Except as otherwise provided, for construction of Public Facilities under this Section, the Developer shall comply with all of the following requirements to ensure that the Public Facilities will be constructed as if they had been constructed under the direction and supervision, or under the authority of the City:
- (c) The plans and specifications shall be approved by the City Engineer for conformance with City codes and policy. This subsection does not apply to the Exhibit B Contracts.
- (d) Developer shall receive and open bids, and report the results to the City Engineer. Any value engineering proposals shall be submitted to the City Engineer for approval. The City Engineer may, after consulting with Developer, require changes to the work. Developer shall promptly order such changes. The City Engineer shall be consulted with respect to any proposed change to the originally-approved design. The contract or contracts for the construction of the Public Facilities shall be awarded to the responsible bidder(s) submitting the lowest responsible bid(s) for the construction of the Public Facilities, as determined by the Developer. This subsection does not apply to the Exhibit B Contracts.
- (e) Developer is required, and the specifications and bid and contract documents shall require all contractors and subcontractors, to pay prevailing wages and to otherwise comply with applicable provisions of the California Labor Code.
- (f) The Developer or its affiliated general contractor shall provide proof of insurance coverage throughout the term of the construction of the Public Facilities which will be constructed in conformance with the City's standard procedures and requirements.
- (g) No contractor or subcontractor may be listed on a bid proposal for the Public Facilities unless registered with the Department of Industrial Relations pursuant to

Labor Code Section 1725.5. No contractor or subcontractor may work on the Public Facilities unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. Developer shall be responsible for ensuring that these contractor registration requirements are adhered to since construction of the Public Facilities is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

- (h) Developer shall notify the Department of Industrial Relations within five (5) days of the award of a contract to a contractor for the Public Facilities.
- (i) Developer shall comply with all federal, state and local laws, ordinances and policies as may be applicable to the construction of the Public Facilities.
- (j) Notwithstanding anything herein to the contrary, prior to the execution of this Agreement, the Developer has solicited bids, awarded contracts, and began construction of the Public Facilities listed in Exhibit B attached hereto (the "**Exhibit B Contracts**"). The Developer certifies and shall be solely responsible therefor, that (i) the Developer solicited at least three bids for the Exhibit B Contracts, (ii) the contract price is the lowest responsible bid to construct the Public Facilities in accordance with the Developer's development schedule (it being understood that the contract price does not have to be the lowest price to be competitive), (iii) the bid was received in an arms-length transaction with the Developer, (iv) the Developer has satisfied subparagraphs (g) and (h) with respect to the winning bidders, and (v) the bidders have no proprietary interest in the overall Project. In addition, Exhibit B also lists all change orders that have already been approved by the Developer for the construction of Public Facilities.
- (k) Developer shall cause the Public Facilities to be constructed in an expeditious manner so that construction of all such Public Facilities shall be completed by such date as may be required by the Development Agreement or upon which the City and Developer may agree; provided, however, that the construction of the Public Facilities to be financed by a specific series of Bonds shall proceed and be completed so that the proceeds of such series of Bonds are expended for the construction or acquisition of the Public Facilities within three (3) years from the date of their issuance.

7. Payment of Actual Costs; Expectation of the Parties; Cost Overruns.

- (a) The City and Developer agree that it is in their mutual best interest for Developer to construct the Public Facilities from Developer contributions in accordance with the Development Agreement with the understanding that the Public Facilities shall be dedicated to the City and the City shall reimburse the actual cost of the Public Facilities constructed by Developer to the extent of available Funding Sources, and as otherwise determined by City. The Developer understands and agrees that the Developer is required to construct the Public Facilities in accordance with the Project Approvals whether or not there are sufficient Funding Sources from which to pay the Developer for such Public Facilities, and the City shall have no liability to Developer for payment of any shortfall between the Developer's cost of Public Facilities and the Funding Sources available from time to time.

