



CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO
THE CRA/RCFC

Monday, June 16, 2014

5:30 PM – Regular Meeting

AGENDA

Dan Skoglund, Mayor

Robert J. McGarvey, Vice Mayor

David Sander, Council Member

Donald Terry, Council Member

Linda Budge, Council Member



**CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT
AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

Monday, June 16, 2014

**5:30 PM – Regular Meeting
David B. Roberts Council Chambers**

AGENDA

1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Council Members Budge, McGarvey, Sander, Terry and Mayor Skoglund.

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Clerk will announce the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

4. INVOCATION

Reverend Steve Krogh from Grace Lutheran Church will give the invocation.

5. PRESENTATIONS

- 5.1 Golden State Water Presentation Given By District Manager Paul Schubert.
- 5.2 Presentation of Proclamation to Cordova Community Council Honoring the 30th Anniversary of Rancho Cordova Fourth of July.
- 5.3 Presentation of Proclamation to Progressive Insurance for their Day of Service.

6. PUBLIC COMMENT

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a Speaker Card to the City Clerk. For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

7. COUNCIL REPORTS

8. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

- 8.1 **Subject:** Meeting Minutes of June 2, 2014 Special Meeting and Regular Meeting and June 10, 2014 Special Meeting.
Recommendation: Adopt Minutes.
- 8.2 **Subject:** Second Reading of Ordinance No. 14-2014, An Ordinance Levying a Special Tax within the Community Facilities District No. 2014-1 (Montelena).
Recommendation: Waive the second reading and adopt Ordinance No. 14-2014.
Result of Recommended Action: Adoption of this ordinance will levy a special tax within Community Services Facilities District (CFD) No. 2014-1 (Montelena) at the rate and method of apportionment of special tax set forth in the resolution of formation of the CFD.
Staff Report: Michelle Mingay, Senior Finance Analyst.
Advances Goal: 5.
- 8.3 **Subject:** Second Reading of Ordinance No. 15-2014, An Ordinance Levying Special Tax within Community Facilities District No. 2014 (Street, Lighting and Landscaping Maintenance).
Recommendation: Waive the second reading and adopt Ordinance No. 15-2014.
Result of Recommended Action: This ordinance authorizes the levy the special tax within the CFD at the rate and in accordance with the rate and method of apportionment of special tax set forth in the resolution of formation commencing FY 2014-15 and each fiscal year thereafter to pay for the services of the CFD.
Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.
- 8.4 **Subject:** Ordinance No. 16-2014, An Ordinance of the City Council of the City of Rancho Cordova Amending the Municipal Code to Repeal Chapter 6.130, Entitled Protection of Children From Sexual Offenders.
Recommendation: Introduce and waive first reading of Ordinance No. 16-2014.
Result of Recommended Action: Ordinance No. 16-2014 would repeal Chapter 6.130 of the Rancho Cordova Municipal Code, as required by a recent court decision related to local regulation of sex offenders. If approved tonight, it will come before the City

Council for second reading and adoption at the July 7, 2014 meeting.

Staff Report: Adam Lindgren, City Attorney and Kate Cook, Associate City Attorney.

Advances Goal: 1.

- 8.5 **Subject:** Adoption of the Revision to the Fiscal Years 2010/2011 through 2013/2014 Appropriations (Gann) Limit.

Recommendation: That Council adopt Resolution No. 59-2014, approving the revision to the fiscal years 2010/2011 through 2013/2014 appropriations limit and making the annual election for adjustment factors. The purpose of the adjustment is to ensure the limit is increased by the amount it costs to provide services in the geographical area annexed into the City on July 1, 2010.

Result of Recommended Action: Approval of the Appropriations Limit and factors used therein will ensure compliance with state law.

Staff Report: Liisa Behrends, Senior Accountant.

Advances Goal: 5.

- 8.6 **Subject:** Adoption of the Fiscal Year 2014/2015 Appropriations (Gann) Limit.

Recommendation: That Council adopt Resolution No. 58-2014, approving the appropriations limit for the fiscal year 2014/2015 and making the annual election for adjustment factors.

Result of Recommended Action: Approval of the appropriations limit and factors used therein will ensure compliance with state law.

Staff Report: Liisa Behrends, Senior Accountant.

Advances Goal: 5.

- 8.7 **Subject:** Resolution Amending the Fiscal Years 2013/2014 and 2014/2015 Adopted Budget for the City of Rancho Cordova.

Recommendation: That Council adopt Resolution No. 62-2014.

Result of Recommended Action: The 2013/2014 Adopted Budget will be amended to reflect variances in expenses not originally anticipated in the budget. This amendment will bring our actual anticipated expenditures in line with our approved appropriations for those specific items.

The 2014/2015 Adopted Budget will be amended to reflect grants awarded after the adoption of the budget. This action will ensure our ability to submit reimbursement claims to the grantees throughout the year.

The City's 2014/2015 salary schedule will be approved in compliance with the California Code of Regulations, Title 2, Section 570.5 which requires governing bodies of local agencies contracting with the California Public Employees' Retirement System to approve and adopt salary schedules in accordance with public meeting laws.

Staff Report: Liisa Behrends, Senior Accountant.

Advances Goal: 5.

- 8.8 **Subject:** Resolution Authorizing the Public Works Director to Execute and Submit the Rancho Cordova Transportation Development Act Claims for FY 13/14 and FY 14/15 to the Sacramento Area Council of Governments.

Recommendation: Adopt Resolution No. 57-2014.

Result of Recommended Action: Adoption of this resolution authorizes the Public Works Director to execute and submit Transportation Claims for Local F Transportation Funds for FY 13/14 and FY 14/15.

Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.

Advances Goals: 2, 5.

- 8.9 **Subject:** Resolution Approving the First Amendment to the Reimbursement Agreement between the Kilgore Cemetery Enterprise Fund and the City of Rancho Cordova and Creating an Automatic Annual Budget Amendment when it is Necessary to Transfer from the General Fund to the Cemetery Fund for the Purposes of Reducing the Balance of the Advance.

Recommendation: Adopt Resolution No. 52-2014.

Result of Recommended Action: Adoption of Resolution No. 52-2014 will amend the repayment terms for the advance of funds from the City of Rancho Cordova ("City") to the Kilgore Cemetery Enterprise Fund ("Fund") by reducing the current balance of the advance over a period of 6 years (or by 1/6) for every year the Fund has inadequate net income to make an annual debt service payment; but only to the extent the City has sufficient surplus revenues to absorb the reduction. The resolution also created an automatic budget adjustment in the General Fund in each year that there exists sufficient surplus to transfer 1/6th of the now existing loan balance out of the General Fund to the Cemetery Fund.

Staff Report: Donna Silva, Finance Director.

Advances Goal: 5.

- 8.10 **Subject:** A resolution of the City Council Authorizing Submittal of an Application to the State Department of Housing and Community Development in Support of the Horizons Senior Development for an Amount not to exceed \$6,000,000 in Home Investment Partnerships Program (HOME) funding and if funding is awarded, the Authorization to Execute a Standard Agreement for such funding including any Amendment and any Related Documents Necessary to Participate in the HOME Program.

Recommendation: Staff recommends Council adopt Resolution No. 55-2014.

Result of Recommended Action: Adoption of Resolution 55-2014 will authorize City Staff to submit an application to the State of California Department of Housing and Community Development (HCD) for an amount not to exceed \$6,000,000 in funding from the HOME Program. Additionally, upon award of program funds, the recommended action will authorize City Staff to enter into a Standard Agreement with HCD.

Staff Report: Reed Flory, Housing Services Administrator.

Advances Goals: 1, 2, 3, 6.

- 8.11 **Subject:** Resolution Appointing Linda Budge as Mayor Pro Tempore for the Period June 17, 2014 to June 24, 2014 in Order to Represent the City of Rancho Cordova in the Mayor's Absence at the New Cities Summit and U.S. Conference of Mayors Conferences.

Recommendation: Adopt Resolution No. 63-2014

Result of Recommended Action: Adoption of this resolution will appoint Linda Budge as Mayor Pro Tempore for the period June 17-24, 2014.

Staff Report: Mindy Cuppy, City Clerk.

Advances Goal: 1.

- 8.12 **Subject:** Resolution Authorizing the City Manager to Execute a Three Year On-Call Street Signage Services Agreement with McGuire-Pacific Constructors in an Amount Not to Exceed \$600,000.

Recommendation: Adopt Resolution No. 53-2014.

Result of Recommended Action: Adoption of this resolution will allow the City Manager to execute an on-call contract with McGuire-Pacific Constructors for Citywide street signage services. The contract will be set for a three year term and will expire on

June 30, 2017.

Staff Report: Cyrus Abhar, Public Works Director.

Advances Goals: 1, 2, 5.

- 8.13 **Subject:** Resolution Authorizing the City Manager to Execute the Second Amendment to Contract 17-2012 with Mark Thomas & Company to Increase the Maximum Compensation to \$485,000.

Recommendation: Adopt Resolution No. 51-2014.

Result of Recommended Action: Adoption of this resolution will allow the City Manager to execute the second amendment with Mark Thomas & Company to increase funds from \$420,000 to \$485,000 to complete survey work initiated in the Folsom Boulevard Transit Priority Area Implementation Plan funded by the Strategic Growth Council.

Staff Report: Cyrus Abhar, Public Works Director and Kathy Garcia, Senior Engineer.

Advances Goals: 1, 2, 5.

- 8.14 **Subject:** Resolution Awarding a Surface Treatment Services Agreement to California Pavement Maintenance Company, Inc.

Recommendation: Adopt Resolution 61-2014.

Result of Recommended Action: Adoption of the resolution will allow the City to award a two year surface treatment services agreement to the second lowest responsive bidder, California Pavement Maintenance Company, Inc., in an amount not to exceed \$1.5 Million.

Staff Report: Cyrus Abhar, Public Works Department.

Advances Goals: 1, 2, 5.

- 8.15 **Subject:** Resolution Authorizing the City Manager to Execute Amendment No. 15-M0111-3 to the Memorandum of Understanding for Probation Services Between the City of Rancho Cordova and the County of Sacramento in the Amount of \$149,345 Annually.

Recommendation: Adopt Resolution No. 65-2014.

Result of Recommended Action: Adoption of this resolution will allow the City to extend for one year the contract with the Sacramento County Probation Department to provide the services of two Probation Officers (POs) to the City of Rancho Cordova to act as liaisons between these agencies and to coordinate with other agencies and community-based organizations as part of the Rancho Cordova Community Alliance project.

Staff Report: Kerry Simpson, Neighborhood Services Manager and Jessica Crone, Accounting Technician.

Advances Goal: 1, 2, 3, 5, 6.

9. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

- 9.1 **Subject:** Adoption of a Resolution Approving Issuance of Multifamily Revenue Bonds by the California Statewide Communities Development Authority in Support of an Affordable 48 Unit Seniors Development, Horizons at New Rancho. No New City Debt Obligation Associated with this Resolution.

Recommendation: Adopt Resolution No. 54-2014.

Result of Recommended Action: Upon approval of the proposed financing, bonds will be issued to Urban Housing Communities, LLC in an amount not to exceed \$7.5 Million as a construction loan supporting the Horizons project.

Staff Report: Reed Flory, Housing Services Administrator.

Advances Goals: 1, 2, 3, 6.

10. PUBLIC HEARING ITEMS

- 10.1 **Subject:** Chick-fil-A Major Design Review and Conditional Use Permit - Project No. DD8454 – Located at the northwest corner of Zinfandel Drive and Sunrise Boulevard (Continued from May 19, 2014 City Council Meeting).
Recommendation: Adopt Resolution 34-2014.
Result of Recommended Action: Adoption of Resolution 34-2014 would allow construction of a new 4,526 square foot drive-through Chick-fil-A restaurant with outdoor seating, new parking configuration and landscaping within the existing Rivergate Shopping Center. This infill project would redesign a southern section of the existing Rivergate parking lot, north of the existing Chevron gas station.
Staff Report: Jessica Jordan, Senior Planner.
Advances Goals: 1, 2, 6.

11. REGULAR CALENDAR ITEMS

- 11.1 **Subject:** Potential Formation of an Economic Development Corporation or Community Development Corporation to Advance City Goals.
Recommendation: Direct staff to consider ways to improve coordination among existing economic development providers, including possibly creating the recommended business emissary. Direct staff to continue exploring the formation of a Community Development Corporation focused on Transit Oriented Development.
Result of Recommended Action: Better coordination among existing economic development partners and a dedicated business emissary can significantly improve business engagement in civic affairs. The City's business-friendly reputation should grow along with jobs, real estate value, and the entire economic development program.
Staff Report: Amanda Norton, Economic Development.
Advances Goals: 1, 6.
- 11.2 **Subject:** Adoption of Amended and Restated Disposition, Development and Loan Agreement (DDLA) with Urban Housing Communities (UHC), for the Horizons @ New Rancho Senior Housing Project.
Recommendation: Adopt Resolution No. 56-2014.
Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute the amended DDLA with Developer for the Horizons @ New Rancho senior affordable housing development thereby permitting the submittal of an application for required additional project funding.
Staff Report: Reed Flory, Housing Services Administrator.
Advances Goals: 1, 2, 3, 6.

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

13. CITY MANAGER'S REPORT

14. ADJOURNMENT

ADDITIONAL INFORMATION

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11:00 PM WILL BE CONTINUED TO THE NEXT DAY AT 5:30 PM OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

CITYWIDE GOALS - (Adopted March 27, 2012)	
1.	Promote the Positive Image of Rancho Cordova
2.	Ensure a Safe, Inviting and Livable Community
3.	Empower Responsible Citizenship
4.	Establish Logical City Boundaries that Provide Regional Leadership and Address Financial Challenges
5.	Ensure the Availability of the Best Public Services in the Region while Practicing Sound Fiscal Management
6.	Drive Diverse Economic Opportunities

UPCOMING MEETINGS	
<i>Tuesday, March 25, 2014</i>	<i>City Council Special Meeting/Work Session (5:30 PM) Topic: Sign Code Update</i>
<i>Tuesday, March 28, 2014</i>	<i>City Council Special Meeting/Work Session (11:00 AM) Topic: Corporate Report</i>
<i>Monday, April 7, 2014</i>	<i>City Council Special Meeting/Study Session (4:00 PM) and Regular Meeting (5:30 PM)</i>
<i>Tuesday, April 15, 2014</i>	<i>City Council Special Meeting/Work Session (5:30 PM)</i>
<i>Monday, April 21, 2014</i>	<i>City Council Regular Meeting (5:30 PM)</i>

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

DEPARTMENTAL GENERAL TELEPHONE NUMBERS	
Building and Safety Division	(916) 851-8760
City Attorney's Office	(916) 556-1531
City Clerk's Department	(916) 851-8720
City Manager's Office	(916) 851-8800
Communications Department	(916) 851-8791
Economic Development Department	(916) 851-8780
Finance Department	(916) 851-8730
Housing Division	(916) 851-8784
Human Resources Department	(916) 851-8740
IT Department	(916) 851-8700
Neighborhood Services – Animal Services	(916) 851-8770
Parks & Recreation (Cordova Recreation & Park District)	(916) 362-1841
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Rancho Cordova Police Department	(916) 875-9600
Redevelopment Department	(916) 851-8780
Sac Metro Fire District	(916) 859-4300

The Rancho Cordova City Council/Successor Agency to the CRA/RCFC will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and SureWest Cable Systems. Closed Captioning will be available on the playback cablecast. Tune to Metro Cable Channel 14, for playback times. A VHS copy is available for check out from any library branch, a DVD copy is available from the City Clerk's Department, and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Mindy Cuppy, CMC, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the Monday, June 16, 2014 Regular Meeting of the Rancho Cordova City Council/Successor Agency to the CRA/RCFC was posted and available for review on Thursday, June 12, 2014 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranchocordova.org.

Signed Thursday, June 12, 2014 at Rancho Cordova, California.


Mindy Cuppy, CMC, City Clerk



Carmichael Water District / Golden State Water Company Pipeline Conveyance Project



Kennedy Jenks Consultants

**Sacramento
16 June 2014**

**Presented by
Sean Maguire, P.E.**

Kennedy/Jenks Consultants
Engineers & Scientists



Introduction

- Paul Schubert – GSWC
- Steve Nugent – CWD
- Sean Maguire – Project Manager
- Ryan Young – Project Engineer



Topics

- Background
- Pipeline Design
- Trenchless Drilling Technology
- Schedule
- Questions / Discussion

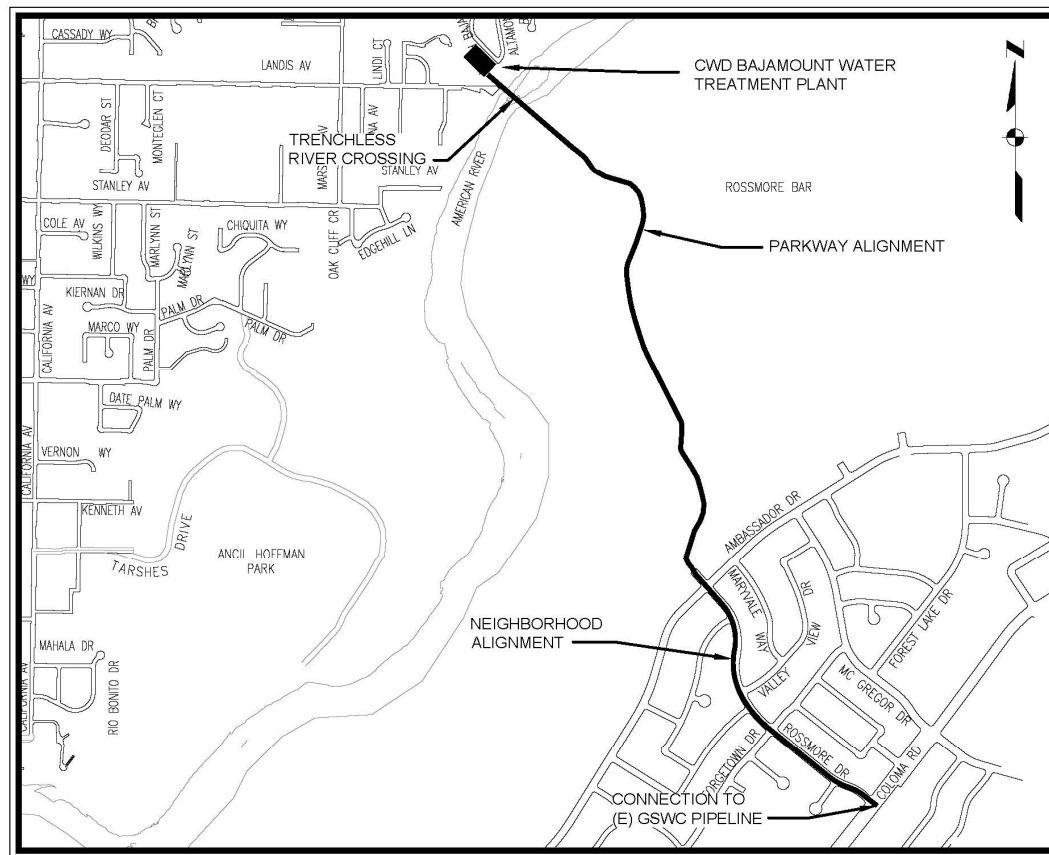


Background

- **GSWC / CWD / Aerojet Rocketdyne**
- **GET Water wheeled to CWD Diversion**
- **CWD Bajamont Water Treatment Plant**
- **New Pipeline Crossing**
 - 4.5 MGD all year
 - 7,000 feet, 24-inch pipe
 - Trenchless River Crossing
 - Tie-in at Rossmoor Dr and Coloma Rd



