

RECORDING REQUESTED BY AND WHEN
RECORDED, PLEASE RETURN TO:

City Clerk
CITY OF ROSEVILLE
311 Vernon Street
Roseville, CA 95678

AFFORDABLE PURCHASE HOUSING AGREEMENT

Project Name: DF Properties, Inc. – DF-20 (APN: 498-010-017-000)

This Affordable Purchase Housing Agreement ("the APHA" or "Agreement") is made and entered into this _____ day of _____, 2021, between the City of Roseville, a municipal corporation ("CITY"), and DF Properties, Inc., a California corporation ("DEVELOPER"), and

W I T N E S S E T H:

WHEREAS, on June 13, 2013, CITY approved the updated Housing Element of the General Plan which applies a ten percent (10%) affordability requirement to all new specific plan areas or properties for which zoning is amended to change residential density; and

WHEREAS, on May 5, 2010 CITY approved the Sierra Vista Specific Plan ("the SVSP") and on May 19, 2010 CITY approved that certain development agreement for that portion of the SVSP area which contains the property that is the subject of this APHA, which Development Agreement is recorded as Instrument 2010-0045939 ("the Development Agreement"); and

WHEREAS, on November 2, 2020 CITY approved the DF-20 tentative subdivision map (Subdivision Map no. PL20-0098; "the Subdivision"), tentatively dividing that portion of the SVSP area which contains the property that is the subject of this APHA into 103 lots each of which is intended to be improved by the construction of a single-family dwelling unit; and

WHEREAS, the DEVELOPER is receiving the benefit of land entitlements either through the Specific Plan and Development Agreement process or by amendment of the zoning of the property to change residential density; and

WHEREAS, the conditions of approval of the Subdivision require DEVELOPER to enter into affordable housing agreements to the satisfaction of City Attorney of CITY, implementing the affordable housing obligations of DEVELOPER; and

WHEREAS, CITY and DEVELOPER have agreed that DEVELOPER's obligation to designate 18 affordable rental housing units in the Subdivision will be transferred to other properties that DEVELOPER owns in the Infill Area; and

WHEREAS, DEVELOPER and CITY enter into this APHA in order to implement DEVELOPER's affordable housing obligations; and

WHEREAS, the Affordable Units will be governed by the "Special Development and Use Standards" ("the Standards"), which are attached to this APHA, marked as Exhibit "B," and are incorporated herein by this reference.

NOW, THEREFORE, the parties agree as follows:

1. Subject Property. The real property which is the subject of this APHA (the "Subject Property") is described in Exhibit "A," which is attached to this APHA and incorporated herein by reference. The Subject Property consists of all real property within the Subdivision.

2. Ownership. DEVELOPER represents that it has a legal interest in the Subject Property and that all other persons holding legal or equitable interests, if any, in the Subject Property have signed an "acknowledgment and consent certificate," in a form approved by the City Attorney of CITY, acknowledging and consenting to the terms of this Agreement. All persons holding any legal or equitable interest in the Subject Property shall be bound by this Agreement.

3. Covenants Run with the Land. This APHA shall run with the land. The burdens of this APHA bind, and the benefits of the APHA inure to, the successors in interest of the parties. This APHA shall be recorded in the Office of the Placer County Recorder.

DEVELOPER's obligations under this APHA shall terminate with respect to each of the Affordable Units upon sale of each such Affordable Unit as a completed home, if such sale is in conformance with the requirements of this APHA; provided that the City agrees to execute and record in the Office of the Placer County Recorder (at DEVELOPER's cost) concurrently with each market unit sale a Notice of Termination. Responsibility for compliance with this APHA to each Affordable Unit shall thereafter be the burden of the then owner of such Affordable Unit.

DEVELOPER shall remain responsible for compliance with this APHA as to all other Affordable Units.

Those units which have not been designated as Affordable Units ("the Market Rate Units") shall be released from this APHA upon compliance by DEVELOPER with the terms and conditions of the Standards governing release. CITY's City Manager, or designee, ("the City Manager"), will execute and acknowledge a satisfaction and release of this APHA for each such Market Rate Unit within the Subject Property.

4. Standards. The parties agree that the Standards shall apply to the Subject Property. To the extent not specified in the Standards, or in this APHA, development of the Subject Property shall be governed by this Agreement and the provisions of the Roseville Municipal Code as they now exist or may hereafter be modified.

5. Due Diligence. DEVELOPER agrees to proceed in good faith and in a reasonable and diligent manner to implement the provisions of this APHA.

6. Changes to Regulations of No Effect. Except as provided in paragraph 4, CITY agrees that, unless this APHA is amended or canceled pursuant to the provisions of paragraphs 8, 9 or 15 below, this APHA shall be enforceable by the CITY and DEVELOPER or their respective successors in interest despite any change in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance, or building regulations adopted by CITY, which change alters or amends the Standards.