- (b) The City understands and agrees that (i) Developer may be constructing Public Facilities prior to the availability of Funding Sources that will be used to pay for such Public Facilities, (ii) the City may be inspecting such Public Facilities and processing and completing payment requests for the payment on such Public Facilities with knowledge that there may be insufficient Funding Sources available at such time, (iii) the Public Facilities may be conveyed to and accepted by the City when there are insufficient Funding Sources to pay the purchase prices of such Public Facilities, and (iv) in any such case, the payment of any approved payment requests for the acquisition prices of such Public Facilities will be deferred until there are sufficient Funding Sources available to pay the acquisition prices of such Public Facilities, at which time the City will make such payments in accordance with this Agreement. At all times, Developer will be constructing such Public Facilities with the expectation that such Public Facilities will be paid from the Funding Sources, subject to the limitations set forth in this Agreement. The conveyance of Public Facilities to the City prior to receipt of payment for such Public Facilities shall not be construed as a dedication or gift, or a waiver of the payment for such Public Facilities. The actual costs of the Public Facilities may be paid to Developer in any number of installments as Funding Sources become available. To the extent that Funding Sources are ultimately unavailable to pay for such Public Facilities, the Developer shall have no claim against the City or the District for any shortfall in the payment.
- (c) Developer shall be entitled to the actual costs it incurs in constructing the Public Facilities, including any cost overruns.

8. Inspection and Approval of Construction. The City shall provide such level of inspection of the progress of construction of the Public Facilities to be constructed by Developer for acquisition by the City as it deems necessary, and its inspectors shall have access to the construction sites at all times for the purpose of conducting their inspection. Developer and its contractors shall cooperate in every way with the City and its inspectors to ensure that they are afforded an adequate opportunity to inspect each and every phase of the progress of construction of each and every such Public Facility. Upon completion of the construction of a Public Facility (either in its entirety, or a portion thereof), constructed by Developer, and upon receipt of written notification from City's inspectors that construction thereof has been completed in accordance with the plans and specifications thereof and the City's standard requirements, and upon receipt of satisfactory proof, based on the records of Developer and the City and such certifications as the City may require, that the requirements of Section 6 hereof have been satisfied, the City shall notify Developer in writing that the construction of the Public Facility, or portion thereof has been satisfactorily completed; provided, however, that Developer, not the City, shall be responsible for determining satisfaction of requirements of other public agencies with respect to the Public Facilities. Upon receiving such notification of a completed Public Facility, the City Clerk staff shall file with the County Recorder of the County of Placer a Notice of Completion pursuant to the provision of Section 9204 of the California Civil Code, and supply to Developer a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County Records. The costs incurred by the City in inspecting and approving the construction of the bond financed Public Facilities may be paid or reimbursed from the Funding Sources.

9. Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Section 8412 and 8414 of the California Civil Code, Developer shall provide to the City such evidence or proof as the City shall require that all persons, firms and corporations

supplying work, labor, materials, supplies and equipment to the construction of the Public Facilities (or approved portion thereof) constructed by Developer for acquisition by the City have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation.

10. Acquisition; Maintenance. Upon completion of the construction of each Public Facility or portion thereof constructed by Developer for acquisition by the City, the City shall determine the acquisition price to be paid by the City for the acquisition of the completed Public Facility or portion thereof from Developer. The acquisition price as to each Public Facility or portion thereof shall include the actual cost of construction thereof as determined by the contract prices as set forth in contracts and purchase orders entered into by Developer with its contractors, and suppliers. Developer shall furnish to the City such proof of the amounts which Developer contends should be included in the acquisition price for a completed Public Facility or portion thereof as the City shall require, together with lien releases from all contractors and suppliers providing work and materials for the completed Public Facility or portion thereof in form satisfactory to the City. The City shall have ten (10) days to determine the acquisition price. The determination of the City as to the acquisition price for a completed Public Facility or portion thereof shall be final.