Pipeline Design

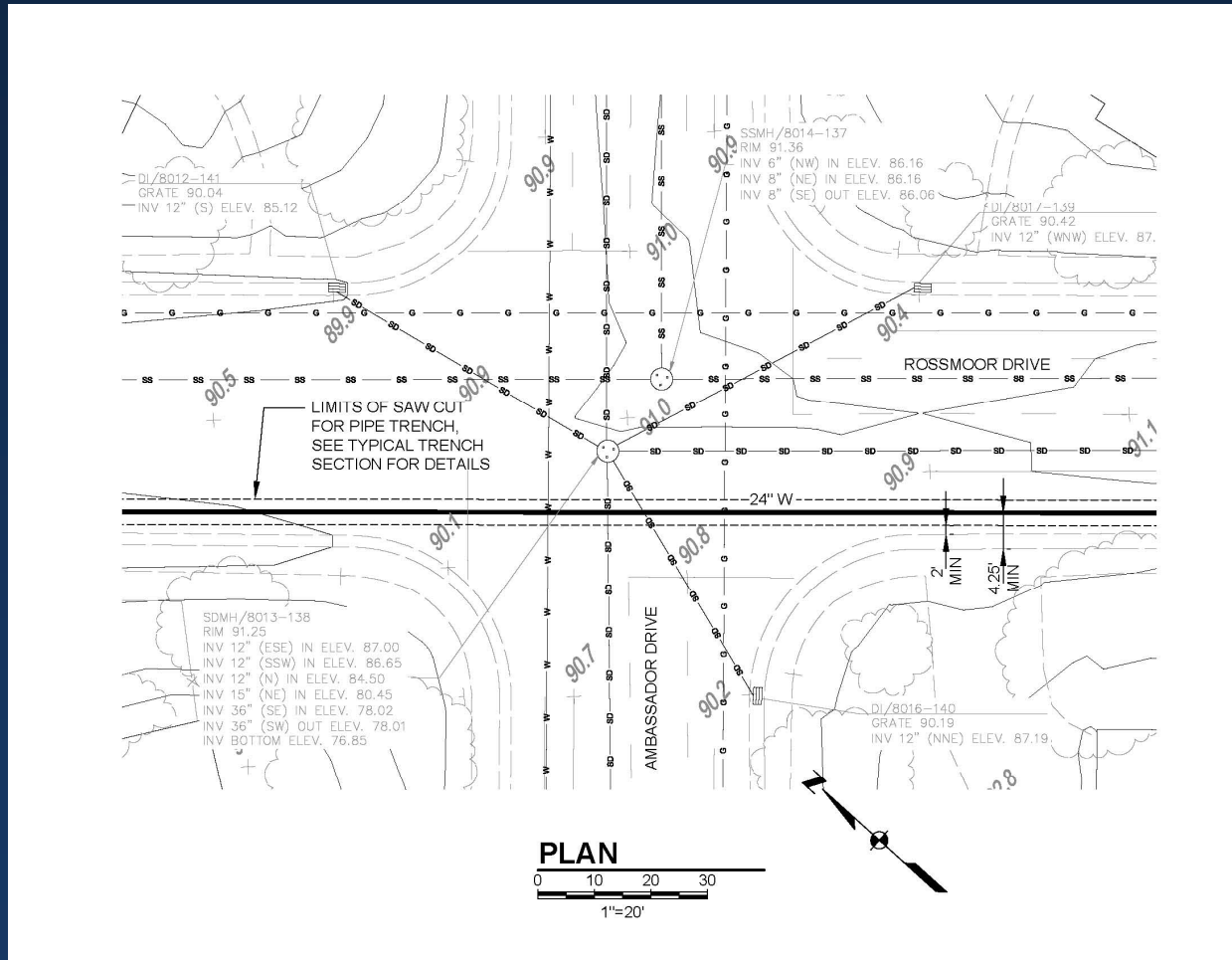


LOCATION MAP
SCALE: 1" = 1200' (APPROX)



Pipeline Design

- 3 – 10 foot pipe depth



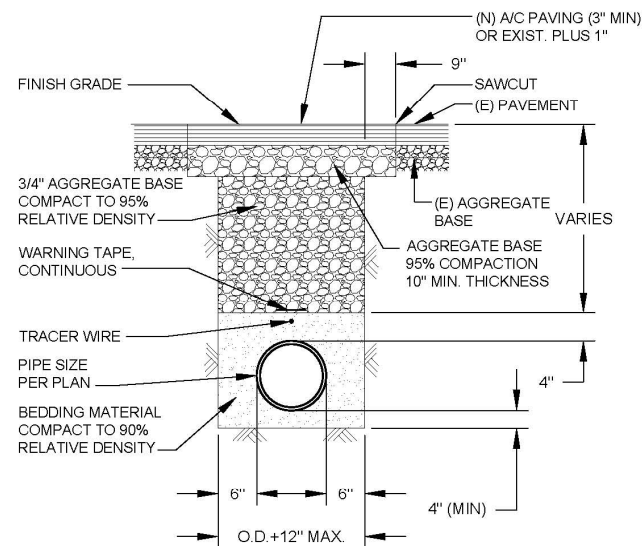
Kennedy/Jenks Consultants
Engineers & Scientists



Pipeline Design Features

- **Transmission Main (no services)**
- **Ductile Iron Pipe with HDPE River Crossing using HDD method**
- **Near edge of pavement to reduce street repair footprint**

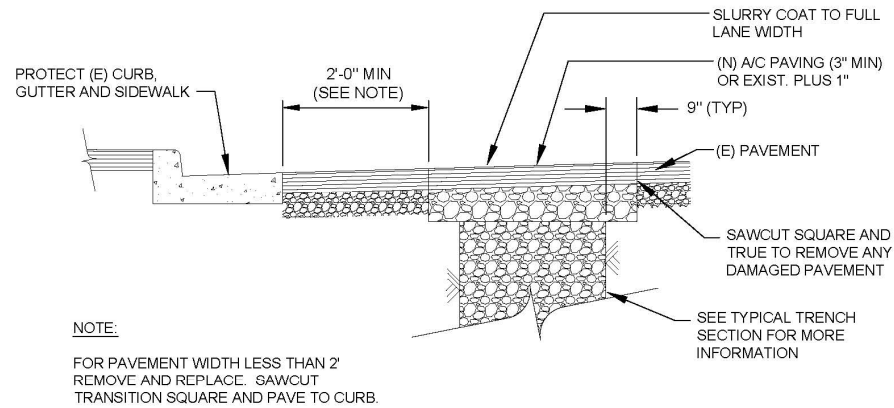
Pavement Restoration



TYPICAL TRENCH SECTION THRU PAVED AREAS

SCALE: NONE

Pavement Restoration (con't)



LIMITS OF PAVING

SCALE: NONE

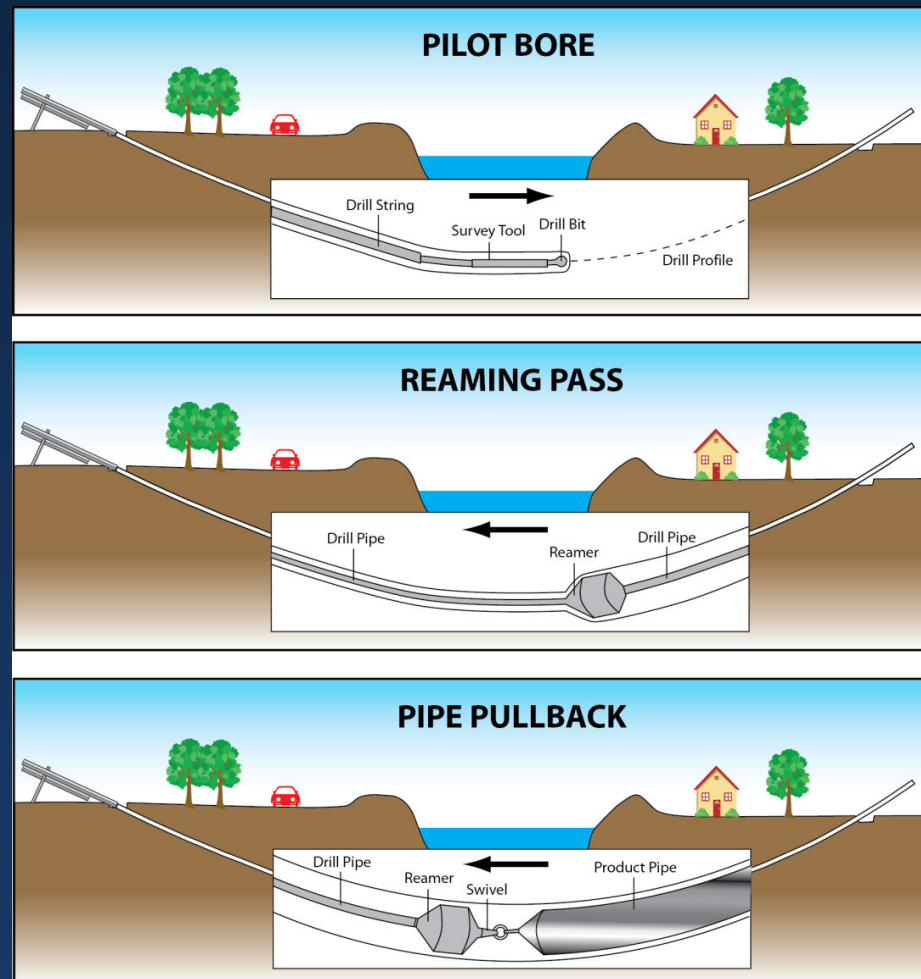


Trenchless Drilling – Horizontal Directional Drilling

- **Uses pressurized mud to cut a borehole**
- **Stabilizes the hole with drilling mud**
- **Upsizes the hole with a reamer**
- **Pulls fully assembled pipe into prepared bore in one continuous pull**



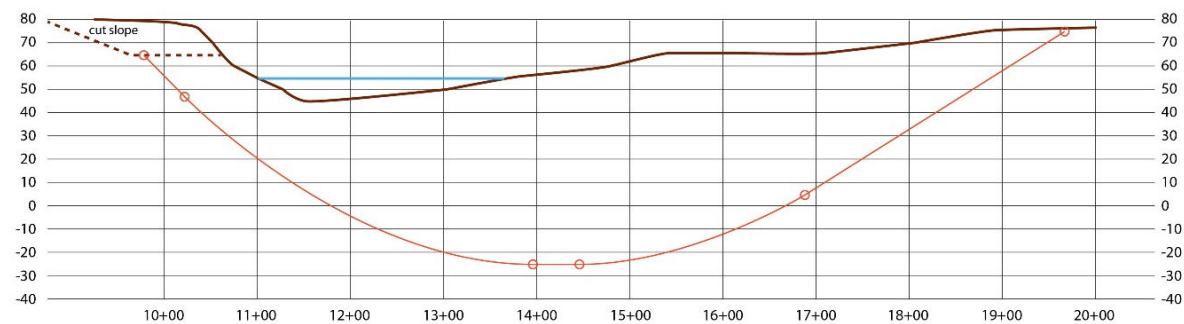
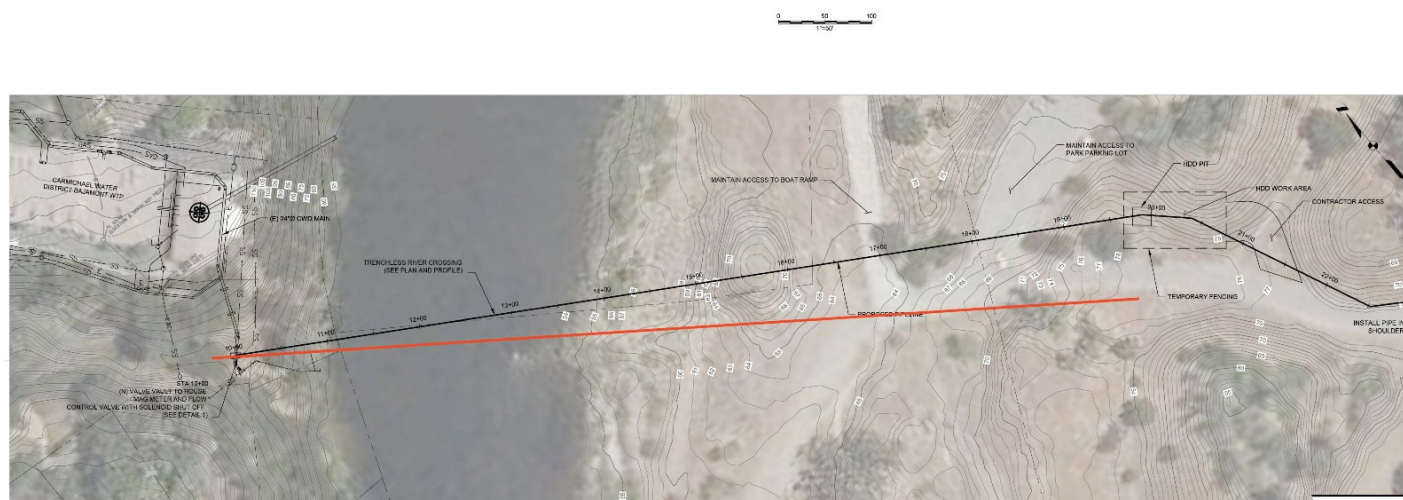
Trenchless Drilling – Horizontal Directional Drilling



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Engineers & Scientists



Trenchless Drilling – Horizontal Directional Drilling





Schedule

- **Design Completed– August 2014**
- **CEQA and Funding Completed– Winter 2014**
- **Permitting – Spring 2015**
- **Bidding – Winter 2014**
- **Construction – Spring 2015**



Questions / Discussion



**CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT
AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

Monday, June 02, 2014

**4:00 PM – Special Meeting
American River Community Room North**

**5:30 PM – Regular Meeting
David B. Roberts Council Chambers**

Special Meeting/Work Session to Follow the Regular Meeting

DRAFT MINUTES

1. STUDY SESSION - CALL TO ORDER/ROLL CALL

Mayor Skoglund called the special meeting to order in the American River Community Room North at 4:13 PM.

Council Members Present: McGarvey, Skoglund, Budge, Sander, Terry

Council Members Absent: None.

Staff Members Present: Chinn, Cuppy, Lindgren, Cook, Simpson, Junker, Abhar, Goold.

2. PUBLIC COMMENT

Mayor Skoglund opened the public comment period. The following individuals addressed the Council:

- Cory Koehler, addressed item 3.1.
- Lanette Davies, addressed item 3.1.
- Marcia Blount, opposed item 3.1.
- Ron Mullins, opposed item 3.1.
- Steve Serrott, addressed item 3.1.

Mayor Skoglund closed the public comment period.

3. SPECIAL MEETING ITEM

- 3.1 **Subject:** City Council Discussion on Marijuana Cultivation Regulations and Options.
Recommendation: Discuss options for updating the City's regulations and zoning code provisions on outdoor and indoor marijuana cultivation and direct staff as to next steps.
Result of Recommended Action: If the Council would like changes to the current marijuana cultivation regulations, staff will draft an ordinance amending the appropriate provisions of the Municipal Code for Council consideration at a future meeting.
Staff Report: Adam Lindgren, City Attorney and Kate Cook, Associate City Attorney.
Advances Goals: 1, 2.

ACTION: Discussion item only; no action taken.

4. ADJOURNMENT OF STUDY SESSION

Mayor Skoglund adjourned the meeting to the Regular Meeting in the David B. Council Chambers at 5:30 PM.

5. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Council Members Present: McGarvey, Skoglund, Budge, Sander, Terry

Council Members Absent: None.

Staff Members Present: Lindgren, Cuppy, Abhar, Junker, Silva, Chinn, Downton, Garcia, Hadley, Holt, Snyder, Thomas, George, Goold, Boyer, Sparkman, Norton, Stricker, Skiba, Snipes

6. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedules.

7. PLEDGE OF ALLEGIANCE

Mindy Cuppy led the pledge.

8. INVOCATION

Eric Waterbury from Epic Life Ministries and World Changers, Inc. gave the invocation.

9. PRESENTATIONS

- 9.1 Proclamation to Sacramento Cordova Stake, The Church of Jesus Christ of Latter-day Saints for their Community Service in Rancho Cordova.
- 9.2 Presentation of Proclamation for We Make the Music Month in Rancho Cordova.
- 9.3 Entertainment Center Update Presented by Rohit Ranchod.

10. PUBLIC COMMENT

Mayor Skoglund opened the public comment period. The following individuals addressed the Council:

- James Feci, concerns with empty business park buildings.

Mayor Skoglund closed the public comment period.

11. COUNCIL REPORTS

Council reported on events since the last meeting.

12. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

ACTION: Motion to approve items 12.1 – 12.7 by Budge second by Terry;
Carried by a 5:0 roll call vote.

Item 12.8 was pulled for further discussion.

ACTION: Motion to approve item 12.8 by Terry second by Sander;
Carried by a 5:0 roll call vote.

- 12.1 **Subject:** Meeting Minutes of May 19, 2014 Special Meeting and Regular Meeting, and May 27, 2014 Special Meeting.

Recommendation: Adopt Minutes.

- 12.2 **Subject:** Second Reading of Ordinance No. 13-2014, An Ordinance Amending Chapters 6.84, 4.07, and 23.1101 of the Rancho Cordova Municipal Code Related to Smoking, Electronic Smoking Devices, Tobacco Sales to Minors, Tobacco Retailer Licenses, and the Definition of a "Smoke Shop" Related to the Same, with the Purpose of Updating the City's Clean Indoor and Outdoor Air and Health Protection Regulations to Better Protect Individuals from the Negative Effects of Second-Hand Smoke from Cigarettes and Electronic Smoking Devices.

Recommendation: Waive the second reading and adopt Ordinance No. 13-2014.

Result of Recommended Action: Ordinance No. 13-2014 repeals the current outdated smoking ordinance and implements a streamlined set of regulations. The

Ordinance treats electronic cigarettes like traditional cigarettes, effectively prohibiting them wherever the smoking of traditional cigarettes is prohibited. It also prohibits smoking on patios where food or beverages are consumed, and some additional outside public areas in the City. The Ordinance makes necessary changes to other sections of the Municipal Code that cross reference the Smoking Ordinance, such as the Zoning Code's definition of a "smoke shop" and provisions addressing business licenses for tobacco retailers. If adopted, the Ordinance will become effective in 30 days.

Staff Report: Adam Lindgren, City Attorney.

Advances Goals: 1, 2.

- 12.3 **Subject:** Resolutions Initiating Proceedings for the Annual Levy and Collection of Assessments for the Landscaping and Lighting District No. 2005-1 for Fiscal Year 2014-2015.