7. Monitoring\Breach\Cure. DEVELOPER's compliance with the provisions of this APHA shall be reviewed at least annually, and at such other times as CITY may require, upon thirty (30) days prior written notice. During any such review, DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this APHA. If, as a result of such review, CITY finds and determines that DEVELOPER has not complied in good faith with the terms and conditions of this Agreement, CITY shall give written notice to DEVELOPER of its findings and of the exact nature of DEVELOPER's non-compliance. DEVELOPER shall be given a period of sixty (60) days after receipt of any such notice in which to cure, to the reasonable satisfaction of CITY, any inconsistencies or conditions of default. In the event CITY fails to give DEVELOPER notice of a failure to comply at or before the annual review, DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this Agreement during that year.

8. CITY Remedies for Breach. If DEVELOPER is unwilling or unable to cure any such conditions of default within sixty (60) days after its receipt of notice pursuant to paragraph 7, CITY may, in addition to any other remedy provided by law or equity, modify or terminate this APHA, withhold further building permits, seek liquidated damages in accordance with this APHA, or take any action available to it under this Agreement.

In particular, and without limitation by reason of enumeration, DEVELOPER acknowledges and agrees that any default by DEVELOPER under this APHA shall, at the option of the CITY, constitute a default under this Agreement as to all other property within the Subdivision that is then subject to the APHA.

In addition, and without limitation by reason of enumeration, DEVELOPER acknowledges and agrees that CITY shall have the right to withhold issuance of all building permits within the Subdivision until such breach is cured.

9. Amendments. Except as otherwise provided herein, this APHA may be amended only by mutual written consent of the parties or their successors in interest. Such amendment shall be recorded in the Office of the Placer County Recorder.

10. Force Majeure. Performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental entities, or enactment of conflicting state or federal laws or regulations.

11. No Waiver. CITY does not waive any claim or defect in performance by DEVELOPER if upon review it does not propose to modify or terminate the APHA or otherwise seek enforcement of its provisions.

12. Notices. All notices required by this APHA shall be in writing and delivered in person or sent by U.S. mail, first class postage prepaid, to the following addresses:

CITY
Housing Manager
City of Roseville
316 Vernon Street #150
Roseville, CA 95678

DEVELOPER
DF Properties, Inc.
Attn: Jeff Ronten
2013 Opportunity Drive, Suite #140
Roseville, CA 95678

Either party may change its address by giving notice in writing to the other party.

13. Indemnification. DEVELOPER shall defend, indemnify and hold harmless CITY, its officers, agents, employees and volunteers, from liability or claims for damage of any nature, including but not limited to personal injury to any person, bodily injury to any person, including death, or property damage, which may arise from or be connected with the direct or indirect operations, inaction, or actions of DEVELOPER or its contractors, subcontractors, agents or employees arising out of or connected with this APHA, except those matters arising from the sole active negligence of CITY. This provision is intended to be broadly construed and extends to, among other things, any challenge to the validity of this APHA, except that it shall not extend to claims regarding the validity or invalidity of any adopted City policy.

14. Attorney Fees. If legal action is brought by either party against the other for breach of this Agreement or to compel performance of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

15. Term. The term of this APHA shall begin immediately upon its execution by the parties and shall end fifteen (15) years after the close of escrow on the last Affordable Unit sold to a Qualified Purchaser and/or after the release by CITY of such affordable obligation pursuant to Section 3.c of the Standards. Notwithstanding the foregoing, this APHA may be terminated or modified pursuant to the provisions of paragraphs 8 and 9 above.

16. Notice upon Transfer. DEVELOPER shall notify the CITY in writing thirty (30) days prior to any transfer of all or substantially all of its interest in the Subject Property. Said notice shall include the legal name of the new party(ies) and their current mailing address.

17. Transfer of Affordable Rental Units. CITY and DEVELOPER will enter into an Affordable Rental Housing Agreement for each of following properties to memorialize DEVELOPER's affordable rental obligations. The mix of affordable rental housing units transferred from the Subject Property to DEVELOPER's properties in the Infill Area will be as follows:

113 Atkinson Street #A & B – 2 very low-income units

115 Atkinson Street – 1 low-income unit

1124 Circuit Drive #A & B – 2 low-income units

205 Hickory Street #A, B & C – 3 low-income units

207 Hickory Street #A, B & C – 3 low-income units

145 Duranta Street – 7 very low-income units

18. Liquidated Damages. The parties agree that, were DEVELOPER to fail to comply with the terms of this APHA subject to all applicable notice and cure periods and Force Majeure delay, the damage to CITY would be large but immeasurable. The parties estimate such damages at, and therefore agree to set the amount of liquidated damages for breach of this APHA by DEVELOPER at, the sum of one thousand dollars (\$1,000) per day during a default by DEVELOPER under this Agreement following the expiration of the cure period described in paragraph 7 hereof (which cure period shall be extended for periods of Force Majeure delay).

19. Developer Payment. In order to partially offset the cost of the annual review to be performed, DEVELOPER agrees to pay to CITY the sum of six hundred dollars (\$600) when each affordable unit is sold. The payment shall be paid upon close of escrow.

20. Integration. This is an integrated agreement, and contains all of the terms, considerations, understanding and promises of the parties. It shall be read as a whole.

21. Consent of Lien Holders. The acknowledgment and consent of those (besides Developer) holding a legal interest in all or any part of the Subject Property is attached hereto as Exhibit "F."