Upon determining the acquisition price for a completed Public Facility or portion thereof, the City shall promptly notify Developer in writing of such acquisition price. Upon presentation by Developer to the City of such documents, including lien releases, as the City shall require as to the completed Public Facility or portion thereof, the City shall, within ten (10) days thereafter, pay from Funding Sources, if any, the amount of the acquisition price for the completed Public Facility or portion thereof but in the case of a completed Public Facility less a retention of 150% of the value of "Punch List" work not completed. The City shall hold the retention amount on all Public Facilities acquired until the Punch List work is completed and accepted by the City, at which time the retention amount, upon the Developer's direction, be (1) promptly paid to Developer, (2) promptly released to the appropriate contractor designated by the Developer, or (3) retained by the City in lieu of the Developer obtaining a maintenance bond during the warranty period described below.

The administrative procedure to implement the foregoing is as follows, and may be subject to revision by City upon notice to Developer. Developer shall notify the City Engineer that a Public Facility, or particular stage of the Public Facility, as provided in Section 3.5.2 of the Development Agreement, is complete and shall furnish proof of the amounts to be included in the acquisition price, together with lien releases. Development Services staff shall then inspect the Public Facility to confirm completion. Development Services staff shall then notify City's Finance Department regarding completion and shall request payment to Developer. Within ten (10) days thereafter, and provided that the improvement has been conveyed to City or irrevocably offered for dedication, or, in the case of Public Facilities for which progress payments are provided for in the Development Agreement, invoices for actual work constructed have been presented by Developer to the City and the particular Public Facilities have been signed off by City inspectors, City shall issue payment to Developer in the requested amount, further provided and to the extent that funds are available, except that Developer shall choose one of the following options prior to release of the final five percent (5%): (1) City shall retain five percent (5%) of the total invoiced amounts until expiration of a warranty period of one year from the date of completion for the subject Public Facility; or (2) Developer shall obtain a maintenance bond until expiration of the one-year warranty period for the subject Public Facility. Upon expiration of the one-year warranty period, the five percent (5%) retention shall be disbursed to Developer or the maintenance bond shall be released, less any amounts utilized by

the City for warranty work. Notwithstanding the preceding provisions of this Section, the City will not pay for the acquisition of any Public Facilities or portion thereof unless and until the street, drainage or other utility rights of way where they are located have been irrevocably offered to the City for dedication, except in the case of Public Facilities for which progress payments are to be paid by City as provided for in Section 3.5.2 of the Development Agreement, based on invoices for actual work constructed that have been signed off by City inspectors.

Notwithstanding anything to the contrary herein, the City will not disburse any proceeds of Bonds or excess Special Taxes to Developer for the acquisition of any Authorized Facilities or portion thereof, or disburse any funds to reimburse Developer for costs of Authorized Facilities or Impact Fees during a time when Developer is in default in the payment of Special Taxes levied against a parcel in the District owned by Developer. If any disbursements are withheld because of such default, the withheld disbursements shall be released pursuant to this Agreement upon the payment by Developer of all such defaulted amounts and any associated penalties and interest.

Until a Public Facility is acquired by the City, Developer shall maintain it, and shall transfer it to the City free of any liens and in good operating condition. Upon the acquisition of a Public Facility by the City, the City shall, except as otherwise provided in the Project Approvals, become responsible for its maintenance, subject to any contractor's warranty or maintenance provisions of bonds required under the Final Map or other City approval, or under any other agreement.

11. Indemnification; Insurance. Developer shall defend, indemnify and hold harmless the City, the District, and their officers, agents and employees (herein, the "**Indemnified Parties**") from any and all liability, cost and expense in connection with the construction of the Public Facilities (including, but not limited to, arising out of or in connection with the contracts, contracting, and reporting for the Exhibit B Facilities) to be constructed by Developer for acquisition by the City, including, but not limited to, liability, costs, expenses and claims arising, under the procedures set forth in Section 6 of this Agreement. Developer shall also defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the ownership of the Public Facilities (including, but not limited to, arising out of or in connection with the contracts, contracting, and reporting for the Exhibit B Facilities) to be constructed by Developer for acquisition by the City prior to the time the City accepts the Public Facilities, whether or not such Public Facilities are to be acquired with bond proceeds; provided that the Developer shall not be responsible for liability arising from the negligence or willful misconduct of the Indemnified Parties. Developer shall procure and provide or cause contractor to procure and provide, until construction of all of the Public Facilities to be constructed by Developer is completed and acceptance thereof by the City has occurred, a commercial general liability insurance, in a form acceptable to the City, naming the City, the District and their officers, agents and employees as additional insureds, having a single aggregate liability limit as to all coverages provided thereby in the amount of Two Million Dollars (\$2,000,000). Before commencing the construction of any Public Facility, Developer shall provide or cause contractor to provide the City with a certification of insurance and endorsement as to such insurance in a form acceptable to the City, and Developer shall upon each renewal of such insurance policy provide the City with a new certificate of insurance with respect thereto.