That City Council adopts:

a) Resolution No. 45-2014, Initiating Proceedings for the Annual Levy and Collection of Assessments for the Landscaping and Lighting District 2005-1 for Fiscal Year 2014-2015; and

b) Resolution No. 46-2014, Preliminarily Approving the Engineer's Annual Levy Report and Declaring its Intention to Levy and Collect Annual Assessments for the Landscaping and Lighting District No. 2005-1 for Fiscal Year 2014-2015.

Result of Recommended Action: The recommended actions are required as part of the process to continue the annual levy and collection of assessments in the District. The assessments fund landscape maintenance in the District. There are no new impacts to existing or new residents. No assessments shall increase as a result of this action.

Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.

Advances Goal: 5.

- 12.4 **Subject:** Resolutions Initiating Proceedings for the Annual Levy and Collection of Assessments for the Rancho Cordova Lighting District No. 2012-1 for Fiscal Year 2014-2015.

Recommendation: That City Council adopts:

a) Resolution No. 47-2014, Initiating Proceedings for the Annual Levy and Collection of Assessments for the Rancho Cordova Lighting District No. 2012-1 for Fiscal Year 2014-2015; and

b) Resolution No. 48-2014, Preliminarily Approving the Engineer's Annual Levy Report and Declaring its Intention to Levy and Collect Annual Assessments for the Rancho Cordova Lighting District No. 2012-1 for Fiscal Year 2014-2015.

Result of Recommended Action: The recommended actions are required as part of the process to continue the annual levy and collection of assessments for the Rancho Cordova Lighting District No. 2012-1 (the "District"). The assessments fund street lights and safety lights in the District. There are no new impacts to existing or new residents. No assessment rates shall increase as a result of this action.

Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.

Advances Goal: 5.

- 12.5 **Subject:** Resolution of Intention to Transfer Delinquent Refuse Service Charges to the Property Tax Rolls and set a Public Hearing for the Same.

Recommendation: Adopt Resolution No. 43-2014.

Result of Recommended Action: Adoption of this resolution will begin the process to allow delinquent residential refuse service charges be collected on the property tax roll and sets a Public Hearing for July 7, 2014 at 5:30 pm in the City Council Chambers.

Staff Report: Michelle Mingay, Senior Finance Analyst.

Advances Goal: 5.

- 12.6 **Subject:** Resolution Authorizing the City Manager to Execute a Three Year Contract with Unico Engineering, Inc. for Pump Stations Operation Services in the amount of \$279,140.

Recommendation: Adopt Resolution No. 44-2014.

Result of Recommended Action: Adoption of this resolution will allow the City to contract with Unico Engineering, Inc. for the next three years to provide professional services for operation of the City's six storm drain pump stations.

Staff Report: Cyrus Abhar, Public Works Director and Brit Snipes, Senior Engineer.

Advances Goals: 1, 2, 5.

- 12.7 **Subject:** Resolution Awarding Construction Contract in the amount of \$1,577,024 to Teichert Construction for the 2012 Sunrise Boulevard Street Rehabilitation Project.

Recommendation: Adopt Resolution No. 28-2014.

Result of Recommended Action: Adoption of this resolution will allow the City to award a construction contract in the amount of \$1,577,024 to Teichert Construction, the lowest responsive bidder, who will perform work on the Sunrise Boulevard Street Rehabilitation project. Work performed under this contract consists of furnishing all labor, materials and equipment for doing all work necessary for the construction and placing new rubberized asphalt concrete pavement overlay, repairing failed pavement, removing and replacing damaged concrete curb, gutter, sidewalk and curb returns, adding storm water pipeline as well as replacing pedestrian pushbuttons. The Sunrise Boulevard Street Rehabilitation project will resurface Sunrise Boulevard from 450-feet south of Zinfandel Drive to approximately 750-feet north of Trinity River Drive.

Staff Report: Cyrus Abhar, Public Works Director and Chris Boyer, Associate Civil Engineer.

Advances Goals: 1, 2, 5.

- 12.8 **Subject:** Resolution Appointing Brian Nakamura as City Manager, Approving a City Manager Employment Agreement Between the City of Rancho Cordova and Brian Nakamura for Service as City Manager and Setting Terms of Employment, Salary and Benefits.

Recommendation: Adopt Resolution No. 50-2014 approving a City Manager Employment Agreement between the City of Rancho Cordova and Brian Nakamura for services as City Manager of the City of Rancho Cordova.

Result of Recommended Action: Adoption of this resolution by the City Council will allow Brian Nakamura to provide services to the City of Rancho Cordova as City Manager. Mr. Nakamura would begin providing services as City Manager on July 1, 2014 subject to the terms, conditions, compensation and benefits specified in the agreement.

Staff Report: Adam U. Lindgren.

Advances Goals: 1, 2, 3, 4, 5, 6.

13. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

13.1 **Subject:** Action Items Related to the Formation of the City of Rancho Cordova Community Facilities District No. 2014-1 (Montelena).

Recommendation: Staff recommends Council adopt the following resolutions:

1. Resolution of Forming Community Facilities District and Levying a special tax in Community Facilities District No. 2014-1 (Montelena). (Resolution No. 35-2014).
2. Resolution Deeming it Necessary to Incur Bonded Indebtedness in Community Facilities District No. 2014-1 (Montelena). (Resolution No. 36-2014).
3. Resolution calling for a special election in Community Facilities District No. 2014-1 (Montelena). (Resolution No. 37-2014).
4. Resolution declaring election results of Community Facilities District No. 2014-1 (Montelena). (Resolution No. 38-2014).
5. Waive first reading and introduce Ordinance No. 14-2014 levying a special tax within Community Facilities District No. 2014-1 (Montelena).
6. Resolution approving the Funding, Construction and Acquisition Agreement in connection with Community Facilities District No. 2014-1 (Montelena). (Resolution No. 39-2014).

Result of Recommended Action: Adoption of these items will complete the formation of the Community Facilities District No. 2014-1 (Montelena) (the “CFD”) and authorize a landowner vote which, if successfully passed, authorizes the levy of a special tax. The special tax levy associated with this CFD is for the purpose of funding certain Public Facilities, such as roadways and underground utilities, and Long Term Maintenance Cost for infrastructure within the CFD’s boundaries. There is no financial impact to existing residents.

Staff Report: Michelle Mingay, Senior Finance Analyst.

Advances Goal: 5.

Mayor Skoglund opened the public comment period. There were no speakers. Mayor Skoglund closed the public comment period.

ACTION: Motion to approve items 1-3 of item 13.1 by Budge second by Terry;
Carried by a 5:0 roll call vote.

City Clerk opened the ballots and declared the results of the special election. The item passed with more than a 2/3 vote.

ACTION: Motion to approve items 4-6 of item 13.1 by Budge second by Terry;
Carried by a 5:0 roll call vote.

13.2 **Subject:** Action Items Related to the Formation of the City of Rancho Cordova Community Facilities District No. 2014-2 (Street, Lighting and Landscaping Maintenance).

Recommendation: Staff recommends Council adopt the following resolutions:

1. Resolution of formation of community facilities district and to levy a special tax in Community Facilities District No. 2014-2 (Street, Lighting and Landscaping Maintenance). (Resolution No. 40-2014).
2. Resolution calling for a special election in Community Facilities District No. 2014-2 (Street, Lighting and Landscaping Maintenance). (Resolution No. 41-2014).
3. Resolution declaring election results of Community Facilities District No. 2014-2 (Street, Lighting and Landscaping Maintenance). (Resolution No. 42-2014).
4. Waive first reading and introduce Ordinance No. 15-2014 levying a special tax within

Community Facilities District No. 2014-2 (Street, Lighting and Landscaping Maintenance).

Result of Recommended Action: Action on these items will complete the formation of the CFD, authorize a landowner vote which if successfully passed authorizes the levy of a special tax on the Montelena project included in the CFD. The special tax levy is for the purpose of paying for the public services to maintain public infrastructure necessary or incident to development in the CFD. The actions also result in the establishment of a future annexation area which allows the processing of future annexations in an efficient manner. There is no financial impact to existing residents.

Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.

Advances Goal: 5.

Mayor Skoglund opened the public comment period. There were no speakers. Mayor Skoglund closed the public comment period.

ACTION: Motion to approve items 1-2 of item 13.2 by Budge second by Terry;
Carried by a 5:0 roll call vote.

City Clerk opened the ballots and declared the results of the special election. The item passed with more than a 2/3 vote.

ACTION: Motion to approve items 43-4 of item 13.2 by Budge second by Terry;
Carried by a 5:0 roll call vote.

14. PUBLIC HEARING ITEMS

NONE.

15. REGULAR CALENDAR ITEMS

- 15.1 **Subject:** First Annual Update on Big Brothers Big Sisters Grant Agreement.
Recommendation: Accept informational report on the status of this two year program, and approve in concept modification of benchmarks going forward to reflect delay in starting the program that was subsequently exacerbated by several challenges.
Result of Recommended Action: City Manager will adjust the current grant agreement (contract #103-2013) to reflect City Council's desires to allow program in progress to continue and ramp up to a realistic conclusion at the end of FY 2014-15.
Staff Report: Stephanie Snyder, City Manager's Office.
Advances Goals: 3, 5.

ACTION: Discussion item only; no action taken.

- 15.2 **Subject:** Kick off of the Regional Family Justice Center by District Attorney Jan Scully, Assistant Chief Deputy District Attorney Paul Durenberger, and Chief Michael Goold.
Staff Report: Chief Michael Goold.
Advances Goals: 1, 2, 3.

ACTION: Discussion item only; no action taken.

16. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

None.

17. CITY MANAGER'S REPORT

City Manager, Joe Chinn, recognized Stacy Delany receiving the award for 2013-14 Elks Distinguished Citizenship Award.

Jay Hadley, Information Technology Manager, explained the technology upgrades in the Council Chambers.

18. ADJOURNMENT**19. CLOSED SESSION - CALL TO ORDER/ROLL CALL**

The City Council did not meet in closed session.

20. CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT
Title: City Manager
Pursuant to Government Code Section 54957

CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Adam Lindgren and Bob Murray.
Unrepresented employee: City Manager
Pursuant to Government Code Section 54957

21. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Council did not meet in closed session.

22. ADJOURNMENT

Mayor Skoglund adjourned the meeting at 8:16 PM.

Mindy Cuppy, CMC, City Clerk



**CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY COMMUNITY REDEVELOPMENT AGENCY
(CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

City Hall
2729 Prospect Park Drive, Rancho Cordova

Tuesday, June 10, 2014

5:30 PM – Special Meeting
American River Community Room North

DRAFT MINUTES

1. WORK SESSION - CALL TO ORDER/ROLL CALL

Mayor Skoglund called the special meeting to order in the American River Community Room North at 5:49 PM.

Council Members Present: McGarvey, Skoglund, Budge, Sander, Terry

Council Members Absent: None.

Staff Members Present: Chinn, Sanchez, Cuppy, Junker, Thomas, Abhar, Chan, Diaz.

2. PUBLIC COMMENT

Mayor Skoglund opened the public comment period. The following individuals addressed the Council:

- Paul Philley, addressed item 3.2.

Mayor Skoglund closed the public comment period.

3. SPECIAL MEETING ITEMS

3.1 **Subject:** Bike Master Plan Update.

Recommendation: The purpose of the workshop is to set the stage for the Bicycle Master Plan (BMP) update, and to update the Council on the City's efforts, in concert with the 50 Corridor TMA, to obtain Bike Friendly Community Status from the League of American Bicyclists.

Result of Recommended Action: The workshop will update the City's status on the implementation of the 2011 BMP and will allow Council Members to provide guidance on building a bicycle friendly community. We have a nationally renowned bike advocacy expert, Charlie Gandy, who will participate in the workshop providing political insights and strategies for creating a bicycle friendly community.

Staff Report: Cyrus Abhar, Public Works Director and Mark Thomas, Senior Engineer.

Advances Goals: 1, 2.

ACTION: Discussion item only; no action taken.

AT THIS POINT: Council took a break at 7:27 PM. The full council resumed at 7:44 PM.

3.2 Proposed The Ranch at Sunridge Project - Status Report/Study Session.

Recommendation: Receive applicant and staff information and provide preliminary review and comment.

Result of Recommended Action: Preliminary Council comments will inform staff and the project applicants on whether the proposed land plan is reasonably consistent with City expectations. If the Council determines the project is reasonably consistent with the City's goals and vision, then the project review will proceed to more detailed analysis of project design, environmental review, project infrastructure and financial obligations.

Staff Report: Matthew Diaz, Associate Planner.

Advances Goals: 1, 2, 5, 6.

ACTION: Discussion item only; no action taken.

3.3 South Sacramento Habitat Conservation Plan Project (SSHCP) Update.

Recommendation: Receive staff update on the SSHCP and provide Council direction as appropriate.

Result of Recommended Action: Council will receive an update on the status of the SSHCP, including completion of major project work efforts and anticipated financial obligations for FY 2013/14 and FY 2014/15. Council comments and direction will clarify the City's expectations and intent for the completion of the SSHCP.

Staff Report: Paul Junker, Planning Director.

Advances Goals: 1, 2, 5, 6.

ACTION: Discussion item only; no action taken.

4. ADJOURNMENT

Mayor Skoglund adjourned the meeting at 9:54 PM.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 14-2014

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA LEVYING A
SPECIAL TAX WITHIN COMMUNITY FACILITIES DISTRICT NO. 2014-1 (MONTELENA)**

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and Declarations.

- A. Pursuant to Government Code Sections 53328 and 53340, and in accordance with the Rate and Method of Apportionment of Special Tax (the "Special Tax Formula") as shown in Exhibit B to Resolution No. 35-2014 ("RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN COMMUNITY FACILITIES DISTRICT NO. 2014-1 (MONTELENA)" ("Resolution of Formation") adopted by this City Council on June 2, 2014), a special tax is hereby levied on an taxable parcels within Community Facilities District No. 2014-1 (Montelena) (the "District") for the 2014-15 tax year and for all subsequent years of the authority to levy this special tax.
- B. The City Chief Financial Officer is directed, with the aid of the appropriate officers and agents of the City, to implement the provisions of the Special Tax Formula and to prepare each year, without further action of this City Council, the special tax roll for the District and to provide as necessary information to the Sacramento County Auditor in the form, and in the proper time, necessary to effect the proper billing and collection of the special tax on the secured property tax roll of the County, which may include a billing of the special tax for fiscal year 2014-15 without regard to the timing of the issuance of bonds for the District and the circumstance that bonds are not issued as of the date of submission to the County for billing; alternatively, pursuant to the Resolution of Formation, the special tax for fiscal year 2014-15 and subsequent years may, at the option of the City, be billed directly to owners of property in the District by the City Chief Financial Officer or other official of the City and need not be collected on the County secured property tax roll.
- C. The appropriate officers and agents of the City and of the County of Sacramento are authorized to make adjustments to the special tax roll prior to the final posting of the special taxes to the County tax roll each year, as may be necessary to achieve a correct match of the special tax levy with the assessor's parcel numbers finally utilized by the County in sending out property tax bills.
- D. The City agrees that the County of Sacramento may deduct its reasonable and agreed charges for collecting the special tax from the amounts collected, prior to remitting the balance of the special tax collections to the City.
- E. Taxpayers who have requested changes or corrections of the special tax pursuant to the Rate and Method of Apportionment of the Special Tax and who are not satisfied with the decision of the City Chief Financial Officer (whether the City Chief Financial Officer simply disagrees with the taxpayer or feels the city staff is not authorized to consider the change requested), may appeal to the City Council. The appeal must be in writing and

fully explain the grounds of appeal. Appeals must be based on the correction of mistakes in the levy based upon the status of the property. The office of the City Chief Financial Officer shall schedule the appeal for consideration within a reasonable time at a City Council meeting.

Section 2. Severability

If for any cause any portion of this ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this ordinance, and the application of the special tax to the remaining parcels, shall not be affected.

Section 3. Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect on the earliest day allowable by law.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

ORDINANCE NO. 15-2014

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA LEVYING
SPECIAL TAX WITHIN COMMUNITY FACILITIES DISTRICT**

**Community Facilities District No. 2014-2
(Street, Lighting and Landscaping Maintenance)**

WHEREAS, this Council adopted a resolution entitled "A Resolution of the City of Rancho Cordova of Intention to Establish a Community Facilities District and Future Annexation Area (the "Resolution of Intention"), has conducted proceedings (the "Proceedings") to establish City of Rancho Cordova Community Facilities District No. 2014-2 (Street, Lighting and Landscaping Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act") to finance certain public services (the "Services") as provided in the Act;

WHEREAS, pursuant to notice as specified in the Act, and as part of the Proceedings, the Council has held a public hearing under the Act relative to the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax ("Special Tax") to be levied within the CFD to finance the Services and at such hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of the Special Tax were heard, substantial evidence was presented and considered by this Council and a full and fair hearing was held;

WHEREAS, upon the conclusion of the hearing, this City Council adopted its Resolution of the City Council of the City of Rancho Cordova of Formation of Community Facilities District (the "Resolution of Formation) pursuant to which it completed the Proceedings for the establishment of the CFD, the authorization of the levy of the Special Tax within the CFD and the calling of an election within the CFD on the propositions of levying the Special Tax and establishing an appropriations limit within the CFD, respectively; and

WHEREAS, on June 2, 2014, a special election was held among the landowner voters within the CFD at which the such voters approved such propositions by the two-thirds vote required by the Act, which approval has been confirmed by resolution of this Council.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

Section 1. By the passage of this Ordinance, the Council hereby authorizes and levies the Special Tax within the CFD pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of Formation which rate and method is by this reference incorporated herein. The Special Tax is hereby levied commencing in fiscal year 2014-15 and in each fiscal year thereafter to pay for the Services for the CFD, as contemplated by the Resolution of Formation and the Proceedings and all costs of administering the CFD.

Section 2. The Chief Financial Officer of the City or designee or employee thereof of the City is hereby authorized and directed each fiscal year to determine the specific Special Tax to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

Section 3. Exemptions from the levy of the Special Tax shall be as provided in the Resolution of Formation and the applicable provisions of the Act. In no event shall the Special Tax be levied on any parcel within the CFD in excess of the maximum tax specified in the Resolution of Formation.

Section 4. All of the collections of the Special Tax shall be used as provided in the Act and in the Resolution of Formation, including, but not limited to, the payment of costs of the Services, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the Special Tax.

Section 5. The Special Tax shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the Council may provide for other appropriate methods of collection by resolution(s) of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent Special Tax payments. The Chief Financial Officer of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Sacramento in order to effect proper billing and collection of the Special Tax, so that the Special Tax shall be included on the secured property tax roll of the County of Sacramento for fiscal year 2014-15 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the City.

Section 6. If for any reason any portion of this ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this ordinance and the application of the Special Tax to the remaining parcels within the CFD shall not be affected.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published immediately after its passage at least once in a newspaper of general circulation circulated in the City.

Section 8. This ordinance shall go into effect on the earliest day allowable by law.