22. Severability. The parties agree that the provisions of this Agreement are severable. If any provision is deemed invalid by a court of competent jurisdiction, the balance of this Agreement shall be considered to remain intact and be enforceable on its terms consistent with the findings and purposes set forth herein.

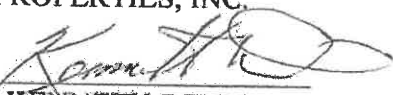
[Signatures on the following page]

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of the Agreement in duplicate by its Acting City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the City of Roseville on the ____ day of _____, 2021, and DEVELOPER has caused this Agreement to be executed.

CITY OF ROSEVILLE,
a municipal corporation:

BY: _____
DOMINICK CASEY
City Manager


DF PROPERTIES, INC.

BY: 
KENNETH DENIO
President

ATTEST:

and

BY: _____
SONIA OROZCO
City Clerk

BY: 
JEFF RONTEN
Executive VP/CFO

APPROVED AS TO FORM:

(notarization required)

BY: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: 
LAURA MATTEOLI
Economic Development Director

This Agreement contains 6 exhibits:

- A. Description of the Subject Property
- B. Special Development and Use Standards
- C. Part 1: Certification of Qualified Purchaser Eligibility
Part 2: Income Verification
Part 3: Checklist for Affordable Purchase Program
- D. Deed of Trust and Assignment of Rents
- D-1. Promissory Note
- E. Acknowledgment and Consent

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

On June 14th 2021 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Kenneth Denio

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Adrian Manuel David Acosta - Notary Public

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-Fact
- Corporate Officer(s) _____ Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: _____

representing: _____
Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

Additional Signer(s) Signer(s) Thumbprint(s)

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Placer)

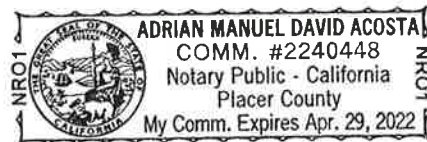
On June 14th 2021 before me, Adrian Manuel David Acosta,
(here insert name and title of the officer)

personally appeared Jeff Ronten

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Adrian Manuel David Acosta - Notary public

(Seal)

Optional Information

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 Attorney-in-Fact
 Corporate Officer(s) _____
Title(s)

- Guardian/Conservator
 Partner - Limited/General
 Trustee(s)
 Other: _____

representing: _____
Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

- Additional Signer(s) Signer(s) Thumbprint(s)

EXHIBIT "A"
Legal Description

Lot 1 as shown and so designated on that certain Final Map titled "Final Map of Sierra Vista DF Properties, Inc. Large Lot Subdivision, Subdivision No. PL15-0192" filed for record on October 29, 2020 in Book FF of Maps, at Page 21, Placer County Records.

EXHIBIT "B"

SPECIAL DEVELOPMENT AND USE STANDARDS

CITY and DEVELOPER agree that the following special development and use standards shall apply to the Subject Property.

1. The Reservation of Affordable Units. DEVELOPER agrees to reserve four (4) single-family dwelling units (the "Affordable Units") for inclusion within the CITY's Affordable Purchase Housing Program. The Affordable Units shall be located on specific lots, to be determined at a later date, in the Subdivision. DEVELOPER agrees to offer the Affordable Units for sale at an Affordable Price.

2. Definitions.
The following terms shall be defined for purposes of this APHA as set forth in this section:

a. "Affordable Purchase Price" - The sales price to be paid by a Qualified Purchaser for an Affordable Unit as determined in accordance with the provisions of Section 3.b below.

b. "Affordable Unit" - A single-family dwelling unit of at least three bedrooms and one bath, affordable at the time of sale to a or Middle Income Household.

c. "CITY MANAGER" – The City Manager for the City of Roseville and his or her designee.

d. "Immediate Family Member" - Parent, Stepparent, Child, Stepchild, or Spouse.

e. "Initial Subsidy" - The difference between the Affordable Purchase Price and the Market Value at the time of the original purchase under this Agreement.

f. "Market Value" - The fair market value of a unit determined by an independent appraiser approved by the CITY MANAGER.

g. (i) "Middle Income Household" - A family household, approved by the CITY MANAGER, consisting of one (1) or more persons earning no more than 100% of the median household income for a family of four, as defined in accordance with the most recent information issued by the United States Department of Housing and Urban Development (HUD) for the Sacramento—Arden- Arcade—Roseville Metropolitan Statistical Area ("Sacramento MSA"). CITY will use the income limit for a household of four (4) for a one-two (1-2) person household and income limit for a household of six (6) for a three (3) or more person household.

Provided, however, applications of persons or families who submit down payments exceeding twenty percent (20%), possess cash assets in excess of one hundred thousand dollars (\$100,000), receive a gift in excess of ten thousand dollars (\$10,000) toward a down payment, and/or qualify with a co-mortgagor will be reviewed on a case by case basis, and the City may refuse to qualify such

applicants if, in the opinion of the CITY MANAGER, the applicant(s) have sufficient cash assets or other financial support that enables them to purchase new units within the City without relying on this program.

h. "Non-Qualified Purchaser" - Any person or entity other than a Qualified Purchaser.

i. "Qualified Purchaser" – A Middle Income Household that meets the eligibility criteria required to qualify to purchase an Affordable Unit. Qualified Purchasers are subject to the approval of the CITY MANAGER.

j. "Resale Price" - The sales price for an Affordable Unit paid to an Affordable Purchaser upon resale of the Affordable Unit by an Affordable Purchaser.