Developer shall also furnish or cause contractor to furnish to the City, prior to commencing the construction of any Public Facility to be constructed by Developer for acquisition by the City, a certificate of insurance evidencing that Developer has procured and

has in force a current policy of workers' compensation insurance in compliance with California law as to all workers to be employed by Developer in connection with the design and construction of the Public Facilities. Developer shall require each person, firm or corporation with whom it contracts in connection with the design and construction of the Public Facilities to provide and maintain such workers' compensation insurance and a commercial general liability insurance in the amount hereinabove specified and in a form acceptable to the City. Developer shall provide to the City proof, in such form and at such intervals as set forth below, that each contractor with whom it contracts has procured and is maintaining such insurance.

Upon the execution of each contract with each person, firm or corporation with whom Developer contracts in connection with the design and construction of the Public Facilities and prior to permitting any such person, firm or corporation to commence work under such contract, Developer shall provide or cause contractor to provide to the City a certificate from the insurance providers that the insurance policies required of it under this Section 11 are in force, that the City is named as an additional insured on the commercial general liability insurance, and that the policies will not be canceled or allowed to lapse without 30 days written notice to the City.

The premiums paid by Developer for the insurance required by this Section may be included in the acquisition price to be paid by the City for the Public Facilities to be constructed by Developer as an incidental cost.

12. Ownership of Facilities. Notwithstanding that some of the Public Facilities to be constructed by Developer for acquisition by the City may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated or offered for dedication to the City, District or Public Utility, such Public Facilities or any portion thereof shall be and remain the property of Developer, and Developer shall be responsible for any loss or damage thereto or liability arising therefrom, until they are acquired by the City or other agencies as provided in the preceding Sections of this Agreement. Such ownership by Developer shall likewise not be affected by any agreement which Developer may enter into with the City pursuant to the provisions of the Subdivision Map Act, Section 66410 et seq. of the California Government Code, which may contain or include provisions with respect to the construction and ownership of public facilities which may seem to be contradictory to the provision of this Agreement, and the provisions of this Section shall control.

13. Improvement Security. Notwithstanding any other provisions of this Agreement, Developer shall be required to agree to construct and to secure or cause contractor to secure the construction and completion of construction of the Public Facilities, or portions thereof, as a condition precedent to the approval of subdivision or parcel maps for portions of the Property as required by the City pursuant to Section 66462 and Sections 66499 through 66499.10 of the Government Code.

The aggregate principal amount of the improvement bonds or other security provided by Developer or contractor pursuant to this Section shall be reduced by such amount as the City shall determine is appropriate upon receipt of the proceeds from the sale of the Bonds. The amount of the reduction of such aggregate principal amount shall be determined by the City based on the amount of each such improvement bond or other security which relates to the Public Facilities to be constructed or acquired with the proceeds of the sale of the Bonds. The foregoing provisions notwithstanding, upon the issuance and proceeds from the sale of the Bonds, Developer shall not be required to post any other security for roadway Capital

Improvement Program improvements as provided in Section 3.5.4.2 of the Development Agreement.

All subdivision and performance bonds shall provide, among other things, that the principal thereof whether that be Developer or its contractor(s), guarantees that the completed Public Facilities shall be free from defects resulting from faulty workmanship and materials for a period of one year from the date of acceptance by the City, and the obligation of the surety shall extend to the fulfilling of that guarantee. At the end of said one year period and subject to certification of the City Engineer that any defects have been corrected, the obligation of the principal and surety named therein shall cease.