THE FOREGOING ORDINANCE was adopted this ____ day of ____, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dan Skoglund, Mayor

Attest:

Mindy Cuppy, CMC, City Clerk

MEMORANDUM

DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Adam U. Lindgren, City Attorney

SUBJECT: **ORDINANCE NO. 16-2014, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING THE MUNICIPAL CODE TO REPEAL CHAPTER 6.130, ENTITLED PROTECTION OF CHILDREN FROM SEXUAL OFFENDERS**



RECOMMENDATION

Introduce and waive first reading Ordinance No. 16-2014.

RESULT OF RECOMMENDED ACTION

Ordinance No. 16-2014 would repeal Chapter 6.130 of the Rancho Cordova Municipal Code, as required by a recent court decision related to local regulation of sex offenders. If approved tonight, it will come back to the City Council for second reading and possible adoption at the July 7th meeting.

BACKGROUND

The California Court of Appeal for the Fourth District recently held, in *People v. Nguyen* (2014) 222 Cal.App.4th 1168, that local ordinances restricting the presence of sex offenders in public places such as parks, schools and day care centers are preempted by California laws that already regulate the daily activities of sex offenders. On April 23, 2014, the California Supreme Court denied review of this case and a similar case. Several local sex offender ordinances have been challenged recently in federal court.

In 2006 Rancho Cordova adopted Ordinances 47-2006 and 55-2006, adding Chapter 6.130 to the Municipal Code entitled "Protection of Children From Sexual Offenders." The Chapter prohibits persons convicted of specified sexual offenses from being in City parks, schools, or day care centers where children are likely present. The City's Ordinance is very similar to those found invalid by the Court.

In light of the new Court of Appeal decision, it is recommended that this Chapter of the Municipal Code chapter be repealed, as it is preempted by State law. If the Chapter is not repealed, it could be challenged in court.

ATTACHMENTS

1. Ordinance No. 16-2014.
2. Chapter 6.130 of the Rancho Cordova Municipal Code.

ATTACHMENT 1

CITY OF RANCHO CORDOVA

ORDINANCE NO. 16-2014

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AMENDING THE MUNICIPAL CODE TO REPEAL CHAPTER 6.130, ENTITLED
PROTECTION OF CHILDREN FROM SEXUAL OFFENDERS**

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and Declarations.

WHEREAS, the City Council previously adopted Ordinances 47-2006 and 55-2006 which added Chapter 6.130 to the Rancho Cordova Municipal Code entitled "Protection of Children From Sexual Offenders" which prohibited persons convicted of specified sexual offenses from being in places such as City parks, schools, or day care centers where children are likely present, in order to protect children from sexual offenders within the City;

WHEREAS, the California Court of Appeal has recently held in *People v. Nguyen* (2014) 222 Cal.App.4th 1168 and in other decisions, that this type of ordinance violates State law because it is preempted by State laws which already regulate daily activities of sexual offenders; and

WHEREAS, the City desires to comply with State and Federal laws pertaining to regulation of sexual offenders within the City; and

WHEREAS, the amendments to the Municipal Code made by this Ordinance will achieve this objective.

Section 2. Amendment of Code. Chapter 6.130 of the Rancho Cordova Municipal Code, "Protection of Children from Sexual Offenders," is hereby repealed in its entirety.

Section 3. Effective Date.

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

ATTACHMENT 2

Chapter 6.130 PROTECTION OF CHILDREN FROM SEXUAL OFFENDERS

Sections:

- 6.130.010 Purpose and authority.
- 6.130.020 Findings.
- 6.130.030 Definitions.
- 6.130.040 Prohibition.
- 6.130.050 Violation.
- 6.130.060 No mandatory duty of care.

6.130.010 Purpose and authority.

The city council of the city of Rancho Cordova desires to impose safety precautions in furtherance of the compelling goal of protecting children from contact and potential sexual assault by registered sex offenders. The ordinance codified in this chapter is an urgency ordinance within the meaning of Section 36934 of the Government Code and an ordinance for the immediate preservation of the public peace, health and safety within the meaning of Section 36937(b) of the Government Code, which shall be passed immediately upon introduction, and shall take effect immediately. [Ord. 47-2006 § 1].

6.130.020 Findings.

The city council finds as follows:

- A. Sex offenders pose a clear threat to the children residing or visiting in the community. Further, the city council finds that there is no cure for sex offenders; there are no guarantees that they will not reoffend, and convicted sex offenders are more likely than any other type of offender to reoffend for another sexual assault.
- B. It is anticipated that Rancho Cordova will be imminently chosen as a location for the placement of numerous sexual offenders on their release from incarceration and, without an ordinance such as this, children in Rancho Cordova may unnecessarily be put at increased risk.
- C. In order to reduce the potential risk of harm to children in Rancho Cordova, there is a need to limit the opportunity for sex offenders to be in contact with unsuspecting children in locations that are primarily designed for use by, or are primarily used by, children, namely: the grounds of public or private schools for children, centers or facilities that provide day care or children's services, video arcades, teen centers, public and private playgrounds and play facilities, parks, youth sports facilities, skate parks and public swimming pools.
- D. Currently, state law does not address the areas that sex offenders can frequent. Instead, state law only regulates where sex offenders can reside in relation to a limited number of specified areas. This chapter is not intended to conflict with, but to supplement, state law by imposing restrictions on the locations which sex offenders may frequent in Rancho Cordova in order to ensure the safety of children.

ATTACHMENT 2

E. For these reasons, the city council of Rancho Cordova finds that a public emergency exists that affects the life, health and public welfare of children resident in, and visitors to, the city of Rancho Cordova and that for the immediate preservation of the public peace, health, and safety an urgency exists to require the immediate adoption of this chapter and that this chapter should take effect immediately. [Ord. 47-2006 § 1].

6.130.030 Definitions.

"Children" means those persons who are under the age of 18.

"Sex offender" means a person who has been required to register with a governmental entity as a sex offender under Section 290 of the California Penal Code. [Ord. 47-2006 § 1].

6.130.040 Prohibition.

A. A sex offender is prohibited from being on or within 300 feet of the grounds of public or private schools for children, centers or facilities that provide day care or children's services, video arcades, teen centers, public libraries, public and private playgrounds and play facilities, parks, youth sports facilities, skate parks, public swimming pools and bus stops in the immediate vicinity of parks and schools. For purposes of this section, distances shall be measured from the edge of the parcel or contiguous parcels where the identified use is located.

B. This prohibition does not apply to a sex offender's place of residence if regulated by state law. This prohibition does not apply to single trips by the sex offender when traveling past a location specified in this chapter while en route to another destination. This prohibition does not apply to single trips when a sex offender who is also a parent or guardian of a child accompanies his/her child or ward to or from a location specified above. [Ord. 55-2006 § 1; Ord. 47-2006 § 1].

6.130.050 Violation.

Any person violating this chapter is guilty of a misdemeanor punishable by a fine up to \$1,000 or by imprisonment for up to one year, or both. A person is guilty of a separate offense for each and every day during which a violation occurs. [Ord. 47-2006 § 1].

6.130.060 No mandatory duty of care.

This chapter is not intended to and shall not be construed or given effect in a manner that imposes upon the city of Rancho Cordova or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city, so as to provide a basis of civil liability for damages, except as otherwise imposed by law. [Ord. 47-2006 § 1].

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Liisa Behrends, Sr. Accountant

SUBJECT: ADOPTION OF A RESOLUTION RESCINDING RESOLUTIONS 51-2010, 62-2013 AND 70-2013 AND ESTABLISHING THE CITY'S APPROPRIATION LIMITATION FOR FISCAL YEARS 2010/2011, 2011/2012, 2012/2013 AND 2013/2014

RECOMMENDATION

Adopt Resolution 58-2014, revising the City's Appropriations Limits for Fiscal Years 2010/2011 through 2013/2014 to reflect the transfer of responsibility for the Sunrise-Folsom Annexation Area.

RESULT OF RECOMMENDED ACTION

Approval of the Appropriations Limit and factors used therein will ensure compliance with state law.

BACKGROUND

Article XIIIB of the California State Constitution sets limits on the amount of tax revenues that local governments can appropriate in a given year. Each year, the City of Rancho Cordova is required to adopt an Appropriations Limit as well as make an annual election to determine the adjustment factors that were used in calculating the Appropriations Limit. The limit, also referred to as the "GANN Limitation" is based on a delineation of revenues between those that are discretionary and those that are not discretionary. Discretionary revenues are those that the City can use for any purpose and non-discretionary revenues are those that are restricted in their use. The General Fund is usually considered to be discretionary while Special Revenue Funds are considered to be non-discretionary. Schedules 1 through 8 are attached to the Resolution and form the basis of the Appropriations Limit calculation. The limit is increased by two factors:

- The change in the population of Rancho Cordova
- The change in the per capita income in California

In addition to the annual inflation and population adjustments, the Appropriations Limit must be adjusted in the event that the financial responsibility for providing services is transferred in whole or in part from one government agency to another. The purpose of the adjustment to the GANN Limit is to ensure the limit is increased by the amount it costs to provide services to the new area of the City.

Using the Fiscal Analysis of the Sunrise-Folsom Annexation proposal, City and County staff have concurred that the transfer of financial responsibility should result in an Appropriation Limit Transfer of \$1,689,152 from the County of Sacramento to the City of Rancho Cordova. This transfer is reflected on Schedule 5 of the FY 2010/2011 GANN Calculations. Because the appropriations limit from the prior year is used to calculate the following year, the limits through FY 2013/2014 also needed to be recalculated.

Resolution XX-2014 corrects the Appropriations Limit for FY 2010/11 from \$50,113,160 to \$51,802,312, FY 2011/12 from \$52,079,920 to \$53,835,365, FY 2012/13 from \$54,551,340 to \$56,390,089, FY 2013/14 from \$58,175,862 to \$60,136,782 and sets the correct beginning limit for the calculation of the Appropriations Limit for FY 2014/15.

ATTACHMENT

Resolution No. 58-2014.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 58-2014

A RESOLUTION OF THE CITY COUNCIL RESCINDING RESOLUTIONS 51-2010, 62-2013 AND 70-2013 AND ESTABLISHING THE CITY'S APPROPRIATION LIMITATION FOR FISCAL YEARS 2010/2011, 2011/2012, 2012/2013 AND 2013/2014

WHEREAS: the people of California on November 6, 1979, added Article XIII-B to the State Constitution placing various limitations on the appropriations of state and local governments; and

WHEREAS: the State Legislature adopted Chapters 1205 and 1342 of the 1980 Statutes which implemented Article XIII-B; and

WHEREAS: the people of California on June 5, 1990 amended Article XIII-B effective July 1, 1990; and

WHEREAS: the provisions of the amendments have been interpreted by a coalition of statewide organizations, and the organizations have issued through the League of California Cities revised guidelines to calculate the appropriations limit; and

WHEREAS: section 7910 of the Government Code requires cities to adopt a resolution setting the annual appropriations limit at a regularly scheduled meeting or a noticed special meeting; and

WHEREAS: the City of Rancho Cordova has complied with the provisions of Article XIII-B in calculating the Appropriations Limit for Fiscal Year 2010/2011, 2011/2012, 2012/2013 and 2013/2014; and

WHEREAS: Article X111B requires that a public Agency's Appropriations Limit be adjusted whenever there is a transfer of financial responsibility between two or more government agencies; and

WHEREAS: in July 2010, proceedings were completed through the Local Agency Formation Commission of Sacramento County annexing the area previously served by the County of Sacramento, transferring responsibility for providing service to the annexed area to the City of Rancho Cordova; and

WHEREAS: The City of Rancho Cordova and The County of Sacramento have negotiated the amount of \$1,689,152 for adjustment of the Appropriations Limits

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Rancho Cordova and shown on FY 2010/2011 Schedules No. 1 through 8, (**Exhibit A**), FY 2011/2012 Schedules No. 1 through 8 (**Exhibit B**), FY 2012/2013 Schedules No. 1 through 8 (**Exhibit C**) and FY 2013/2014 Schedules No. 1 through 8 (**Exhibit D**) that:

1. The Fiscal Year 2010/2011 Appropriations Limit shall be \$51,802,312,
2. The Fiscal Year 2010/2011 Appropriations subject to the Limit is \$21,404,011,

3. The annual election for Adjustment Factors shall be to use the growth in City population and the increase in the per-capital personal income for the State of California.
4. The Fiscal Year 2011/2012 Appropriations Limit shall be \$53,835,365,
5. The Fiscal Year 2011/2012 Appropriations subject to the Limit is \$22,669,365,
6. The annual election for Adjustment Factors shall be to use the growth in City population and the increase in the per-capital personal income for the State of California.
7. The Fiscal Year 2012/2013 Appropriations Limit shall be \$56,390,089,
8. The Fiscal Year 2012/2013 Appropriations subject to the Limit is \$23,240,233,
9. The annual election for Adjustment Factors shall be to use the growth in City population and the increase in the per-capital personal income for the State of California.
10. The Fiscal Year 2013/2014 Appropriations Limit shall be \$60,136,782,
11. The Fiscal Year 2013/2014 Appropriations subject to the Limit is \$24,115,200,
12. The annual election for Adjustment Factors shall be to use the growth in City population and the increase in the per-capital personal income for the State of California.

PASSED AND ADOPTED by the City Council of on the ____ day of _____, 2014
by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2010-11 GANN CALCULATIONS**

SCHEDULE NO. 1

	USER FEES VERSUS COSTS				FY 2010 - 2011 Fiscal Year
	Planning Services	Building & Safety	Engineering Fees	Legal Fees	
COSTS REASONABLY BORNE	\$ 1,589,750	\$ 1,056,800	\$ 4,063,550	\$ 860,500	\$ 7,570,600
FEES	<u>871,000</u>	<u>1,392,300</u>	<u>3,399,400</u>	<u>270,900</u>	<u>5,933,600</u>
AMOUNT OF FEE REVENUE LESS THAN COST	<u>\$ (718,750)</u>	<u>\$ 335,500</u>	<u>\$ (664,150)</u>	<u>\$ (589,600)</u>	<u>\$ (1,637,000)</u>

CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2010-11 GANN CALCULATIONS

SCHEDULE NO. 2

ALLOCATION OF TAXES							
	General Fund		Special Revenue Fund		Total		
	Subject	Not Subject	Subject	Not Subject	Subject	Not Subject	
Property Taxes	\$ 8,206,100	\$ -	\$ -	\$ -	\$ 8,206,100	\$ -	-
Property Taxes In Lieu	4,750,000	-	-	-	4,750,000	-	-
Sales Taxes	9,748,000	-	-	-	9,748,000	-	-
Other Taxes:							
Garbage Franchise Fee	-	785,000	-	-	-	785,000	-
Cable Franchise Fee	-	310,000	-	-	-	310,000	-
PG&E Franchise Fee	-	74,000	-	-	-	74,000	-
Other Franchise	-	67,900	-	-	-	67,900	-
Property Transfer Tax	262,000	-	-	-	262,000	-	-
Police Tax	930,000	-	-	-	930,000	-	-
Utility User Tax	1,961,400	-	-	-	1,961,400	-	-
Transient Occupancy Tax	2,074,500	-	-	-	2,074,500	-	-
Traffic Mitigation Fees	-	-	-	-	-	-	-
TOTAL TAXES	27,932,000	1,236,900	-	-	27,932,000	1,236,900	
From State:							
Motor Vehicle In Lieu	170,800	-	-	-	170,800	-	-
Gas Tax	-	-	-	987,300	-	987,300	-
Homeowners Relief	100,000	-	-	-	100,000	-	-
TDA	-	-	26,300	-	26,300	-	-
SB 90 Reimbursements	-	-	-	-	-	-	-
Sub-Total	270,800	-	26,300	987,300	297,100	987,300	
Other Intergovernmental							
Measure A Sales Tax	-	-	-	8,226,600	-	8,226,600	-
Proposition 42	-	-	-	632,000	-	632,000	-
CDBG Block Grant	-	-	-	1,103,730	-	1,103,730	-
Other Intergovernmental Grants	-	45,000	-	-	-	45,000	-
Sub-Total Other Intergovt'l	-	45,000	-	17,717,270	-	17,717,270	
Locally Raised:							
Sp. Benefit - Assmt. Districts	-	-	-	997,000	-	997,000	-
Zinfandel Impact Fees	-	-	-	10,200	-	10,200	-
Comm. Fac. Fees	-	-	-	587,500	-	587,500	-
Traffic Impact Fees	-	-	-	1,147,500	-	1,147,500	-
Park Renovation Fees	-	-	-	105,000	-	105,000	-
Low Income Housing	-	-	-	15,000	-	15,000	-
Sunrise Douglas Impact	-	-	-	1,855,100	-	1,855,100	-
General Plan Impact	-	-	-	30,260	-	30,260	-
Environmental Impact	-	-	-	-	-	-	-
Mather Field Impact	-	-	-	-	-	-	-
Roadway Improvement Fund	-	-	-	182,390	-	182,390	-
Storm Water Utility Tax	-	-	-	1,079,000	-	1,079,000	-
Licenses Permits & Fees	-	540,200	-	75,000	-	615,200	-
Fines/Forfeitures & Penalties	-	1,157,000	-	-	-	1,157,000	-
Rents	-	317,000	-	-	-	317,000	-
Charges for Services	-	482,800	-	-	-	482,800	-
Transfers In	-	892,000	-	-	-	892,000	-
Other	-	-	-	35,000	-	35,000	-
Sub-Total Locally Raised	-	3,389,000	-	6,118,950	-	9,507,950	
TOTAL ALL FUNDS	\$ 28,202,800	\$ 4,670,900	\$ 26,300	\$ 34,785,850	\$ 28,229,100	\$ 39,456,750	

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2010-11 GANN CALCULATIONS**

SCHEDULE NO. 3

INTEREST EARNINGS PRODUCED BY TAXES

	<u>Amount</u>	<u>Source</u>
A. Non-Interest Tax Proceeds	\$ 28,229,100	Worksheet # 2
B. Minus Exclusions	<u>7,045,372</u>	Worksheet # 7
C. Net Invested Taxes	<u>21,183,728</u>	(A-B)
D. Total Non-Interest Budget	<u>45,390,350</u>	Worksheet # 2
E. Tax Proceeds as % of Budget	46.67%	(C/D)
F. Interest Earnings	472,000	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 220,283</u>	(E*F)
H. Amount of Interest Earned from Non-Taxes	<u>\$ 251,717</u>	(F-G)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2010-11 GANN CALCULATIONS**

SCHEDULE NO. 4

APPROPRIATIONS SUBJECT TO LIMITATION

	Amount	Source
A. Proceeds of Taxes	\$ 28,449,383	Schedule No. 8
B. Exclusions	<u>7,045,372</u>	Schedule No. 7
C. Appropriations Subject to Limitation	<u>21,404,011</u>	(A-B)
D. Current Year Limitation	<u>50,113,160</u>	Schedule No. 6
E. Over/(Under) Limit	<u>\$ (28,709,149)</u>	(C-D)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2010-11 GANN CALCULATIONS**