3. DEVELOPER's Affordable Housing Obligations. The following provisions apply to the sale of Affordable Units:

a. The Offer of Affordable Units. DEVELOPER shall offer 4 Affordable Units. The Affordable Units shall be similar in size, quality, fixtures, amenities and architecture to Market Rate Units within the subdivision in which they are located. The Affordable Units may have two-car garages and are not required to include fireplaces.

b. Establishing the Affordable Purchase Price. The Affordable Purchase Price for each Affordable Unit will be established at the time such Affordable Unit is offered for sale to prospective Qualified Purchasers. The Middle Income Affordable Purchase Price shall not exceed, for a three-bedroom unit (4 units), the price at which a four person household earning no more than 95% of the median income can qualify (such income level to be determined in accordance with the definition of "Middle Income Household" above), living in the Sacramento MSA, under the financing program offered by DEVELOPER's preferred lender or similar lending institutions. DEVELOPER acknowledges that this amount will vary with time and will be established by the CITY MANAGER in accordance with paragraph 5.

The CITY MANAGER shall review the DEVELOPER's calculation of the proposed Affordable Purchase Price and shall require an appropriate adjustment in the Affordable Purchase Price if the financing program offered by DEVELOPER's preferred lender or similar lending institutions will not, in the CITY MANAGER's discretion, qualify a Middle Income Household for purchase of the Affordable Unit. The financing program offered by DEVELOPER's preferred lender or similar lending institutions shall not require a down payment of greater than three percent (3%) of the Affordable Purchase Price and must offer a fixed rate loan of thirty (30) years or more.

c. Intentionally deleted.

d. Marketing Affordable Units. Once an Affordable Purchase Price has been established, DEVELOPER agrees to use its best efforts to sell the Affordable Unit in accordance with this APHA. Such best efforts shall include, without limitation, (i) special advertising approved by the CITY MANAGER including, but not limited to, advertisements in local newspapers, direct mailers, and e-mails, prior to the release of the Affordable Unit for sale indicating the

availability of the Affordable Unit to Middle Income Households, (ii) maintenance of a waiting list of Middle Income Households seeking housing opportunities in the area, (iii) notification of such Middle Income Households (and any other such applicant households identified by the CITY MANAGER) prior to the release of the Affordable Unit, and the pre-release, by at least one week, of the Affordable Unit to such notified households. In addition, for any Affordable Unit for which a contract of sale has not been entered into with a Middle Income Household after the above efforts, DEVELOPER shall not enter into a contract of sale of the available Affordable Unit, except with a Qualified Purchaser, for ninety (90) days after release of each Affordable Unit to the general public.

e. Approval of Prospective Qualified Purchasers. DEVELOPER agrees that prior to sale of an Affordable Unit, each prospective Qualified Purchaser shall be required to complete a form substantially similar to the form attached hereto as Exhibit "C." No Affordable Unit shall be sold by DEVELOPER to a prospective purchaser whose household income level, as disclosed on the form or other documents submitted by the prospective purchaser, exceeds the target household income level (either low or middle) for a family of four in the Sacramento MSA, as annually adjusted. DEVELOPER shall maintain copies of all such forms until the termination of this APHA. The originals of such form shall be delivered to the CITY MANAGER who shall determine whether or not such prospective purchasers qualify as Qualified Purchasers.

f. Sale to a Qualified Purchaser. Each Qualified Purchaser shall be required to purchase the Affordable Unit with cash, a mortgage secured by a first deed of trust on the Affordable Unit, loan(s) from other affordable purchase programs, or a combination of the these sources. If a mortgage is secured, DEVELOPER must ensure that the Qualified Purchaser receives a fixed rate loan of thirty (30) years or more. The Qualified Purchaser must make at least a one percent (1%) downpayment towards the Affordable Purchase Price, excluding closing costs.

g. Notice of Sale to a Qualified Purchaser. Any contract of sale for an Affordable Unit between DEVELOPER and a prospective Qualified Purchaser shall be contingent upon approval of the Qualified Purchaser by the CITY MANAGER. Upon execution of such a contract of sale for an Affordable Unit between DEVELOPER and a Qualified Purchaser and upon approval of the Qualified Purchaser by a lender, DEVELOPER shall, within three (3) working days, notify the CITY MANAGER of the pending escrow. DEVELOPER shall, at the time of notification, also provide information verifying the buyers' qualifications as a Qualified Purchaser, including a copy of a completed form substantially similar to the form attached as Exhibit "C."

h. Approval of Qualified Purchaser. The CITY MANAGER shall within ten (10) working days of receipt from DEVELOPER of a complete buyer qualification package, either approve the prospective purchaser as a Qualified Purchaser or provide DEVELOPER with a written explanation specifying the reasons the prospective purchaser does not qualify.