14. Failure to Complete Construction. Notwithstanding the preceding provisions, of this Agreement, if Developer fails to expeditiously prosecute the construction of the Public Facilities to be constructed by Developer for acquisition by the City in accordance with the timing required by the Project Approvals or this Agreement, the City shall have the right and may elect to take over the construction of such Public Facilities, or any part thereof, if City determines it is necessary for City to so proceed in order to protect the City's interests. If the City elects to so proceed, it shall notify Developer in writing that if Developer does not satisfy the City that construction is proceeding expeditiously on the construction of a Public Facility within thirty (30) days after receipt of such notice, the City will take over the construction of such Public Facilities. If after receiving such a written notification Developer does not satisfy the City that it is proceeding expeditiously to construct that portion of the Public Facilities identified in the written notification to the satisfaction of the City, within thirty (30) days from the date of receipt thereof, Developer shall relinquish to the City all design documents, and shall cooperate with the City in every way to ensure that the construction of the Public Facilities will be completed expeditiously.

Notwithstanding the provisions of this Section, the only sources of funds to be utilized by the City for the construction of any such Public Facilities shall be (i) the proceeds of the sale of the Bonds and, at City's discretion, (ii) the proceeds of applicable City development fees collected pursuant to the applicable codes, ordinances and policies of the City, including development fees paid through levies of the special taxes of the District, (iii) proceeds from the sale of the bonds of another community facilities district or assessment district established over and including property in the City, (iv) interest earnings on the reserve fund for the Bonds, to the extent such earnings are determined by the City to be available for construction of the Public Facilities, (v) the Developer's subdivision bond or bonds to the extent applicable, (vi) any other performance security that may have been provided by the Developer, and (vii) the Developer's and/or contractors' performance bonds. To the extent that the proceeds of the sale of the Bonds and such other funds may be insufficient to pay for the construction of a Public Facility which will be constructed by the City pursuant to this Section, the City may either construct only those Public Facilities which can be constructed within the total of the amounts of the proceeds from the sale of the Bonds and such other funds which are available therefor, or the City may proceed to complete the Public Facilities and charge the Developer, the Developer's bond or any contractor's bond for the costs thereof.

15. Developer Responsibility for Satisfaction of Improvements required by Conditions of Approval. If the anticipated proceeds of Bonds are not sufficient to pay the full amount of the acquisition price of Public Facilities, Authorized Fees, or any other authorized facilities and fees (the "**Gap Shortfall**"), City covenants to levy the District special tax at the maximum rate permitted against each Developed Parcel within the District for thirty (30) years, commencing with the year in which there first is a levy of special taxes on such parcel as a Developed Parcel, and thereafter to pay to Developer from excess Special Tax revenues

generated from such Developed Parcel on an annual basis payments toward the acquisition prices of Public Facilities, Authorized Fees, and any other authorized facilities and fees until the earlier of (i) with respect to each Developed Property, thirty (30) years from the date of the first levy of Special Tax on such Developed Property, or (ii) the year the Gap Shortfall plus accrued interest is paid in full, provided however in the event refunding bonds are issued, the determination of the amount of excess special taxes shall be computed based on the debt service for the originally issued Bonds. Accrued interest shall be calculated from the first day of the next succeeding month following the date of each payment by Developer for costs related to the Public Facilities for which payment otherwise would have been made from Bond proceeds in the absence of such Gap Shortfall, provided the parties agree that Bond proceeds shall first be exhausted prior to payment to Developer for any interest. Upon the first payment by Developer for costs related to Public Facilities (after exhaustion of available Bond proceeds) the rate of interest to be paid for purposes of all deferred payments described above shall be fixed as of the date of such first payment by Developer, based on the May rate established by the Engineering New Record Construction Cost Index for the United States Twenty (20) City Average, averaged with the Construction Cost Index for San Francisco.