SCHEDULE NO. 5**APPROPRIATIONS LIMIT**

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 49,062,242	Voter Approved
B. Adjustment Factors		
1. Growth in Rancho Cordova Population	1.0086	State Finance
2. Growth in California Per Capita Income	1.0127	State Finance
Total Adjustment %	1.0214	(B1 * B2)
C. Annual Adjustment \$	<u>1,050,918</u>	(B*A)
D. Other Adjustments		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fees (-)	-	
Assumed Responsibility (+)	<u>1,689,152</u>	
Subtotal	1,689,152	
E. Total Adjustments	<u>2,740,070</u>	(C+D)
F. This Year's Limit	<u><u>\$ 51,802,312</u></u>	(A+E)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2010-11 GANN CALCULATIONS**

SCHEDULE NO. 6***APPROPRIATIONS LIMIT ANALYSIS***

FY 2009-2010 Appropriations Limit		\$ 49,062,242
Adjustment Factors		
Change in Per Capita Personal Income (FY 2010-2011)		1.0127
Increase in Rancho Cordova Population		1.0086
Factor for Fiscal Year 2010-2011		1.0214
Other Adjustments		1,689,152
FY 2010-2011 Appropriations Limit		\$ 51,802,312
FY 2010-2011 Proceeds of Taxes	28,449,383	
Exclusion	<u>(7,045,372)</u>	
FY 2010-2011 Appropriations Subject to Limit		<u>21,404,011</u>
FY 2010-2011 Appropriations Under Limit		\$ 30,398,301

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2010-11 GANN CALCULATIONS**

EXHIBIT A ⁴³

SCHEDULE NO. 7

EXCLUSIONS TO APPROPRIATIONS LIMIT

COURT ORDERS	\$ -
FEDERAL MANDATES	
FLSA Payments	12,600
Medicare Payments	73,672
Landfill Closure Costs	-
Underground Tank Monitoring	-
Unemployment Payments	-
TOTAL FEDERAL MANDATES	<u>86,272</u>
QUALIFIED CAPITAL OUTLAYS	
Technology Enhancements	123,000
Building Improvements	90,800
Vehicles	-
Other Capital Equipment	<u>30,600</u>
	244,400
QUALIFIED DEBT SERVICE	
Certificates of Participation	720,000
Transition Costs	-
Revenue Neutrality Payment	<u>6,714,700</u>
	6,714,700
TOTAL EXCLUDED APPROPRIATIONS	<u>\$ 7,045,372</u>

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2010-11 GANN CALCULATIONS**

EXHIBIT A ⁴⁴

SCHEDULE NO. 8

CALCULATION OF PROCEEDS OF TAXES

REVENUE	Proceeds of Taxes	Non-Proceeds of Taxes	Total
Taxes	\$ 27,932,000	\$ 1,236,900	\$ 29,168,900
Subventions from State			-
Motor Vehicle In Lieu	170,800	-	170,800
Gas Tax	-	987,300	987,300
Homeowner's Relief	100,000	-	100,000
SB 90 Reimbursements	-	-	-
TDA	26,300	-	26,300
Other Intergovernmental	-	1,780,730	1,780,730
Locally Raised			-
Local Dedicated Sales Tax	-	8,226,600	8,226,600
Special Benefit-Landscape Assessments	-	997,000	997,000
Impact Fees	-	3,750,560	3,750,560
Grants	-	17,717,270	17,717,270
Licenses and Permits	-	615,200	615,200
Fines, Forfeiture and Penalties	-	1,157,000	1,157,000
Rents	-	317,000	317,000
Charges for Services	-	482,800	482,800
Storm Water Utility Tax	-	1,079,000	1,079,000
Roadway Improvement Fund	-	182,390	182,390
User Fees	-	5,933,600	5,933,600
Transfers In	-	892,000	892,000
Other	-	35,000	35,000
Subtotal	28,229,100	45,390,350	73,619,450
			-
Interest Earnings	220,283	251,717	472,000
Total Revenue	28,449,383	45,642,067	74,091,450
Reserve Withdrawals	-	-	-
TOTAL BUDGET APPROPRIATIONS	\$ 28,449,383	\$ 45,642,067	\$ 74,091,450

CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2011-12 GANN CALCULATIONS**SCHEDULE NO. 1**

USER FEES VERSUS COSTS					FY 2011 - 2012 Fiscal Year
	Planning Services	Building & Safety	Engineering Fees	Legal Fees	
COSTS REASONABLY BORNE	\$ 1,384,300	\$ 1,091,000	\$ 3,306,500	\$ 962,000	\$ 6,743,800
FEES	<u>736,600</u>	<u>1,125,000</u>	<u>2,387,500</u>	<u>302,900</u>	<u>4,552,000</u>
AMOUNT OF FEE REVENUE LESS THAN COST	<u>\$ (647,700)</u>	<u>\$ 34,000</u>	<u>\$ (919,000)</u>	<u>\$ (659,100)</u>	<u>\$ (2,191,800)</u>

CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2011-12 GANN CALCULATIONS

SCHEDULE NO. 2

ALLOCATION OF TAXES

	General Fund		Special Revenue Fund		Total	
	Subject	Not Subject	Subject	Not Subject	Subject	Not Subject
Property Taxes	\$ 7,574,000	\$ -	\$ -	\$ -	\$ 7,574,000	\$ -
Property Taxes In Lieu	4,585,000	-	-	-	4,585,000	-
Sales Taxes	10,544,000	-	-	-	10,544,000	-
Other Taxes:						
Garbage Franchise Fee	-	924,000	-	-	-	924,000
Cable Franchise Fee	-	420,000	-	-	-	420,000
PG&E Franchise Fee	-	74,000	-	-	-	74,000
Other Franchise	-	67,900	-	-	-	67,900
Property Transfer Tax	150,000	-	-	-	150,000	-
Police Tax	1,004,000	-	-	-	1,004,000	-
Utility User Tax	3,120,000	-	-	-	3,120,000	-
Transient Occupancy Tax	2,450,000	-	-	-	2,450,000	-
Traffic Mitigation Fees	-	-	-	-	-	-
TOTAL TAXES	29,427,000	1,485,900	-	-	29,427,000	1,485,900
From State:						
Motor Vehicle In Lieu	200,000	-	-	-	200,000	-
Gas Tax	-	-	-	1,611,300	-	1,611,300
Homeowners Relief	110,000	-	-	-	110,000	-
TDA	-	-	37,860	-	37,860	-
SB 90 Reimbursements	-	-	-	-	-	-
Sub-Total	310,000	-	37,860	1,611,300	347,860	1,611,300
Other Intergovernmental						
Measure A Sales Tax	-	-	-	6,515,500	-	6,515,500
Proposition 42	-	-	-	-	-	-
CDBG Block Grant	-	-	-	797,900	-	797,900
Other Intergovernmental Grants	-	-	-	-	-	-
	-	138,000	-	12,374,800	-	12,512,800
Sub-Total Other Intergovt'l	-	138,000	-	19,688,200	-	19,826,200
Locally Raised:						
Sp. Benefit - Assmt. Districts	-	-	-	1,050,000	-	1,050,000
Zinfandel Impact Fees	-	-	-	6,400	-	6,400
Comm. Fac. Fees	-	-	-	478,900	-	478,900
Traffic Impact Fees	-	-	-	1,009,900	-	1,009,900
Park Renovation Fees	-	-	-	134,700	-	134,700
Low Income Housing	-	-	-	15,000	-	15,000
Sunrise Douglas Impact	-	-	-	2,597,100	-	2,597,100
General Plan Impact	-	-	-	15,800	-	15,800
Environmental Impact	-	-	-	-	-	-
Mather Field Impact	-	-	-	-	-	-
Roadway Improvement Fund	-	-	-	94,160	-	94,160
Storm Water Utility Tax	-	-	-	300,000	-	300,000
Licenses Permits & Fees	-	524,100	-	65,000	-	589,100
Fines/Forfeitures & Penalties	-	1,395,000	-	-	-	1,395,000
Rents	-	485,700	-	-	-	485,700
Charges for Services	-	322,100	-	-	-	322,100
Transfers In	-	828,700	-	100,000	-	928,700
Other	-	-	-	55,000	-	55,000
Sub-Total Locally Raised	-	3,555,600	-	5,921,960	-	9,477,560
TOTAL ALL FUNDS	\$ 29,737,000	\$ 5,179,500	\$ 37,860	\$ 27,221,460	\$ 29,774,860	\$ 32,400,960

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2011-12 GANN CALCULATIONS**

SCHEDULE NO. 3

INTEREST EARNINGS PRODUCED BY TAXES

	<u>Amount</u>	<u>Source</u>
A. Non-Interest Tax Proceeds	\$ 29,774,860	Worksheet # 2
B. Minus Exclusions	<u>7,203,226</u>	Worksheet # 7
C. Net Invested Taxes	<u>22,571,634</u>	(A-B)
D. Total Non-Interest Budget	<u>36,952,960</u>	Worksheet # 2
E. Tax Proceeds as % of Budget	61.08%	(C/D)
F. Interest Earnings	160,000	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 97,731</u>	(E*F)
H. Amount of Interest Earned from Non-Taxes	<u>\$ 62,269</u>	(F-G)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2011-12 GANN CALCULATIONS**

SCHEDULE NO. 4

APPROPRIATIONS SUBJECT TO LIMITATION

	Amount	Source
A. Proceeds of Taxes	\$ 29,872,591	Schedule No. 8
B. Exclusions	<u>7,203,226</u>	Schedule No. 7
C. Appropriations Subject to Limitation	<u>22,669,365</u>	(A-B)
D. Current Year Limitation	<u>53,835,365</u>	Schedule No. 6
E. Over/(Under) Limit	<u>\$ (31,166,000)</u>	(C-D)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2011-12 GANN CALCULATIONS**

SCHEDULE NO. 5

APPROPRIATIONS LIMIT

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 51,802,312	Voter Approved
B. Adjustment Factors		
1. Growth in Rancho Cordova Population	1.0138	State Finance
2. Growth in California Per Capita Income	1.0251	State Finance
Total Adjustment %	1.0392	(B1 * B2)
C. Annual Adjustment \$	<u>2,033,053</u>	(B*A)
D. Other Adjustments		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fees (-)	-	
Assumed Responsibility (+)	-	
Subtotal	-	
E. Total Adjustments	<u>2,033,053</u>	(C+D)
F. This Year's Limit	<u><u>\$ 53,835,365</u></u>	(A+E)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2011-12 GANN CALCULATIONS**

SCHEDULE NO. 6

APPROPRIATIONS LIMIT ANALYSIS

FY 2010-2011 Appropriations Limit		\$ 51,802,312
Adjustment Factors		
Change in Per Capita Personal Income (FY 2011-2012)		1.0251
Increase in Rancho Cordova Population		1.0138
Factor for Fiscal Year 2011-2012		1.0392
 FY 2011-2012 Appropriations Limit		 <u>\$ 53,835,365</u>
FY 2011-2012 Proceeds of Taxes	29,872,591	
Exclusion	<u>(7,203,226)</u>	
 FY 2011-2012 Appropriations Subject to Limit		 <u>22,669,365</u>
 FY 2011-2012 Appropriations Under Limit		 \$ 31,166,000

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2011-12 GANN CALCULATIONS**

SCHEDULE NO. 7***EXCLUSIONS TO APPROPRIATIONS LIMIT***

COURT ORDERS	\$	-
FEDERAL MANDATES		
FLSA Payments		-
Medicare Payments		75,126
Landfill Closure Costs		-
Underground Tank Monitoring		-
Unemployment Payments		-
TOTAL FEDERAL MANDATES		<u>75,126</u>
QUALIFIED CAPITAL OUTLAYS		
Technology Enhancements		59,500
Building Improvements		114,000
Vehicles		-
Other Capital Equipment		<u>30,600</u>
		204,100
QUALIFIED DEBT SERVICE		
Certificates of Participation		720,200
Revenue Neutrality Payment		<u>6,924,000</u>
		6,924,000
TOTAL EXCLUDED APPROPRIATIONS	\$	<u><u>7,203,226</u></u>

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2011-12 GANN CALCULATIONS**

SCHEDULE NO. 8**CALCULATION OF PROCEEDS OF TAXES**

REVENUE	Proceeds of Taxes	Non-Proceeds of Taxes	Total
Taxes	\$ 29,427,000	\$ 1,485,900	\$ 30,912,900
Subventions from State			-
Motor Vehicle In Lieu	200,000	-	200,000
Gas Tax	-	1,611,300	1,611,300
Homeowner's Relief	110,000	-	110,000
SB 90 Reimbursements	-	-	-
TDA	37,860	-	37,860
Other Intergovernmental	-	797,900	797,900
Locally Raised			-
Local Dedicated Sales Tax	-	6,515,500	6,515,500
Special Benefit-Landscape Assessments	-	1,050,000	1,050,000
Impact Fees	-	4,257,800	4,257,800
Grants	-	12,512,800	12,512,800
Licenses and Permits	-	589,100	589,100
Fines, Forfeiture and Penalties	-	1,395,000	1,395,000
Rents	-	485,700	485,700
Charges for Services	-	322,100	322,100
Storm Water Utility Tax	-	300,000	300,000
Roadway Improvement Fund	-	94,160	94,160
User Fees	-	4,552,000	4,552,000
Transfers In	-	928,700	928,700
Other	-	55,000	55,000
Subtotal	29,774,860	36,952,960	66,727,820
Interest Earnings	97,731	62,269	160,000
Total Revenue	29,872,591	37,015,229	66,887,820
Reserve Withdrawals	-	-	-
TOTAL BUDGET APPROPRIATIONS	\$ 29,872,591	\$ 37,015,229	\$ 66,887,820

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2012-13 GANN CALCULATIONS**

SCHEDULE NO. 1

	USER FEES VERSUS COSTS				
	Planning Services	Building & Safety	Engineering Fees	Legal Fees	FY 2012 - 2013 Fiscal Year
COSTS REASONABLY BORNE	\$ 1,302,600	\$ 1,053,100	\$ 3,002,600	\$ 672,800	\$ 6,031,100
FEES	<u>667,300</u>	<u>1,250,000</u>	<u>1,704,700</u>	<u>297,100</u>	<u>3,919,100</u>
AMOUNT OF FEE REVENUE					
LESS THAN COST	<u>\$ (635,300)</u>	<u>\$ 196,900</u>	<u>\$ (1,297,900)</u>	<u>\$ (375,700)</u>	<u>\$ (2,112,000)</u>

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2012-13 GANN CALCULATIONS**

SCHEDULE NO. 2

ALLOCATION OF TAXES							
	General Fund		Special Revenue Fund		Total		
	Subject	Not Subject	Subject	Not Subject	Subject	Not Subject	
Property Taxes	\$ 6,656,000	\$ -	\$ -	\$ -	\$ 6,656,000	\$ -	
Property Taxes In Lieu	4,646,000	-	-	-	4,646,000	-	
Sales Taxes	11,576,000	-	-	-	11,576,000	-	
Other Taxes:							
Garbage Franchise Fee	-	1,324,000	-	-	-	1,324,000	
Cable Franchise Fee	-	475,000	-	-	-	475,000	
PG&E Franchise Fee	-	83,000	-	-	-	83,000	
Other Franchise	-	70,000	-	-	-	70,000	
Property Transfer Tax	150,000	-	-	-	150,000	-	
Police Tax	1,076,800	-	-	-	1,076,800	-	
Utility User Tax	3,595,000	-	-	-	3,595,000	-	
Transient Occupancy Tax	2,480,000	-	-	-	2,480,000	-	
Other Taxes	110,000	-	-	-	110,000	-	
Traffic Mitigation Fees	-	-	-	-	-	-	
TOTAL TAXES	30,289,800	1,952,000	-	-	30,289,800	1,952,000	
From State:							
Motor Vehicle In Lieu	30,000	-	-	-	30,000	-	
Gas Tax	-	-	-	1,758,100	-	1,758,100	
Homeowners Relief	110,000	-	-	-	110,000	-	
TDA	-	-	39,900	-	39,900	-	
SB 90 Reimbursements	-	-	-	-	-	-	
Sub-Total	140,000	-	39,900	1,758,100	179,900	1,758,100	
Other Intergovernmental	-	338,200	-	-	-	338,200	
Measure A Sales Tax	-	-	-	2,077,400	-	2,077,400	
Proposition 42	-	-	-	-	-	-	
CDBG Block Grant	-	-	-	762,000	-	762,000	
Other Intergovernmental	-	-	-	-	-	-	
Grants	-	138,000	-	8,226,600	-	8,364,600	
Sub-Total Other Intergovt'l	-	476,200	-	11,066,000	-	11,542,200	
Locally Raised:							
Sp. Benefit - Assmt. Districts	-	-	-	1,364,300	-	1,364,300	
Zinfandel Impact Fees	-	-	-	7,900	-	7,900	
Comm. Fac. Fees	-	-	-	838,800	-	838,800	
Traffic Impact Fees	-	-	-	1,672,700	-	1,672,700	
Park Renovation Fees	-	-	-	183,000	-	183,000	
Low Income Housing	-	-	-	-	-	-	
Sunrise Douglas Impact	-	-	-	2,693,800	-	2,693,800	
General Plan Impact	-	-	-	60,000	-	60,000	
Environmental Impact	-	-	-	-	-	-	
Mather Field Impact	-	-	-	-	-	-	
Roadway Improvement Fund	-	-	-	494,200	-	494,200	
Storm Water Utility Tax	-	-	-	300,000	-	300,000	
Licenses Permits & Fees	-	749,100	-	80,000	-	829,100	
Fines/Forfeitures & Penalties	-	1,281,500	-	-	-	1,281,500	
Rents	-	486,400	-	-	-	486,400	
Charges for Services	-	320,100	-	-	-	320,100	
Transfers In	-	419,700	-	500,000	-	919,700	
Other	-	-	-	54,500	-	54,500	
Sub-Total Locally Raised	-	3,256,800	-	8,249,200	-	11,506,000	
TOTAL ALL FUNDS	\$ 30,429,800	\$ 5,685,000	\$ 39,900	\$ 21,073,300	\$ 30,469,700	\$ 26,758,300	

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2012-13 GANN CALCULATIONS**

SCHEDULE NO. 3

INTEREST EARNINGS PRODUCED BY TAXES

	Amount	Source
A. Non-Interest Tax Proceeds	\$ 30,469,700	Worksheet # 2
B. Minus Exclusions	<u>7,399,425</u>	Worksheet # 7
C. Net Invested Taxes	<u>23,070,275</u>	(A-B)
D. Total Non-Interest Budget	<u>30,677,400</u>	Worksheet # 2
E. Tax Proceeds as % of Budget	75.20%	(C/D)
F. Interest Earnings	226,000	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 169,958</u>	(E*F)
H. Amount of Interest Earned from Non-Taxes	<u>\$ 56,042</u>	(F-G)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2012-13 GANN CALCULATIONS**

SCHEDULE NO. 4

APPROPRIATIONS SUBJECT TO LIMITATION

	Amount	Source
A. Proceeds of Taxes	\$ 30,639,658	Schedule No. 8
B. Exclusions	<u>7,399,425</u>	Schedule No. 7
C. Appropriations Subject to Limitation	<u>23,240,233</u>	(A-B)
D. Current Year Limitation	<u>56,390,089</u>	Schedule No. 6
E. Over/(Under) Limit	<u>\$ (33,149,855)</u>	(C-D)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2012-13 GANN CALCULATIONS**