i. Appraisal Required. The Market Value of the Affordable Unit to be sold to a Qualified Purchaser shall be determined by an independent appraiser at least fifteen (15) days but not more than six (6) months prior to the contract for sale of an Affordable Unit to a Qualified Purchaser. The appraiser shall be approved by the CITY MANAGER. In lieu of an appraisal and at CITY's sole discretion, CITY may use recent comparable market rate sales within the Subdivision where the Affordable Unit is located to establish Market Value.

j. Note Required. In each sale to a Qualified Purchaser, CITY shall take back a note from the Qualified Purchaser, secured by a first or second deed of trust utilizing documents substantially similar to the documents attached as Exhibit "E," "E-1" and "E-2" in an amount equal to the Initial Subsidy together with the calculated interest as determined in accordance with Section 3.1.i. The provisions of the note and deed of trust shall include the substantial equivalent of the following:

1) No interest; no principal payments; due in thirty (30) years from date of execution.

2) During the first fifteen (15) years after sale of an Affordable Unit to a Qualified Purchaser, the full principal amount of the note shall be: due on sale to any Non-Qualified Purchaser; due on change of use from single-family residential to any other use or if the Affordable Unit is rented; due on any change in title, whether voluntary or involuntary, which adds any person to the title other than a spouse or any other Immediate Family Member provided such Immediate Family Member resided in the Affordable Unit at the time the Qualified Purchaser purchased the Affordable Unit; and due on any refinance of the Affordable Unit either not approved by the CITY MANAGER, or in an amount exceeding the Qualified Purchaser's equity at that time.

3) Reissued to a subsequent Qualified Purchaser approved by the CITY MANAGER if the sale is within fifteen (15) years.

4) Due on sale after fifteen (15) years from the date of original purchase under this Agreement.

5) The note shall include a provision requiring that notice be given to the CITY MANAGER upon the occasion of satisfaction of the note and/or reconveyance of the Affordable Unit pursuant to the terms of the deed of trust.

1. Type of Note. The Qualified Purchaser will execute a Promissory Note with the following provisions:

(i) Promissory Note (Exhibit E-1). Where the Note becomes due for any of the reasons set forth in Section 3.k.2 above, simple interest shall be computed based upon the unpaid balance of the principal amounts and at the annual rate of two percent (2%) for the first 15 years. Beginning at the first day of the sixteenth (16th) year all accrued interest shall be forgiven and the Note shall be retired upon payment of the principal balance only.

If the Affordable Unit is sold to a Qualified Purchaser within fifteen (15) years of the original sale, CITY may reinvest any available affordable funds.

CITY's note shall be adjusted, upon reissuance of a new note to the new Qualified Purchaser pursuant to Section 3.k.3 above, to reflect the addition of the CITY's investment. If the Affordable Unit is sold to a Non-Qualified Purchaser within fifteen (15) years of the original sale or to any purchaser thereafter, the interest shall be distributed in accordance with the allocations set forth in this section.

m. Notice to City on Resale. During the first fifteen (15) years after the initial sale by DEVELOPER to a Qualified Purchaser, the Qualified Purchaser shall notify the CITY MANAGER in writing sixty (60) days prior to offering the Affordable Unit for resale in order to allow CITY time to identify, qualify and provide a subsequent Qualified Purchaser. The Qualified Purchaser shall disclose to the CITY MANAGER the proposed Sales Price. Such Sales Price must be consistent with Market Value at the time of sale as determined in an appraisal made at the Qualified Purchaser's expense by an independent appraiser, approved by the CITY MANAGER. Such notice shall be addressed to:

Housing Manager
City of Roseville
316 Vernon Street #150
Roseville, CA 95678

n. Mandatory Resale to City - Provided Qualified Purchaser. CITY shall have sixty (60) days from the date of receipt of notice pursuant to Section 3.m. to identify, qualify and provide a subsequent Qualified Purchaser.

The Qualified Purchaser shall offer to sell the Affordable Unit to the subsequent Affordable Purchaser, if one is provided by CITY.

o. Hazard Insurance. A Qualified Purchaser shall at all times maintain hazard/fire insurance equal to replacement cost of the Affordable Unit.

p. Initial Subsidy of Five Thousand Dollars (\$5,000) or Less. If the difference between the Affordable Purchase Price and the Market Value at the time of original sale under this Agreement is five thousand dollars (\$5,000) or less, the requirements of Section 3.j, 3.k, 3.l, 3.m, 3.n, 3.o and 3.p above shall not apply. Concurrently with the sale of an Affordable Unit to a Qualified Purchaser at an Affordable Purchase Price that is within five thousand dollars (\$5,000) of the original Market Value, CITY and DEVELOPER shall record, at DEVELOPER's cost, a notice of termination, releasing the property under the contract of sale from the terms of this Agreement. For every Affordable Unit for which a notice of termination is recorded pursuant to this Section 3.r, CITY shall waive the monitoring fee set forth in Section 18 of the APHA.

4. City Inspection of Records of Sale. DEVELOPER agrees, upon reasonable notice, to make available to CITY for audit, inspection and copying its records of sale for the purpose of assuring compliance with this APHA, including without limitation, those forms maintained pursuant to Section 3.d.