16. Construction of Other Facilities. Developer shall also proceed expeditiously with the design and construction of the other improvements and facilities, other than the Public Facilities, which are necessary to the development of the Property and the provision of municipal services within the District and to the residents therein. Such other public improvements and facilities shall be designed and constructed on a schedule which will not delay or interfere in any way with the design and construction of the Public Facilities. The provisions of this Section shall not supersede those of any other agreement between Developer and the City.

17. Development Schedule. Developer shall also proceed with the construction of the Public Facilities with all commercially reasonable diligence to ensure that such development is completed in accordance with the Project Approvals.

18. District Financing of Authorized Fees. Authorized Fees may be financed from the Funding Sources. Authorized Fees paid by the Developer to the City or other applicable agency, including Authorized Fees paid prior to the availability of the Funding Sources, shall be eligible to be reimbursed to the Developer from the Funding Sources (as and when available), subject to any applicable tax-exempt bonding requirements if tax-exempt bonds are issued. Any Authorized Fees paid by the Developer shall be made with the understanding that such Authorized Fees will be financed (subject to any applicable tax-exempt bonding requirements if tax-exempt bonds are issued) from the Funding Sources if, and when, such Funding Sources become available. The payment of Authorized Fees prior to the availability of the Funding Sources shall not be construed as a dedication or gift of the Authorized Fees, or a waiver of the payment for such Authorized Fees pursuant to this Agreement, it being the intention that the Authorized Fees be paid by the Funding Sources to the extent of the Funding Sources and satisfaction of other conditions set forth in this Agreement. The financing of Authorized Fees hereunder may be paid in any number of installments as Funding Sources become available.

19. Binding on Community Facilities District. The District shall automatically become a party to this Agreement to the extent permitted by California law, and all provisions hereof which apply to the City shall also apply to the District. The City Council of the City, acting for the District, shall perform all parts of this Agreement which require performance on the part of the District.

20. Assignment. Developer may not assign this Agreement or any right or duty hereunder to a non-affiliated assignee without the express written approval of the City. The City may condition any such approval on proof of the financial responsibility and experience of a proposed assignee to undertake and perform the duties and responsibilities of Developer under this Agreement. The City's approval of an assignment of this Agreement and the rights and duties of Developer hereunder shall not be unreasonably withheld. Notwithstanding the foregoing, the Developer may, by written direction to the City, designate an assignee to receive disbursement of moneys otherwise due to the Developer hereunder.

21. Prompt Action. All consents, approvals and determinations required of either the City or Developer pursuant to this Agreement shall be promptly given or made, and shall not be unreasonably withheld.

22. General. This Agreement contains the entire agreement between the parties with respect to the matters herein provided for, and may be amended by a subsequent written agreement signed on behalf of both parties. This Agreement is for the exclusive benefit of Developer, the City, and the District and shall not be construed to confer any rights or benefits upon any persons other than the City, the District, and the Developer. This Agreement shall, however, inure to the benefit of and be binding upon the successors and assigns of the parties. This Agreement shall be construed and governed by the Constitution and laws of the State of California. Should either party to this Agreement commence a court action or proceeding against another party with respect to this Agreement or the design and acquisition or construction of the Public Facilities, the Party prevailing in such action or proceeding shall be entitled to receive from the losing party its attorney's fees, expert witness fees, court costs, and other costs incurred by it in prosecuting or defending such action or proceeding. The captions of the sections of this Agreement are provided for convenience temporarily, and shall not have any bearing on the interpretation of any section hereof. This Agreement may be executed in several counterparts, each of which shall be an original of the same Agreement.

23. Notices. Any notice or demand which by any provision of this Agreement is required or permitted may be given by any typical means, including by electronic means, as follows:

City of Roseville
311 Vernon Street
Roseville, California 95678
Attention: Chief Financial Officer
dkauffman@roseville.ca.us & JThrash@roseville.ca.us

Brookfield Properties
12657 Alcosta Blvd, Suite 250
San Ramon, CA 94583
Attention: Vice President of Land and Planning
Gonzalo.Rodriguez@brookfieldpropertiesdevelopment.com

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement by its City Manager and attested to by its City Clerk under the authority of Resolution No. 24-253 adopted on July 17, 2024, and Owner has caused this Agreement to be executed.