SCHEDULE NO. 5

APPROPRIATIONS LIMIT

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 53,835,365	Voter Approved
B. Adjustment Factors		
1. Growth in Rancho Cordova Population	1.0094	State Finance
2. Growth in California Per Capita Income	1.0377	State Finance
Total Adjustment %	1.0475	(B1 * B2)
C. Annual Adjustment \$	<u>2,554,724</u>	(B*A)
D. Other Adjustments		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fees (-)	-	
Assumed Responsibility (+)	<u>-</u>	
Subtotal	-	
E. Total Adjustments	<u>2,554,724</u>	(C+D)
F. This Year's Limit	<u>\$ 56,390,089</u>	(A+E)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2012-13 GANN CALCULATIONS**

SCHEDULE NO. 6

APPROPRIATIONS LIMIT ANALYSIS

FY 2011-2012 Appropriations Limit		\$ 53,835,365
Adjustment Factors		
Change in Per Capita Personal Income (FY 2012-2013)		1.0377
Increase in Rancho Cordova Population		1.0094
Factor for Fiscal Year 2012-2013		1.0475
FY 2012-2013 Appropriations Limit		\$ 56,390,089
FY 2012-2013 Proceeds of Taxes	30,639,658	
Exclusion	<u>(7,399,425)</u>	
FY 2012-2013 Appropriations Subject to Limit		<u>23,240,233</u>
FY 2012-2013 Appropriations Under Limit		\$ 33,149,855

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2012-13 GANN CALCULATIONS**

SCHEDULE NO. 7

EXCLUSIONS TO APPROPRIATIONS LIMIT

COURT ORDERS	\$	-
FEDERAL MANDATES		
FLSA Payments		24,800
Medicare Payments		75,925
Landfill Closure Costs		-
Underground Tank Monitoring		-
Unemployment Payments		-
TOTAL FEDERAL MANDATES		<u>100,725</u>
QUALIFIED CAPITAL OUTLAYS		
Technology Enhancements		6,200
Building Improvements		28,500
Vehicles		-
Other Capital Equipment		-
		<u>34,700</u>
QUALIFIED DEBT SERVICE		
Certificates of Participation		958,700
Revenue Neutrality Payment		<u>7,264,000</u>
		7,264,000
TOTAL EXCLUDED APPROPRIATIONS	\$	<u>7,399,425</u>

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2012-13 GANN CALCULATIONS**

SCHEDULE NO. 8

CALCULATION OF PROCEEDS OF TAXES

REVENUE	Proceeds of Taxes	Non-Proceeds of Taxes	Total
Taxes	\$ 30,289,800	\$ 1,952,000	\$ 32,241,800
Subventions from State			-
Motor Vehicle In Lieu	30,000	-	30,000
Gas Tax	-	1,758,100	1,758,100
Homeowner's Relief	110,000	-	110,000
SB 90 Reimbursements	-	-	-
TDA	39,900	-	39,900
Other Intergovernmental	-	1,100,200	1,100,200
Locally Raised			-
Local Dedicated Sales Tax	-	2,077,400	2,077,400
Special Benefit-Landscape Assessments	-	1,364,300	1,364,300
Impact Fees	-	5,456,200	5,456,200
Grants	-	8,364,600	8,364,600
Licenses and Permits	-	829,100	829,100
Fines, Forfeiture and Penalties	-	1,281,500	1,281,500
Rents	-	486,400	486,400
Charges for Services	-	320,100	320,100
Storm Water Utility Tax	-	300,000	300,000
Roadway Improvement Fund	-	494,200	494,200
User Fees	-	3,919,100	3,919,100
Transfers In	-	919,700	919,700
Other	-	54,500	54,500
Subtotal	30,469,700	30,677,400	61,147,100
Interest Earnings	169,958	56,042	226,000
Total Revenue	30,639,658	30,733,442	61,373,100
Reserve Withdrawals	-	-	-
TOTAL BUDGET APPROPRIATIONS	\$ 30,639,658	\$ 30,733,442	\$ 61,373,100

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2013-14 GANN CALCULATIONS**

SCHEDULE NO. 1**USER FEES VERSUS COSTS**

	Planning Services	Building & Safety	Engineering Fees	Legal Fees	FY 2013 - 2014 Fiscal Year
COSTS REASONABLY BORNE FEES	\$ 1,243,500 <u>364,200</u>	\$ 1,282,500 <u>1,606,000</u>	\$ 3,173,900 <u>2,081,800</u>	\$ 603,000 <u>180,600</u>	\$ 6,302,900 <u>4,232,600</u>
AMOUNT OF FEE REVENUE LESS THAN COST	\$ <u>(879,300)</u>	\$ <u>323,500</u>	\$ <u>(1,092,100)</u>	\$ <u>(422,400)</u>	\$ <u>(2,070,300)</u>

CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2013-14 GANN CALCULATIONS

SCHEDULE NO. 2

ALLOCATION OF TAXES							
	General Fund		Special Revenue Fund		Total		
	Subject	Not Subject	Subject	Not Subject	Subject	Not Subject	
Property Taxes	\$ 6,992,300	\$ -	\$ -	\$ -	\$ 6,992,300	\$ -	-
Property Taxes In Lieu	4,819,500	-	-	-	4,819,500	-	-
Sales Taxes	12,380,500	-	-	-	12,380,500	-	-
Other Taxes:							
Garbage Franchise Fee	-	1,071,000	-	-	-	1,071,000	-
Cable Franchise Fee	-	475,000	-	-	-	475,000	-
PG&E Franchise Fee	-	83,000	-	-	-	83,000	-
Other Franchise	-	85,000	-	-	-	85,000	-
Property Transfer Tax	180,000	-	-	-	180,000	-	-
Police Tax	1,171,900	-	-	-	1,171,900	-	-
Utility User Tax	3,430,000	-	-	-	3,430,000	-	-
Transient Occupancy Tax	2,589,000	-	-	-	2,589,000	-	-
Other Taxes	82,000	-	-	-	82,000	-	-
Traffic Mitigation Fees	-	-	-	-	-	-	-
TOTAL TAXES	31,645,200	1,714,000	-	-	31,645,200	1,714,000	
From State:							
Motor Vehicle In Lieu	33,000	-	-	-	33,000	-	-
Gas Tax	-	-	-	1,882,500	-	1,882,500	-
Homeowners Relief	110,000	-	-	-	110,000	-	-
TDA	-	-	44,600	-	44,600	-	-
SB 90 Reimbursements	-	21,000	-	-	-	21,000	-
Sub-Total	143,000	21,000	44,600	1,882,500	187,600	1,903,500	
Other Intergovernmental	-	137,800	-	-	-	137,800	-
Measure A Sales Tax	-	-	-	4,689,100	-	4,689,100	-
Proposition 42	-	-	-	-	-	-	-
CDBG Block Grant	-	-	-	531,000	-	531,000	-
Other Intergovernmental	-	-	-	-	-	-	-
Grants	-	247,800	-	11,354,000	-	11,601,800	-
Sub-Total Other Intergov't'l	-	385,600	-	16,574,100	-	16,959,700	
Locally Raised:							
Sp. Benefit - Assmt. Districts	-	-	-	3,277,700	-	3,277,700	-
Zinfandel Impact Fees	-	-	-	3,600	-	3,600	-
Comm. Fac. Fee	-	-	-	733,700	-	733,700	-
CFF - Library	-	-	-	80,900	-	80,900	-
Traffic Impact Fees	-	-	-	787,800	-	787,800	-
Park Renovation Fees	-	-	-	234,000	-	234,000	-
Low Income Housing	-	-	-	-	-	-	-
Sunrise Douglas Impact	-	-	-	2,583,400	-	2,583,400	-
General Plan Impact	-	-	-	64,200	-	64,200	-
Environmental Impact	-	-	-	-	-	-	-
Mather Field Impact	-	-	-	-	-	-	-
Roadway Improvement Fund	-	-	-	95,100	-	95,100	-
Storm Water Utility Tax	-	-	-	600,000	-	600,000	-
Licenses Permits & Fees	-	628,100	-	85,000	-	713,100	-
Fines/Forfeitures & Penalties	-	1,466,400	-	-	-	1,466,400	-
Rents	-	602,100	-	-	-	602,100	-
Charges for Services	-	349,500	-	-	-	349,500	-
Transfers In	-	682,900	-	350,000	-	1,032,900	-
Other	-	165,000	-	38,000	-	203,000	-
Sub-Total Locally Raised	-	3,894,000	-	8,933,400	-	12,827,400	
TOTAL ALL FUNDS	\$ 31,788,200	\$ 6,014,600	\$ 44,600	\$ 27,390,000	\$ 31,832,800	\$ 33,404,600	

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2013-14 GANN CALCULATIONS**

SCHEDULE NO. 3

INTEREST EARNINGS PRODUCED BY TAXES

	<u>Amount</u>	<u>Source</u>
A. Non-Interest Tax Proceeds	\$ 31,832,800	Worksheet # 2
B. Minus Exclusions	<u>7,806,461</u>	Worksheet # 7
C. Net Invested Taxes	<u>24,026,339</u>	(A-B)
D. Total Non-Interest Budget	<u>37,637,200</u>	Worksheet # 2
E. Tax Proceeds as % of Budget	63.84%	(C/D)
F. Interest Earnings	139,200	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 88,861</u>	(E*F)
H. Amount of Interest Earned from Non-Taxes	<u>\$ 50,339</u>	(F-G)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2013-14 GANN CALCULATIONS**

SCHEDULE NO. 4

APPROPRIATIONS SUBJECT TO LIMITATION

	Amount	Source
A. Proceeds of Taxes	\$ 31,921,661	Schedule No. 8
B. Exclusions	<u>7,806,461</u>	Schedule No. 7
C. Appropriations Subject to Limitation	<u>24,115,200</u>	(A-B)
D. Current Year Limitation	<u>60,136,782</u>	Schedule No. 6
E. Over/(Under) Limit	<u>\$ (36,021,582)</u>	(C-D)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2013-14 GANN CALCULATIONS**

SCHEDULE NO. 5

APPROPRIATIONS LIMIT

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 56,390,089	Voter Approved
B. Adjustment Factors		
1. Growth in Rancho Cordova Population	1.0145	State Finance
2. Growth in California Per Capita Income	1.0512	State Finance
Total Adjustment %	1.0664	(B1 * B2)
C. Annual Adjustment \$	<u>3,746,693</u>	(B*A)
D. Other Adjustments		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fees (-)	-	
Assumed Responsibility (+)	-	
Subtotal	<u>-</u>	
E. Total Adjustments	<u>3,746,693</u>	(C+D)
F. This Year's Limit	<u><u>\$ 60,136,782</u></u>	(A+E)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2013-14 GANN CALCULATIONS**

SCHEDULE NO. 6

APPROPRIATIONS LIMIT ANALYSIS

FY 2012-2013 Appropriations Limit	\$ 56,390,089
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Adjustment Factors

Change in Per Capita Personal Income (FY 2012-2013)	1.0512
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Increase in Rancho Cordova Population	1.0145
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Factor for Fiscal Year 2013-2014	1.0664
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FY 2013-2014 Appropriations Limit	\$ 60,136,782
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FY 2013-2014 Proceeds of Taxes	31,921,661	
Exclusion	<u>(7,806,461)</u>	

FY 2013-2014 Appropriations Subject to Limit	24,115,200
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FY 2013-2014 Appropriations Under Limit	\$ 36,021,582
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**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2013-14 GANN CALCULATION**

SCHEDULE NO. 7

EXCLUSIONS TO APPROPRIATIONS LIMIT

COURT ORDERS	\$	-
FEDERAL MANDATES		
FLSA Payments		22,000
Medicare Payments		84,861
Landfill Closure Costs		-
Underground Tank Monitoring		-
Unemployment Payments		-
TOTAL FEDERAL MANDATES		<u>106,861</u>
QUALIFIED CAPITAL OUTLAYS		
Technology Enhancements		92,500
Building Improvements		107,100
Vehicles		-
Other Capital Equipment		-
		<u>199,600</u>
QUALIFIED DEBT SERVICE		
Certificates of Participation		968,200
Revenue Neutrality Payment		<u>7,500,000</u>
		7,500,000
TOTAL EXCLUDED APPROPRIATIONS	\$	<u>7,806,461</u>

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2013-14 GANN CALCULATIONS**

SCHEDULE NO. 8

CALCULATION OF PROCEEDS OF TAXES

REVENUE	Proceeds of Taxes	Non-Proceeds of Taxes	Total
Taxes	\$ 31,645,200	\$ 1,714,000	\$ 33,359,200
Subventions from State			-
Motor Vehicle In Lieu	33,000	-	33,000
Gas Tax	-	1,882,500	1,882,500
Homeowner's Relief	110,000	-	110,000
SB 90 Reimbursements	-	21,000	21,000
TDA	44,600	-	44,600
Other Intergovernmental	-	668,800	668,800
Locally Raised			-
Local Dedicated Sales Tax	-	4,689,100	4,689,100
Special Benefit-Landscape Assessments	-	3,277,700	3,277,700
Impact Fees	-	4,487,600	4,487,600
Grants	-	11,601,800	11,601,800
Licenses and Permits	-	713,100	713,100
Fines, Forfeiture and Penalties	-	1,466,400	1,466,400
Rents	-	602,100	602,100
Charges for Services	-	349,500	349,500
Storm Water Utility Tax	-	600,000	600,000
Roadway Improvement Fund	-	95,100	95,100
User Fees	-	4,232,600	4,232,600
Transfers In	-	1,032,900	1,032,900
Other	-	203,000	203,000
Subtotal	31,832,800	37,637,200	69,470,000
Interest Earnings	88,861	50,339	139,200
Total Revenue	31,921,661	37,687,539	69,609,200
Reserve Withdrawals	-	-	-
TOTAL BUDGET APPROPRIATIONS	\$ 31,921,661	\$ 37,687,539	\$ 69,609,200

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Liisa Behrends, Sr. Accountant

SUBJECT: ADOPTION OF A RESOLUTION ESTABLISHING THE CITY'S APPROPRIATIONS LIMIT FOR FY 2014/2015

RECOMMENDATION

Adopt Resolution 59-2014, establishing the City's FY 2014/15 Appropriations Limit.

RESULT OF RECOMMENDED ACTION

Approval of the Appropriations Limit and factors used therein will ensure compliance with state law.

BACKGROUND

Article XIII B of the California State Constitution sets limits on the amount of tax revenues that local governments can appropriate in a given year. Each year, the City of Rancho Cordova is required to adopt an Appropriations Limit as well as make an annual election to determine the adjustment factors that were used in calculating the Appropriations Limit. The limit, also referred to as the "GANN Limitation" is based on a delineation of revenues between those that are discretionary and those that are not discretionary. Discretionary revenues are those that the City can use for any purpose and non-discretionary revenues are those that are restricted in their use. The General Fund is usually considered to be discretionary while Special Revenue Funds are considered to be non-discretionary. Schedules 1 through 8 are attached to the Resolution and form the basis of the Appropriations Limit calculation. The limit is increased by two factors published by the Department of Finance:

- The change in the population of Rancho Cordova
- The change in the per capita income in California

For FY 2014/15, the City's appropriations limit is calculated to be \$60,946,443. The FY 2014/15 Appropriations subject the Limit is \$24,960,436.

ATTACHMENT

Resolution No. 59-2014

CITY OF RANCHO CORDOVA

RESOLUTION NO. 59-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
ADOPTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2014/2015 AND MAKING
THE ANNUAL ELECTION FOR ADJUSTMENT FACTORS**

WHEREAS, the people of California on November 6, 1979, added Article XIII-B to the State Constitution placing various limitations on the appropriations of state and local governments; and

WHEREAS, the State Legislature adopted Chapters 1205 and 1342 of the 1980 Statutes which implemented Article XIII-B; and

WHEREAS, the people of California on June 5, 1990 amended Article XIII-B effective July 1, 1990; and

WHEREAS, the provisions of the amendments have been interpreted by a coalition of statewide organizations, and the organizations have issued through the League of California Cities revised guidelines to calculate the appropriations limit; and

WHEREAS, section 7910 of the Government Code requires cities to adopt a resolution setting the annual appropriations limit at a regularly scheduled meeting or a noticed special meeting; and

WHEREAS, the City of Rancho Cordova has complied with the provisions of Article XIII-B in calculating the Appropriations Limit for Fiscal Year 2014/2015.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Rancho Cordova and shown on Schedules No. 1 through 8, (**Exhibit A**), that:

1. The Fiscal Year 2014/2015 Appropriations Limit shall be \$60,946,443,
2. The Fiscal Year 2014/2015 Appropriations subject to the Limit is \$24,960,436,
3. The annual election for Adjustment Factors shall be to use the growth in City population and the increase in the per-capita personal income for the State of California.