5. Annual Adjustment of Median Income. Median income shall be adjusted annually by the CITY MANAGER to coincide with the changes in the middle household

income for a four (4) person household for the Sacramento MSA as published in the Federal Register or the most recent available circular distributed by the U.S. Department of Housing and Urban Development. The CITY MANAGER shall notify DEVELOPER in writing of each annual adjustment. If DEVELOPER does not agree with the annual adjustment, DEVELOPER may, within fifteen (15) calendar days of notification by the CITY MANAGER, present to the CITY MANAGER additional information which it wishes the CITY MANAGER to consider. The CITY MANAGER will review this information and, within fifteen (15) calendar days, decide on and notify DEVELOPER of an annual income limit adjustment. The decision of the CITY MANAGER shall be final.

6. Changing the Location of an Affordable Unit. DEVELOPER has reserved the units identified in Section 1 as the locations for the Affordable Units. DEVELOPER may change the location of an Affordable Unit to another location within the Subdivision upon the written approval of the CITY MANAGER, provided, however, that Affordable Units shall not be clustered in one location. If an Affordable Unit is relocated to another location, DEVELOPER shall record a notice, in a form approved by the CITY MANAGER, both on the unit being released from this APHA and on the unit being newly encumbered by this APHA.

7. Right to Cure. In the event that title to an Affordable Unit is conveyed to a Non-Qualified Purchaser in breach of this Agreement, DEVELOPER or DEVELOPER's successor or assignee may cure the default by designating an additional, different unit within the Subject Property as an Affordable Unit. Such designation shall be subject to the written approval of the CITY MANAGER. DEVELOPER or DEVELOPER's successor or assignee shall record a notice, in a form approved by CITY MANAGER, on the unit being newly designated and encumbered as an Affordable Unit under this Agreement. CITY and DEVELOPER shall, at DEVELOPER's cost, record a notice of termination, releasing the unit that was conveyed to a Non-Qualified Purchaser in breach of this Agreement, from the terms of this Agreement.

8. Handbook Required. Prior to sale of any Affordable Unit, DEVELOPER shall give to the Qualified Purchaser a copy of this Agreement and a handbook, prepared by the CITY, explaining in general the terms and conditions of this Agreement. DEVELOPER shall also require the Qualified Purchaser to sign a statement acknowledging receipt of this Agreement and the handbook. The form of such handbook shall be approved by the CITY MANAGER.

9. Local Residents, Employees and Veterans. Consistent with all federal, state and local laws, DEVELOPER agrees to use its best efforts to sell the Affordable Units to persons who are employed in the City of Roseville, reside in the City of Roseville or who are honorably discharged veterans and agrees, in cooperation with CITY, to notify major employers in Roseville, in a timely fashion, of the type and availability of housing being constructed by DEVELOPER. If CITY determines at any time that the requirements of this paragraph conflict with applicable law, the CITY MANAGER shall notify DEVELOPER and this paragraph shall thereafter be deemed to be of no further force or effect.

10. Home Buyer Training. DEVELOPER shall ensure the approved affordable purchasers have attended 8 hours of homebuyer training. The training shall be performed by an accredited (either by the U.S. Department of Housing & Urban Development or other recognized entity) home buying counseling agency. A typical training would include 3 hours of home buying process, 2 hours of budgeting and credit workshop, and 3 hours of home maintenance/good neighbor training. The cost of such training shall not be borne by the affordable purchaser.

EXHIBIT "C" -- Part 1

CERTIFICATION OF QUALIFIED PURCHASER ELIGIBILITY

I/We have read and answered truthfully, fully, frankly and personally each of the following questions for all persons who are to purchase the unit being applied for in the above residential project. Listed below are the names of all persons who intend to reside in the unit:

1. Name of Members of the <u>Household</u>	2. Relationship to head of <u>Household</u>	3. <u>Age</u>	4. Social Security <u>Number</u>	5. Place of <u>Employment</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

INCOME COMPUTATION

6. The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is \$_____.

Included in the total anticipated income listed above are:

- a. All wages and salaries, overtime pay, commissions, fees, bonuses, tips and other compensation for personal services, before payroll deductions.
- b. Net income from operation of a business or profession.
- c. Periodic amounts received from social security, retirement funds, and the like.
- d. Income received in place of earnings (such as unemployment benefits).
- e. Welfare assistance payments.
- f. Periodic allowances like spousal or child support.
- g. Military pay.

Excluded from such anticipated income are:

- a. Casual, sporadic or irregular gifts.
- b. Amounts which are specifically for or in reimbursement of medical expenses for any family member.

- c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses.
- d. Amounts of student financial assistance paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income.
- e. Hazardous duty pay to a family member in the armed forces who is away from home and exposed to hostile fire.
- f. Foster child or adult care payments.
- g. The value of coupon allotments or Electronic Benefit Transfer ("EBT") cards for the purchase of food pursuant to the Food Stamp Act of 1977.

7. This certificate is made with the knowledge that it will be relied upon by the DEVELOPER to determine maximum income for eligibility to occupy the unit; and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

8. I/We will assist the DEVELOPER in obtaining any information or documents required to verify the statements made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9. I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the DEVELOPER to purchase the unit and will entitle the DEVELOPER to cancel my/our contract for sale.