CITY OF ROSEVILLE,
a municipal corporation

**BROOKFIELD SACRAMENTO HOLDINGS
LLC,** a Delaware limited liability company

By: 

DOMINICK CASEY
City Manager

By: _____
Name: _____
Title: _____

ATTEST:

By: 

CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

By: 

MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

By: 

DENNIS KAUFFMAN
Assistant City Manager/Chief Financial Officer

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement by its City Manager and attested to by its City Clerk under the authority of Resolution No. 24-253 adopted on July 17, 2024, and Developer has caused this Agreement to be executed.

CITY OF ROSEVILLE,
a municipal corporation

**BROOKFIELD SACRAMENTO HOLDINGS
LLC,** a Delaware limited liability company

By: _____
DOMINICK CASEY
City Manager

By: _____
Name: Gonzalo Rodriguez
Title: Vice President

ATTEST:

By: _____
CARMEN AVALOS
City Clerk

APPROVED AS TO FORM:

By: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

By: _____
DENNIS KAUFFMAN
Assistant City Manager/Chief Financial Officer

EXHIBIT A

Transportation Improvements

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA), including but not limited to;

- Westbrook Boulevard
- West Sunset Boulevard

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations; bridge crossings and culverts; clearing, grubbing, and demolition; grading, intract subdivision roadway improvements, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, dry utilities, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads
- Recycled water lines in/associated with authorized facility roads
- Well construction or financial contributions thereto
- Water Tank Site Improvements
- Recycled Water Storage Tank Facility or financial contributions thereto

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities;

drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways
- Retention, detention, hydro-modification, and other drainage facilities

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; storage tanks; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways
- Sewer pump station/lift station

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution to shared facilities.

Park, Landscape Corridor and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites
- Construction of Paseos
- Construction of Trails

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on-and off-site hawk/raptor mitigation, agricultural mitigation or other environmental mitigation, property acquisition, endowment payments/PCA fees for open space management monitoring, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements related to all Preserved and General Open Space Parcels
- Wetland creation mitigation monitoring, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered

authorized facilities. Authorized facilities also shall include costs related to the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary overhead lines as described in the project DA, including but not limited to:

- Electric Substation improvements

Other Public Facilities

Authorized facilities include any and all public facilities or infrastructure, including the project's improvements to the fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, City Traffic Fees, Placer Conservation Authority (PCA) Fee, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, Pre-paid DA Fees, and Public Benefit Fee.

EXHIBIT B
CONTRACTS

Contractor	Description (Scope)	City Project #	Estimated Cost
1. Teichert Construction	Westbrook BLVD Sewer Force Main (Force Main)	EN21-0464	\$1,250,957
2. Marques General Engineering	Amoruso Ranch Phase 1 - Subphase A1 - Backbone Westbrook Boulevard - Segment 5 (Wet Utilities, Bridge, Streets)	EN21-0554	\$7,196,928
3. Lund Construction	Amoruso Ranch Phase 1 - Subphase A1 - Backbone Westbrook Boulevard - Segment 5 (Dry Utilities)	EN21-0554	\$1,314,036
4. Contech Engineering Solution	Amoruso Ranch Phase 1 - Subphase A1 - Backbone Westbrook Boulevard - Segment 5 (Bridge)	EN21-0554	\$1,386,412
5. T&S Construction	Amoruso Ranch Road Sewer Pump Station (Sewer Pump Station)	EN21-0868	\$4,098,329
6. Marquez General Engineering	Amoruso Ranch Phase 1 - Subphase A1 - Backbone Roads (Wet Utilities, Streets)	EN21-0553	\$12,934,488
7. Lund Construction	Amoruso Ranch Phase 1 - Subphase A1 - Backbone Roads (Dry Utilities)	EN21-0553	\$2,964,046