PASSED AND ADOPTED by the City Council of on the ____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2014-15 GANN CALCULATIONS**

SCHEDULE NO. 1**USER FEES VERSUS COSTS**

	Planning Services	Building & Safety	Engineering Fees	Legal Fees	FY 2014 - 2015 Fiscal Year
COSTS REASONABLY BORNE	\$ 1,245,400	\$ 1,291,500	\$ 3,311,900	\$ 594,000	\$ 6,442,800
FEES	<u>435,300</u>	<u>1,657,000</u>	<u>2,056,800</u>	<u>203,900</u>	<u>4,353,000</u>
AMOUNT OF FEE REVENUE LESS THAN COST	<u>\$ (810,100)</u>	<u>\$ 365,500</u>	<u>\$ (1,255,100)</u>	<u>\$ (390,100)</u>	<u>\$ (2,089,800)</u>

CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2014-15 GANN CALCULATIONS

SCHEDULE NO. 2

ALLOCATION OF TAXES

	General Fund		Special Revenue Fund		Total	
	Subject	Not Subject	Subject	Not Subject	Subject	Not Subject
Property Taxes	\$ 7,202,100	\$ -	\$ -	\$ -	\$ 7,202,100	\$ -
Property Taxes In Lieu	4,964,100	-	-	-	4,964,100	-
Sales Taxes	12,956,100	-	-	-	12,956,100	-
Other Taxes:						
Garbage Franchise Fee	-	1,271,000	-	-	-	1,271,000
Cable Franchise Fee	-	475,000	-	-	-	475,000
PG&E Franchise Fee	-	83,000	-	-	-	83,000
Other Franchise	-	85,000	-	-	-	85,000
Property Transfer Tax	200,000	-	-	-	200,000	-
Police Tax	1,230,600	-	-	-	1,230,600	-
Utility User Tax	3,462,000	-	-	-	3,462,000	-
Transient Occupancy Tax	2,639,700	-	-	-	2,639,700	-
Other Taxes	145,000	-	-	-	145,000	-
Traffic Mitigation Fees	-	-	-	-	-	-
TOTAL TAXES	32,799,600	1,914,000	-	-	32,799,600	1,914,000
From State:						
Motor Vehicle In Lieu	33,000	-	-	-	33,000	-
Gas Tax	-	-	-	1,902,000	-	1,902,000
Homeowners Relief	110,000	-	-	-	110,000	-
TDA	-	-	45,000	-	45,000	-
SB 90 Reimbursements	-	21,000	-	-	-	21,000
Sub-Total	143,000	21,000	45,000	1,902,000	188,000	1,923,000
Other Intergovernmental	-	139,400	-	-	-	139,400
Measure A Sales Tax	-	-	-	1,976,100	-	1,976,100
Proposition 42	-	-	-	-	-	-
CDBG Block Grant	-	-	-	531,000	-	531,000
Other Intergovernmental Grants	-	247,800	-	1,916,000	-	2,163,800
Sub-Total Other Intergov't	-	387,200	-	4,423,100	-	4,810,300
Locally Raised:						
Sp. Benefit - Assmt. Districts	-	-	-	1,498,000	-	1,498,000
Zinfandel Impact Fees	-	-	-	3,600	-	3,600
Comm. Fac. Fee	-	-	-	805,800	-	805,800
CFF - Library	-	-	-	82,600	-	82,600
Traffic Impact Fees	-	-	-	795,700	-	795,700
Park Renovation Fees	-	-	-	257,000	-	257,000
Low Income Housing	-	-	-	-	-	-
Sunrise Douglas Impact	-	-	-	2,609,100	-	2,609,100
General Plan Impact	-	-	-	69,300	-	69,300
Environmental Impact	-	-	-	-	-	-
Mather Field Impact	-	-	-	-	-	-
Roadway Improvement Fund	-	-	-	96,000	-	96,000
Storm Water Utility Tax	-	-	-	300,000	-	300,000
Licenses Permits & Fees	-	639,100	-	85,000	-	724,100
Fines/Forfeitures & Penalties	-	1,431,200	-	-	-	1,431,200
Rents	-	614,200	-	-	-	614,200
Charges for Services	-	260,500	-	-	-	260,500
Transfers In	-	739,300	-	500,400	-	1,239,700
Other	-	-	-	38,000	-	38,000
Sub-Total Locally Raised	-	3,684,300	-	7,140,500	-	10,824,800
TOTAL ALL FUNDS	\$ 32,942,600	\$ 6,006,500	\$ 45,000	\$ 13,465,600	\$ 32,987,600	\$ 19,472,100

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2014-15 GANN CALCULATIONS**

SCHEDULE NO. 3

INTEREST EARNINGS PRODUCED BY TAXES

	Amount	Source
A. Non-Interest Tax Proceeds	\$ 32,987,600	Worksheet # 2
B. Minus Exclusions	<u>8,177,120</u>	Worksheet # 7
C. Net Invested Taxes	<u>24,810,480</u>	(A-B)
D. Total Non-Interest Budget	<u>23,825,100</u>	Worksheet # 2
E. Tax Proceeds as % of Budget	104.14%	(C/D)
F. Interest Earnings	144,000	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 149,956</u>	(E*F)
H. Amount of Interest Earned from Non-Taxes	<u>\$ (5,956)</u>	(F-G)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2014-15 GANN CALCULATIONS**

SCHEDULE NO. 4

APPROPRIATIONS SUBJECT TO LIMITATION

	Amount	Source
A. Proceeds of Taxes	\$ 33,137,556	Schedule No. 8
B. Exclusions	<u>8,177,120</u>	Schedule No. 7
C. Appropriations Subject to Limitation	<u>24,960,436</u>	(A-B)
D. Current Year Limitation	<u>60,946,443</u>	Schedule No. 6
E. Over/(Under) Limit	<u>\$ (35,986,008)</u>	(C-D)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2014-15 GANN CALCULATIONS**

SCHEDULE NO. 5

APPROPRIATIONS LIMIT

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 60,136,782	Voter Approved
B. Adjustment Factors		
1. Growth in Rancho Cordova Population	1.0158	State Finance
2. Growth in California Per Capita Income	0.9977	State Finance
Total Adjustment %	1.0135	(B1 * B2)
C. Annual Adjustment \$	<u>809,661</u>	(B*A)
D. Other Adjustments		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fees (-)	-	
Assumed Responsibility (+)	-	
Subtotal	<u>-</u>	
E. Total Adjustments	<u>809,661</u>	(C+D)
F. This Year's Limit	<u><u>\$ 60,946,443</u></u>	(A+E)

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2014-15 GANN CALCULATIONS**

SCHEDULE NO. 6

APPROPRIATIONS LIMIT ANALYSIS

FY 2013-2014 Appropriations Limit	\$ 60,136,782
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Adjustment Factors

Change in Per Capita Personal Income (FY 2014-2015)	0.9977
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Increase in Rancho Cordova Population	1.0158
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Factor for Fiscal Year 2014-2015	1.0135
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FY 2014-2015 Appropriations Limit	\$ 60,946,443
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FY 2014-2015 Proceeds of Taxes	33,137,556	
Exclusion	<u>(8,177,120)</u>	

FY 2014-2015 Appropriations Subject to Limit	24,960,436
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FY 2014-2015 Appropriations Under Limit	\$ 35,986,008
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**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2014-15 GANN CALCULATIONS**

SCHEDULE NO. 7***EXCLUSIONS TO APPROPRIATIONS LIMIT***

COURT ORDERS	\$	-
FEDERAL MANDATES		
FLSA Payments		22,000
Medicare Payments		87,120
Landfill Closure Costs		-
Underground Tank Monitoring		-
Unemployment Payments		-
TOTAL FEDERAL MANDATES		<u>109,120</u>
QUALIFIED CAPITAL OUTLAYS		
Technology Enhancements		63,000
Building Improvements		95,000
Vehicles		-
Other Capital Equipment		-
		<u>158,000</u>
QUALIFIED DEBT SERVICE		
Certificates of Participation		969,900
Revenue Neutrality Payment		<u>7,910,000</u>
		7,910,000
TOTAL EXCLUDED APPROPRIATIONS	\$	<u><u>8,177,120</u></u>

**CITY OF RANCHO CORDOVA, CA
FISCAL YEAR 2014-15 GANN CALCULATIONS**

SCHEDULE NO. 8

CALCULATION OF PROCEEDS OF TAXES

REVENUE	Proceeds of Taxes	Non-Proceeds of Taxes	Total
Taxes	\$ 32,799,600	\$ 1,914,000	\$ 34,713,600
Subventions from State			-
Motor Vehicle In Lieu	33,000	-	33,000
Gas Tax	-	1,902,000	1,902,000
Homeowner's Relief	110,000	-	110,000
SB 90 Reimbursements	-	21,000	21,000
TDA	45,000	-	45,000
Other Intergovernmental	-	670,400	670,400
Locally Raised			-
Local Dedicated Sales Tax	-	1,976,100	1,976,100
Special Benefit-Landscape Assessments	-	1,498,000	1,498,000
Impact Fees	-	4,623,100	4,623,100
Grants	-	2,163,800	2,163,800
Licenses and Permits	-	724,100	724,100
Fines, Forfeiture and Penalties	-	1,431,200	1,431,200
Rents	-	614,200	614,200
Charges for Services	-	260,500	260,500
Storm Water Utility Tax	-	300,000	300,000
Roadway Improvement Fund	-	96,000	96,000
User Fees	-	4,353,000	4,353,000
Transfers In	-	1,239,700	1,239,700
Other	-	38,000	38,000
Subtotal	32,987,600	23,825,100	56,812,700
Interest Earnings	149,956	(5,956)	144,000
Total Revenue	33,137,556	23,819,144	56,956,700
Reserve Withdrawals	-	-	-
TOTAL BUDGET APPROPRIATIONS	\$ 33,137,556	\$ 23,819,144	\$ 56,956,700

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Liisa Behrends, Sr. Accountant

SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING THE OPERATING BUDGET FOR THE FISCAL YEARS 2013/2014 AND 2014/2015, PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURES OF ALL SUMS SET FORTH THEREIN, AND AUTHORIZATING THE CURRENT ANNUAL SALARY SCHEDULE**

RECOMMENDATION

Adopt Resolution No 62-2014 (Attachment 1) amending the Fiscal Years 2013/14 and 2014/15 Adopted Budget for various Special Revenue Funds, Internal Service Funds, certain Agency Funds, and annual salary schedule.

RESULT OF RECOMMENDED ACTION

The Fiscal Years 2013/14 and 2014/15 Adopted Budget will be amended to reflect variances in expenses not originally anticipated in the budget. This amendment will bring our approved appropriations for these specific funds in line with our actual anticipated expenditures for FY 2013/14. The General Fund does not require a budget increase, however an adjustment to the transfers out is needed with an offsetting decrease in professional services.

For FY 2014/15, the budget is being amended to include the \$10 million in grant funding recently secured by the Public Works Department.

The City's current annual salary schedule will be approved in compliance with the California Code of Regulations, Title 2, Section 570.5 which requires governing bodies of local agencies contracting with the California Public Employees' Retirement System (CalPERS) to approve and adopt salary schedules in accordance with public meeting laws.

BACKGROUND

The City operates on a fiscal year that begins July 1st and ends June 30th of each year. The City financial operations are governed by a "budget document". The Fiscal Years 2013/14 and 2014/15 Proposed Budget was first submitted to Council in a workshop on May 20, 2013 and was adopted by the City Council on June 3, 2013.

In conjunction with the Finance Director and the City Manager, the departments monitor their budgets very closely throughout the year. An in depth analysis of budget to actual is prepared and presented to the Council and the public in February of each year. This year it was noted that several special revenue funds, internal service funds, and agency funds were expected to exceed their budgeted appropriations. Since the appropriations set the legal spending limit, the Finance Department is requesting an amendment to the budget to adjust for these variations. The attached schedule illustrates the funds in question and highlights the proposed amendments.

General Fund

The General Fund does not require a budget increase. However, we have discussed the potential need for the General Fund to begin offsetting losses in the Kilgore Cemetery and forgive the loan to the General Fund.. In order to have authority to complete transfers, if needed, the FY 2013/14 transfers out in the General Fund is being increased, with an offsetting reduction to Professional Services of \$360,000.

Special Revenue Funds

As previously reported, actual revenues in some of the Special Revenue Funds are expected to be greater than budgeted, as are expenses.

In April, we entered into agreements to purchase real property for our future Corp Yard. Budget amendments to the Community Facilities Impact Fee Fund and the Capital Facilities Internal Service Fund are required as a result.

Minor adjustments to the Library Impact Fee Fund are necessary to reflect some staff time charged throughout the year and to allow the transfer of administrative costs to the General Fund.

We just had the Sunridge Park groundbreaking earlier this month. The budget amendment to the Sunrise Douglas Park Impact Fee covers those reimbursements.

A couple of our projects planned with CDBG monies spilled over into this year, requiring this next amendment. CDBG provided Soil Born with an ADA bathroom and accessible path, a new bathroom at CRPD's Senior Center as well as additional funds to the city's sidewalk projects.

We will begin to spend our Transportation Development Act monies, held for us at SACOG this year. Both FY 13/14 and 14/15 will be amended to provide funding for the Rancho Cordova Elementary School Bicycle & Pedestrian Improvement Project.

Public Works will be proceeding with four projects as a result of their recent grant awards. The Rancho Cordova Elementary School Bicycle and Pedestrian Project will build sidewalks, crosswalks and Class III bike routes along two key pedestrian routes. Preliminary engineering for improvements on Zinfandel Drive will begin. Folsom Boulevard Enhancements will continue with Phase IV. And a new traffic control system will be purchased. The Federal Grants Fund will be increased to reflect these additional efforts.

Internal Service Funds

The City sets aside funds in Internal Service Funds to ensure monies are available when capital facilities and infrastructure needs arise. This year the Vehicle & Equipment Replacement Fund needed a small increase to cover the cost of replacing our Animal Services trucks. As we discussed at our Corporate Report, we realized we are using the Capital Facilities, Infrastructure and Technology Enhancement & Replacement Funds as Capital Funds, not Internal Service Funds. Therefore, we are bringing budget amendments for these three funds to close them and reopen new Capital Funds.

Agency Funds

The issuance of the Sunridge Anatolia CFD 2003-1 private placement bonds made available additional funds to developer reimbursements. Sunridge Park CFD 2004-1 also had additional developer reimbursements requiring a budget amendment. The small increase to the Montelena CFD is due to the transfer of unclaimed funds to the General Fund.

Salary Schedule

California Code of Regulations, Title 2, Section 570.5 requires that each City payrate be approved and adopted by the City Council in accordance with public meeting laws. The City salary schedule is regularly approved in the schedule section of the City Budget. Since the City has transitioned to a two year budget, the current City salary schedule is being presented with the City budget amendments for timely approval. CalPERS has interpreted that City Council should approve the salary schedule at least annually.

ATTACHMENT

Resolution No. 62-2014 including (Exhibit A) Schedule of Proposed Budget Adjustments by Fund and (Exhibit B) Salary Schedule

CITY OF RANCHO CORDOVA

RESOLUTION NO. 62-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AMENDING THE OPERATING BUDGET FOR THE FISCAL YEARS 2013/2014
AND 2014/2015, PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURES OF
ALL SUMS SET FORTH THEREIN, AND AUTHORIZATING THE CURRENT
ANNUAL SALARY SCHEDULE**

RECITALS

WHEREAS, the City Manager has submitted to the City Council of Rancho Cordova a Fiscal Years 2013/14 and 2014/15 Proposed Budget; and

WHEREAS, after examination, deliberation and due consideration, the City Council has approved the same with the passage of Resolution No. 63-2013; and

WHEREAS, to keep the budget current it becomes necessary to amend the budget and various schedules on a periodic basis as events necessitate; and

WHEREAS, the Fiscal Years 2013/14 and 2014/15 will be amended as shown on the attached Exhibit A:

DECISION

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Rancho Cordova as follows:

1. The Fiscal Years 2013/14 and 2014/15 Adopted Budget is hereby amended to incorporate the adjustments on the attached Schedule of Proposed Budget Amendments and Salary Schedule.
2. That the amounts stated in the Schedule of Proposed Budget Amendments shall become and thereafter be appropriated to funds stated therein and said monies are hereby appropriated; and
3. The payrates approved by the City Manager during fiscal year 2013/14 in accordance with the City Compensation Plan are formally adopted by City Council.
4. The City Manager is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

**City of Rancho Cordova
Proposed Expenditure Budget Adjustments**

Fund Number	Fund Name	Original Adopted Expenditure Budget	Proposed Adjustment	Proposed Final Expenditure Budget
Fiscal Year 2013-2014				
Special Revenue Funds:				
2200	Community Facilities Impact Fee	\$ 1,007,500	1,024,000	\$ 2,031,500
2204	Library Impact Fees	\$ -	4,000	\$ 4,000
2244	SD Park Impact Fees	\$ 6,000	1,841,200	\$ 1,847,200
2340	CDBG	\$ 531,000	249,000	\$ 780,000
2440	Transportation Development Act	\$ -	20,000	\$ 20,000
2510	CSA 10 Zone 1	\$ 117,300	30,000	\$ 147,300
2511	CSA 10 Zone 2	\$ 282,700	30,000	\$ 312,700
Internal Service Funds:				
7500	Capital Facilities	\$ 1,021,000	2,565,000	\$ 3,586,000
7600	Infrastructure	\$ 474,000	1,100,000	\$ 1,574,000
7800	Vehicle & Equipment Replacement	\$ 75,000	80,400	\$ 155,400
7900	Technology Enhancement & Replacement	\$ -	235,000	\$ 235,000
Agency Funds:				
8115	Sunridge Anatolia CFD 2003-1	\$ 4,289,900	9,827,000	\$ 14,116,900
8120	Sunridge Park CFD 2004-1	\$ 1,334,100	836,100	\$ 2,170,200
8130	Montelena CFD	\$ -	12,000	\$ 12,000
Fiscal Year 2014-2015				
Special Revenue Funds:				
2310	Federal Grants	\$ 580,000	10,276,000	\$ 10,856,000
2440	Transportation Development Act	\$ -	325,500	\$ 325,500