10. **I/We understand that the property we are buying is subject to an Affordable Purchase Housing Agreement between DEVELOPER and the City of Roseville, and that the Agreement contains provisions which may affect my/our title to the property, right to sell the property, and share of appreciation in the property.** As owners, I/we will be subject to the Agreement, and I/we agree to comply with it. I/We acknowledge receipt of a copy of the Agreement and of a handbook generally explaining its terms, if applicable (if a 2nd mortgage is provided by CITY to ensure affordability).

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____, 20__ in the City of _____, California.

Applicant

Applicant

[All persons listed in number 2 above except children under the age of 18 years must sign this form]

FOR COMPLETION BY DEVELOPER OR AGENT:

1. Calculation of eligible income:
 - a. Enter amount for entire household in 6 above: \$ _____
 - b. (1) Deduct this amount which is excluded from such anticipated income according to paragraph 6. Reason for exclusion is _____
_____ \$ _____
 - c. Total Eligible Income (line 1a less 1b) \$ _____

2. The amount entered in 1c:
 - a. _____ Qualifies the applicant to the guidelines up to 100% of the (middle) median Sacramento Metro Area household income. (circle one)
 - b. Was verified by use of:
_____ Employer income verification.
_____ Copies of tax returns.
_____ Other.

3. Lot Number of Affordable Unit to be conveyed: _____
Affordable Purchase Price: \$ _____
Market Value: \$ _____
2nd Note held by CITY: \$ _____

4. I witnessed the above applicant's signature, and have given him/her/them a copy of the Affordable Purchase Housing Agreement and a handbook explaining its terms, **if applicable** (if a 2nd mortgage is provided by CITY to ensure affordability).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this ___ day of _____, 20___ in the City of _____, California.

Date: _____

Agent for DEVELOPER



Checklist for Affordable Purchase Program

Circle the income category for which the purchaser qualifies.

Family Size	Middle Income up to 95% of Median Income
1-2	\$90,600
3+	\$105,100

Step 1: Written 3rd party verification of all income and assets including:

- | | |
|---|--|
| <input type="checkbox"/> Employment verification (Lender VOE) | <input type="checkbox"/> Government Grants |
| <input type="checkbox"/> Self Employment -
<i>Tax Returns & Profit and Loss Statements</i> | <input type="checkbox"/> TANF (Welfare Benefits) |
| <input type="checkbox"/> Social Security and/or SSI benefits | <input type="checkbox"/> Gift funds |
| <input type="checkbox"/> Unemployment | <input type="checkbox"/> 2 months worth of Savings Account statements |
| <input type="checkbox"/> Alimony | <input type="checkbox"/> 2 months worth of Checking Account statements |
| <input type="checkbox"/> Child Support | <input type="checkbox"/> Trust Funds |
| <input type="checkbox"/> VA or Military Benefits | <input type="checkbox"/> Stocks & Bonds (Cash Value) |
| <input type="checkbox"/> Retirement Funds | <input type="checkbox"/> Life Insurance (Cash Value) |
| | <input type="checkbox"/> Pensions and/or Annuities |

Eligibility: Approved Denied **Date determination sent to lender:** _____

Step 2: All of the following must be submitted prior to final approval of an Affordable Purchase Loan

- Applicant Certification of Eligibility (City form)
- Copy of Drivers Licenses & Social Security Cards
- Loan Estimate
- Underwriting and Transmittal Summary
- Loan Application
- Preliminary Title Report
- Credit Report
- Purchase Agreement
- Appraisal
- Closing Disclosure

Final Loan Approval: Approved Denied **Date determination sent to lender:** _____

Purchaser's exceeding a 20% down payment, cash assets in excess of \$100,000, receiving a gift, qualifying with a co-mortgagor and/or exceeding the income limit will be qualified on a case by case basis.

A complete package must be submitted at least ten (10) business days prior to close of escrow.

Date projected for close of escrow _____

Lender Name: _____ Company: _____ Phone: _____

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

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

(EXEMPT FROM RECORDING FEES GOV'T CODE § 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST Made this..... day of, 20....., between
Herein called TRUSTOR whose address is..... **Roseville, CA** and
.....herein called Trustee, andthe City of Roseville, herein called BENEFICIARY.

Witnesseth: That Trustor irrevocably GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that real property in the ... City of Roseville ... County of. PLACER....., State of California, described as:

Property Description-See Exhibit A

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by Paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits, for the purpose of securing payment of the indebtedness evidenced by a promissory note, of even date herewith, executed by Trustor in the sum of \$..... any additional sums and interest thereon hereafter loaned by Beneficiary to the then record owner of said property which loans are evidenced by a promissory note or notes, containing a recitation that this Deed of Trust secures the payment thereof, any lawful charge made by Beneficiary for a statement regarding the obligations secured hereby requested by or for Trustor, and the performance of each agreement herein contained. By the execution and delivery of this Deed of Trust and the note secured hereby, the provisions (1) to (15) inclusive, printed on pages 2 and 3 hereof, hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

Trustor requests that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to him at his address given herein.

Signature

Signature

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____

On _____ before me, (here insert name and title of the officer),
personally appeared _____

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct

WITNESS my hand and official seal.

Signature _____ (Seal)

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, any interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five (5) years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in

such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to inure to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) The Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(15) Trustee shall act as Trustee under Deeds of Trust given solely for the purpose of securing obligations for the repayment of money other than corporate bonds. (California Financial Code §1590.)

REQUEST FOR RECONVEYANCE
THE PROMISSORY NOTE OR NOTES, AND ANY EVIDENCES OF FURTHER AND/OR
ADDITIONAL ADVANCES MUST BE PRESENTED WITH THIS REQUEST.

.....California.....
(Date)

To THE TRUSTEE NAMED ON THE REVERSE HEREOF:

You are hereby authorized and requested to execute a reconveyance hereunder and deliver same to

.....
.....
The undersigned own all the obligations secured by said Deed of Trust:

Beneficiary

Beneficiary

Beneficiary

Beneficiary

EXHIBIT "D-1"

Promissory Note

**CITY OF ROSEVILLE
DOWN PAYMENT ASSISTANCE PROGRAM
PROMISSORY NOTE SECURED BY DEED OF TRUST**

Borrower:

Property Address:

Lender: City of Roseville

Principal Amount:

Date: _____

The "Borrower(s)", _____ for value received, promise to pay the City of Roseville ("HOLDER"), at 316 Vernon Street #150, Roseville, CA 95678 or any other place designated in writing submitted by Holder to Borrower, the principal sum of Dollars (\$,000.00) ("Principal Amount") plus interest on the unpaid principal balance according to the terms contained in this note.

Use of Funds: The loan is being made in order to assist Borrower in purchasing the property at the address above.

Term: This Note shall be for a term of thirty (30) years at which time all unpaid principal and interest remaining will be due and payable. Said maturity shall be on the same day of the year as the Date of this Note.

Interest: This Note shall bear interest on the unpaid principal balance from the Date (as stated above), and be computed as simple interest upon the unpaid balance of the principal amounts and at the annual rate of 2% for the first 15 years. Beginning at the first day of the sixteenth (16th) year all accrued interest shall be forgiven and the Note shall be retired upon the payment of the principal balance only.

Payments: No installment payments of principal or interest are required during the first thirty years after the making of this Note at which time the Note shall become all due and payable in lawful money of the United States.

Acceleration: The principal and accrued interest stated in this Note shall become all due and payable upon any total or partial sale, transfer, conveyance, assignment or lease of the whole or any part of the real property described in the Deed of Trust.

Obligations of Persons Under this Note: If more than one person signs this Note, each person is fully and personally obligated to keep all the promises made in this Note, including the promise to pay the full amount owed. The Note Holder may enforce its rights under this Note against each Borrower individually or against all Borrowers. This means that any Borrower may be required to pay the entire amount owed under this Note.

Resale of Unit: During the first fifteen (15) years after the initial sale, Borrower shall notify Holder in writing, no less than ten (10) business days, prior to listing the affordable unit for resale. The property shall be listed on MetroList, or other similar home sale website. Holder shall have sixty (60) days from the date of receipt of notice to identify, qualify and provide a subsequent qualified purchaser. Borrower shall offer to sell the affordable unit to the subsequent affordable purchaser, if one is provided by Holder.

Giving of Notice: Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by first class mail to Borrower at the property address above or at a different address if Borrower gives the Note Holder a notice of a different address.

Subordination: Any subordination request shall be submitted to the City of Roseville Housing Division for approval or rejection, which approval or rejection shall be made in the interests of the City and according to Housing Program purposes. This Note shall be subordinate to the original senior loan, any refinancing or early pay-off or release of the note secured by the senior deed of trust shall cause this Note to move into senior position.

Attorney's Fees: Borrower(s) agree to pay the following costs, expenses and attorney's fees paid or incurred by the Note Holder. If the Holder brings any action or proceeding in connection with the enforcement or collection of this Note, the Prevailing Party (as hereafter defined) in any such proceeding, action or appeal thereon, shall be entitled to reasonable attorney's fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, the party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorney's fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

In addition to the foregoing award of attorneys' fees, the Note Holder shall be entitled to its attorney fees incurred in any post judgment proceedings to enforce any judgment in connection with this Note. This provision is separate and several and shall survive the merger of this provision into any judgment.

OWNER OCCUPIED RESIDENCE. Borrower understands that so long as an unpaid balance remains under this Note, Borrower must live in the property as Borrower's principal residence. If at any time during the term of this Note Borrower lives elsewhere, the Note Holder will have the right to require payment of all principal and accrued interest (see "Acceleration" above).

Signature

Signature

Date

Date

EXHIBIT "E"

ACKNOWLEDGMENT AND CONSENT

The undersigned, having an interest in the Property located at _____, Roseville, California, hereby acknowledges that he/she/it has read and understood the document entitled "Affordable Purchase Housing Agreement" for the _____ Project and that by execution of this Acknowledgment and Consent, consent is given to the terms and conditions of said Agreement.

Date

Print Name: _____
Title: _____
Company: _____

and

Date

Print Name: _____
Title: _____
Company: _____