**City of Rancho Cordova
Salary Schedule
Effective July 1, 2013**

Resolution # 103-2012 Revised Attachment A

Classification	Status	Salary Range #	Step A Hourly	Step A Monthly	Step A1 Hourly	Step A1 Monthly	Step B Hourly	Step B Monthly	Step B1 Hourly	Step B1 Monthly	Step C Hourly	Step C Monthly	Step C1 Hourly	Step C1 Monthly	Step D Hourly	Step D Monthly	Step D1 Hourly	Step D1 Monthly	Step E Hourly	Step E Monthly
Accountant	Exempt	297	\$29.69	\$ 5,146.43	\$30.44	\$ 5,276.39	\$31.21	\$ 5,409.62	\$ 32.00	\$ 5,546.22	\$ 32.81	\$ 5,686.27	\$ 33.63	\$ 5,829.85	\$ 34.48	\$ 5,977.07	\$ 35.35	\$ 6,127.99	\$ 36.25	\$ 6,282.73
Accounting Technician	Non-exempt	239	\$22.23	\$ 3,853.67	\$22.79	\$ 3,950.98	\$23.37	\$ 4,050.75	\$ 23.96	\$ 4,153.03	\$ 24.56	\$ 4,257.90	\$ 25.19	\$ 4,365.42	\$ 25.82	\$ 4,475.65	\$ 26.47	\$ 4,588.67	\$ 27.14	\$ 4,704.54
Administrative Assistant	Non-exempt	246	\$23.02	\$ 3,990.59	\$23.60	\$ 4,091.36	\$24.20	\$ 4,194.67	\$ 24.81	\$ 4,300.59	\$ 25.44	\$ 4,409.18	\$ 26.08	\$ 4,520.52	\$ 26.74	\$ 4,634.67	\$ 27.41	\$ 4,751.70	\$ 28.11	\$ 4,871.69
Administrative Secretary	Non-exempt	218	\$20.02	\$ 3,470.46	\$20.53	\$ 3,558.10	\$21.05	\$ 3,647.94	\$ 21.58	\$ 3,740.06	\$ 22.12	\$ 3,834.50	\$ 22.68	\$ 3,931.32	\$ 23.25	\$ 4,030.60	\$ 23.84	\$ 4,132.37	\$ 24.44	\$ 4,236.72
Animal Services Officer	Non-exempt	240	\$22.34	\$ 3,872.94	\$22.91	\$ 3,970.74	\$23.49	\$ 4,071.00	\$ 24.08	\$ 4,173.80	\$ 24.69	\$ 4,279.19	\$ 25.31	\$ 4,387.25	\$ 25.95	\$ 4,498.03	\$ 26.61	\$ 4,611.61	\$ 27.28	\$ 4,728.06
Assistant City Manager	Exempt	475	\$72.14	\$12,504.47	\$73.96	\$12,820.22	\$75.83	\$13,143.95	\$ 77.75	\$13,475.85	\$ 79.71	\$13,816.13	\$ 81.72	\$14,165.01	\$ 83.78	\$14,522.69	\$ 85.90	\$14,889.41	\$ 88.07	\$15,265.38
Assistant Civil Engineer	Exempt	327	\$34.48	\$ 5,977.07	\$35.35	\$ 6,127.99	\$36.25	\$ 6,282.73	\$ 37.16	\$ 6,441.38	\$ 38.10	\$ 6,604.03	\$ 39.06	\$ 6,770.79	\$ 40.05	\$ 6,941.77	\$ 41.06	\$ 7,117.05	\$ 42.10	\$ 7,296.77
Assistant Land Surveyor	Non-exempt	327	\$34.48	\$ 5,977.07	\$35.35	\$ 6,127.99	\$36.25	\$ 6,282.73	\$ 37.16	\$ 6,441.38	\$ 38.10	\$ 6,604.03	\$ 39.06	\$ 6,770.79	\$ 40.05	\$ 6,941.77	\$ 41.06	\$ 7,117.05	\$ 42.10	\$ 7,296.77
Assistant to the City Manager	Exempt	325	\$34.14	\$ 5,917.74	\$35.00	\$ 6,067.17	\$35.89	\$ 6,220.37	\$ 36.79	\$ 6,377.45	\$ 37.72	\$ 6,538.49	\$ 38.67	\$ 6,703.59	\$ 39.65	\$ 6,872.86	\$ 40.65	\$ 7,046.41	\$ 41.68	\$ 7,224.34
Associate Civil Engineer	Exempt	355	\$39.65	\$ 6,872.86	\$40.65	\$ 7,046.41	\$41.68	\$ 7,224.34	\$ 42.73	\$ 7,406.77	\$ 43.81	\$ 7,593.80	\$ 44.92	\$ 7,785.55	\$ 46.05	\$ 7,982.15	\$ 47.21	\$ 8,183.70	\$ 48.41	\$ 8,390.35
Building Inspector II	Non-exempt	294	\$29.25	\$ 5,070.00	\$29.99	\$ 5,198.02	\$30.75	\$ 5,329.28	\$ 31.52	\$ 5,463.85	\$ 32.32	\$ 5,601.82	\$ 33.13	\$ 5,743.27	\$ 33.97	\$ 5,888.30	\$ 34.83	\$ 6,036.99	\$ 35.71	\$ 6,189.43
Building Permit Services Supervisor	Exempt	297	\$29.69	\$ 5,146.43	\$30.44	\$ 5,276.39	\$31.21	\$ 5,409.62	\$ 32.00	\$ 5,546.22	\$ 32.81	\$ 5,686.27	\$ 33.63	\$ 5,829.85	\$ 34.48	\$ 5,977.07	\$ 35.35	\$ 6,127.99	\$ 36.25	\$ 6,282.73
Building Permit Technician I	Non-exempt	232	\$21.47	\$ 3,721.45	\$22.01	\$ 3,815.42	\$22.57	\$ 3,911.77	\$ 23.14	\$ 4,010.54	\$ 23.72	\$ 4,111.81	\$ 24.32	\$ 4,215.64	\$ 24.94	\$ 4,322.09	\$ 25.56	\$ 4,431.23	\$ 26.21	\$ 4,543.12
Building Permit Technician II	Non-exempt	251	\$23.60	\$ 4,091.36	\$24.20	\$ 4,194.67	\$24.81	\$ 4,300.59	\$ 25.44	\$ 4,409.18	\$ 26.08	\$ 4,520.52	\$ 26.74	\$ 4,634.67	\$ 27.41	\$ 4,751.70	\$ 28.11	\$ 4,871.69	\$ 28.82	\$ 4,994.70
City Clerk	Exempt	372	\$43.16	\$ 7,481.02	\$44.25	\$ 7,669.93	\$45.37	\$ 7,863.60	\$ 46.51	\$ 8,062.17	\$ 47.69	\$ 8,265.75	\$ 48.89	\$ 8,474.47	\$ 50.13	\$ 8,688.46	\$ 51.39	\$ 8,907.85	\$ 52.69	\$ 9,132.79
City Manager	Exempt	527	\$93.50	\$16,206.92	\$95.86	\$16,616.16	\$98.28	\$17,035.74	\$100.76	\$17,465.91	\$103.31	\$17,906.95	\$105.92	\$18,359.12	\$108.59	\$18,822.71	\$111.33	\$19,298.01	\$114.15	\$19,785.31
Code Enforcement Officer	Non-exempt	272	\$26.21	\$ 4,543.12	\$26.87	\$ 4,657.84	\$27.55	\$ 4,775.46	\$ 28.25	\$ 4,896.05	\$ 28.96	\$ 5,019.68	\$ 29.69	\$ 5,146.43	\$ 30.44	\$ 5,276.39	\$ 31.21	\$ 5,409.62	\$ 32.00	\$ 5,546.22
Community Services Liaison	Non-exempt	272	\$26.21	\$ 4,543.12	\$26.87	\$ 4,657.84	\$27.55	\$ 4,775.46	\$ 28.25	\$ 4,896.05	\$ 28.96	\$ 5,019.68	\$ 29.69	\$ 5,146.43	\$ 30.44	\$ 5,276.39	\$ 31.21	\$ 5,409.62	\$ 32.00	\$ 5,546.22
Customer Service Representative	Non-exempt	164	\$15.29	\$ 2,651.06	\$15.68	\$ 2,718.01	\$16.08	\$ 2,786.64	\$ 16.48	\$ 2,857.00	\$ 16.90	\$ 2,929.15	\$ 17.33	\$ 3,003.11	\$ 17.76	\$ 3,078.94	\$ 18.21	\$ 3,156.69	\$ 18.67	\$ 3,236.40
Customer Service Representative Intern	Non-exempt	88	\$10.47	\$ 1,814.68	\$10.73	\$ 1,860.50	\$11.00	\$ 1,907.48	\$ 11.28	\$ 1,955.65	\$ 11.57	\$ 2,005.03	\$ 11.86	\$ 2,055.66	\$ 12.16	\$ 2,107.57	\$ 12.47	\$ 2,160.78	\$ 12.78	\$ 2,215.35
Customer Service Specialist	Non-exempt	192	\$17.59	\$ 3,048.38	\$18.03	\$ 3,125.36	\$18.49	\$ 3,204.28	\$ 18.95	\$ 3,285.19	\$ 19.43	\$ 3,368.15	\$ 19.92	\$ 3,453.20	\$ 20.43	\$ 3,540.39	\$ 20.94	\$ 3,629.79	\$ 21.47	\$ 3,721.45
Deputy City Clerk	Non-exempt	218	\$20.02	\$ 3,470.46	\$20.53	\$ 3,558.10	\$21.05	\$ 3,647.94	\$ 21.58	\$ 3,740.06	\$ 22.12	\$ 3,834.50	\$ 22.68	\$ 3,931.32	\$ 23.25	\$ 4,030.60	\$ 23.84	\$ 4,132.37	\$ 24.44	\$ 4,236.72
Economic Development Analyst	Exempt	325	\$34.14	\$ 5,917.74	\$35.00	\$ 6,067.17	\$35.89	\$ 6,220.37	\$ 36.79	\$ 6,377.45	\$ 37.72	\$ 6,538.49	\$ 38.67	\$ 6,703.59	\$ 39.65	\$ 6,872.86	\$ 40.65	\$ 7,046.41	\$ 41.68	\$ 7,224.34
Economic Development Director	Exempt	411	\$52.43	\$ 9,087.35	\$53.75	\$ 9,316.82	\$55.11	\$ 9,552.08	\$ 56.50	\$ 9,793.28	\$ 57.93	\$10,040.57	\$ 59.39	\$10,294.11	\$ 60.89	\$10,554.05	\$ 62.43	\$10,820.55	\$ 64.00	\$11,093.78
Economic Development Project Manager	Exempt	358	\$40.25	\$ 6,976.47	\$41.27	\$ 7,152.64	\$42.31	\$ 7,333.25	\$ 43.38	\$ 7,518.43	\$ 44.47	\$ 7,708.28	\$ 45.59	\$ 7,902.92	\$ 46.75	\$ 8,102.48	\$ 47.93	\$ 8,307.08	\$ 49.14	\$ 8,516.84
Engineering Technician	Non-exempt	264	\$25.19	\$ 4,365.42	\$25.82	\$ 4,475.65	\$26.47	\$ 4,588.67	\$ 27.14	\$ 4,704.54	\$ 27.83	\$ 4,823.33	\$ 28.53	\$ 4,945.13	\$ 29.25	\$ 5,070.00	\$ 29.99	\$ 5,198.02	\$ 30.75	\$ 5,329.28
Executive Assistant to the City Manager	Exempt	308	\$31.37	\$ 5,436.67	\$32.16	\$ 5,573.95	\$32.97	\$ 5,714.70	\$ 33.80	\$ 5,859.00	\$ 34.66	\$ 6,006.95	\$ 35.53	\$ 6,158.63	\$ 36.43	\$ 6,314.15	\$ 37.35	\$ 6,473.59	\$ 38.29	\$ 6,637.05
Facilities Attendant	Non-exempt	79	\$10.01	\$ 1,735.02	\$10.26	\$ 1,778.83	\$10.52	\$ 1,823.75	\$ 10.79	\$ 1,869.80	\$ 11.06	\$ 1,917.02	\$ 11.34	\$ 1,965.42	\$ 11.63	\$ 2,015.05	\$ 11.92	\$ 2,065.94	\$ 12.22	\$ 2,118.10
Facilities Maintenance Worker	Non-exempt	240	\$22.34	\$ 3,872.94	\$22.91	\$ 3,970.74	\$23.49	\$ 4,071.00	\$ 24.08	\$ 4,173.80	\$ 24.69	\$ 4,279.19	\$ 25.31	\$ 4,387.25	\$ 25.95	\$ 4,498.03	\$ 26.61	\$ 4,611.61	\$ 27.28	\$ 4,728.06
Facilities Services Manager	Exempt	347	\$38.10	\$ 6,604.03	\$39.06	\$ 6,770.79	\$40.05	\$ 6,941.77	\$ 41.06	\$ 7,117.05	\$ 42.10	\$ 7,296.77	\$ 43.16	\$ 7,481.02	\$ 44.25	\$ 7,669.93	\$ 45.37	\$ 7,863.60	\$ 46.51	\$ 8,062.17
Facilities Services Representative	Non-exempt	218	\$20.02	\$ 3,470.46	\$20.53	\$ 3,558.10	\$21.05	\$ 3,647.94	\$ 21.58	\$ 3,740.06	\$ 22.12	\$ 3,834.50	\$ 22.68	\$ 3,931.32	\$ 23.25	\$ 4,030.60	\$ 23.84	\$ 4,132.37	\$ 24.44	\$ 4,236.72
Facilities Services Worker	Non-exempt	107	\$11.51	\$ 1,995.05	\$11.80	\$ 2,045.43	\$12.10	\$ 2,097.08	\$ 12.40	\$ 2,150.03	\$ 12.72	\$ 2,204.33	\$ 13.04	\$ 2,259.99	\$ 13.37	\$ 2,317.05	\$ 13.71	\$ 2,375.56	\$ 14.05	\$ 2,435.55
Finance Director	Exempt	439	\$60.28	\$10,449.29	\$61.81	\$10,713.15	\$63.37	\$10,983.67	\$ 64.97	\$11,261.02	\$ 66.61	\$11,545.38	\$ 68.29	\$11,836.91	\$ 70.01	\$12,135.81	\$ 71.78	\$12,442.26	\$ 73.59	\$12,756.44
Graduate Intern	Non-exempt	132	\$13.04	\$ 2,259.99	\$13.37	\$ 2,317.05	\$13.71	\$ 2,375.56	\$ 14.05	\$ 2,435.55	\$ 14.41	\$ 2,497.05	\$ 14.77	\$ 2,560.10	\$ 15.14	\$ 2,624.75	\$ 15.53	\$ 2,691.03	\$ 15.92	\$ 2,758.98
Housing and Neighborhood Development Analyst	Exempt	297	\$29.69	\$ 5,146.43	\$30.44	\$ 5,276.39	\$31.21	\$ 5,409.62	\$ 32.00	\$ 5,546.22	\$ 32.81	\$ 5,686.27	\$ 33.63	\$ 5,829.85	\$ 34.48	\$ 5,977.07	\$ 35.35	\$ 6,127.99	\$ 36.25	\$ 6,282.73
Housing and Neighborhood Development Specialist	Non-exempt	264	\$25.19	\$ 4,365.42	\$25.82	\$ 4,475.65	\$26.47	\$ 4,588.67	\$ 27.14	\$ 4,704.54	\$ 27.83	\$ 4,823.33	\$ 28.53	\$ 4,945.13	\$ 29.25	\$ 5,070.00	\$ 29.99	\$ 5,198.02	\$ 30.75	\$ 5,329.28
Housing Services Administrator	Exempt	353	\$39.26	\$ 6,804.65	\$40.25	\$ 6,976.47	\$41.27	\$ 7,152.64	\$ 42.31	\$ 7,333.25	\$ 43.38	\$ 7,518.43	\$ 44.47	\$ 7,708.28	\$ 45.59	\$ 7,902.92	\$ 46.75	\$ 8,102.48	\$ 47.93	\$ 8,307.08
Housing Services Assistant	Non-exempt	224	\$20.63	\$ 3,575.89	\$21.15	\$ 3,666.18	\$21.69	\$ 3,758.76	\$ 22.23	\$ 3,853.67	\$ 22.79	\$ 3,950.98	\$ 23.37	\$ 4,050.75	\$ 23.96	\$ 4,153.03	\$ 24.56	\$ 4,257.90	\$ 25.19	\$ 4,365.42
Human Resources Analyst I	Exempt	308	\$31.37	\$ 5,436.67	\$32.16	\$ 5,573.95	\$32.97	\$ 5,714.70	\$ 33.80	\$ 5,859.00	\$ 34.66	\$ 6,006.95	\$ 35.53	\$ 6,158.63	\$ 36.43	\$ 6,314.15	\$ 37.35	\$ 6,473.59	\$ 38.29	\$ 6,637.05
Human Resources Manager	Exempt	392	\$47.69	\$ 8,265.75	\$48.89	\$ 8,474.47	\$50.13	\$ 8,688.46	\$ 51.39	\$ 8,907.85	\$ 52.69	\$ 9,132.79	\$ 54.02	\$ 9,363.40	\$ 55.38	\$ 9,599.84	\$ 56.78	\$ 9,842.25	\$ 58.22	\$10,090.78
Human Resources Technician	Non-exempt	264	\$25.19	\$ 4,365.42	\$25.82	\$ 4,475.65	\$26.47	\$ 4,588.67	\$ 27.14	\$ 4,704.54	\$ 27.83	\$ 4,823.33	\$ 28.53	\$ 4,945.13	\$ 29.25	\$ 5,070.00	\$ 29.99	\$ 5,198.02	\$ 30.75	\$ 5,329.28
Information Technology Analyst	Exempt	308	\$31.37	\$ 5,436.67	\$32.16	\$ 5,573.95	\$32.97	\$ 5,714.70	\$ 33.80	\$ 5,859.00	\$ 34.66	\$ 6,006.95	\$ 35.53	\$ 6,158.63	\$ 36.43	\$ 6,314.15	\$ 37.35	\$ 6,473.59	\$ 38.29	\$ 6,637.05
Information Technology Manager	Exempt	388	\$46.75	\$ 8,102.48	\$47.93	\$ 8,307.08	\$49.14	\$ 8,516.84	\$ 50.38	\$ 8,731.90	\$ 51.65	\$ 8,952.39	\$ 52.95	\$ 9,178.45	\$ 54.29	\$ 9,410.22	\$ 55.66	\$ 9,647.84	\$ 57.07	\$ 9,891.46
Information Technology Technician	Non-exempt	270	\$25.95	\$ 4,498.03	\$26.61	\$ 4,611.61	\$27.28	\$ 4,728.06	\$ 27.97	\$ 4,847.45	\$ 28.67	\$ 4,969.86	\$ 29.40	\$ 5,095.35	\$ 30.14	\$ 5,224.01	\$ 30.90	\$ 5,355.93	\$ 31.68	\$ 5,491.17
Management Analyst I	Exempt	297	\$29.69	\$ 5,146.43	\$30.44	\$ 5,276.39	\$31.21	\$ 5,409.62	\$ 32.00	\$ 5,546.22	\$ 32.81	\$ 5,686.27	\$ 33.63	\$ 5,829.85	\$ 34.48	\$ 5,977.07	\$ 35.35	\$ 6,127.99	\$ 36.25	\$ 6,282.73
Management Analyst II	Exempt	325	\$34.14	\$ 5,917.74	\$35.00	\$ 6,067.17	\$35.89	\$ 6,220.37	\$ 36.79	\$ 6,377.45	\$ 37.72	\$ 6,538.49	\$ 38.67	\$ 6,703.59	\$ 39.65	\$ 6,872.86	\$ 40.65	\$ 7,046.41	\$ 41.68	\$ 7,224.34
Management Technician	Non-exempt	264	\$25.19	\$ 4,365.42	\$25.82	\$ 4,475.65	\$26.47	\$ 4,588.67	\$ 27.14	\$ 4,704.54	\$ 27.83	\$ 4,823.33	\$ 28.53	\$ 4,945.13	\$ 29.25	\$ 5,070.00	\$ 29.99	\$ 5,198.02	\$ 30.75	\$ 5,329.28
Neighborhood Services Manager	Exempt	372	\$43.16	\$ 7,481.02	\$44.25	\$ 7,669.93	\$45.37	\$ 7,863.60	\$ 46.51	\$ 8,062.17	\$ 47.69	\$ 8,265.75	\$ 48.89	\$ 8,474.47	\$					

EXHIBIT B

Classification	Status	Salary Range #	Step A Hourly	Step A Monthly	Step A1 Hourly	Step A1 Monthly	Step B Hourly	Step B Monthly	Step B1 Hourly	Step B1 Monthly	Step C Hourly	Step C Monthly	Step C1 Hourly	Step C1 Monthly	Step D Hourly	Step D Monthly	Step D1 Hourly	Step D1 Monthly	Step E Hourly	Step E Monthly
Public Information and Legislative Affairs Manager	Exempt	353	\$39.26	\$ 6,804.65	\$40.25	\$ 6,976.47	\$41.27	\$ 7,152.64	\$ 42.31	\$ 7,333.25	\$ 43.38	\$ 7,518.43	\$ 44.47	\$ 7,708.28	\$ 45.59	\$ 7,902.92	\$ 46.75	\$ 8,102.48	\$ 47.93	\$ 8,307.08
Public Works Director/Chief Building Official	Exempt	447	\$62.74	\$10,874.65	\$64.32	\$11,149.25	\$65.95	\$11,430.79	\$ 67.61	\$11,719.43	\$ 69.32	\$12,015.36	\$ 71.07	\$12,318.76	\$ 72.86	\$12,629.82	\$ 74.70	\$12,948.74	\$ 76.59	\$13,275.72
Senior Accountant	Exempt	325	\$34.14	\$ 5,917.74	\$35.00	\$ 6,067.17	\$35.89	\$ 6,220.37	\$ 36.79	\$ 6,377.45	\$ 37.72	\$ 6,538.49	\$ 38.67	\$ 6,703.59	\$ 39.65	\$ 6,872.86	\$ 40.65	\$ 7,046.41	\$ 41.68	\$ 7,224.34
Senior Accounting Technician	Non-exempt	258	\$24.44	\$ 4,236.72	\$25.06	\$ 4,343.70	\$25.69	\$ 4,453.39	\$ 26.34	\$ 4,565.84	\$ 27.01	\$ 4,681.13	\$ 27.69	\$ 4,799.34	\$ 28.39	\$ 4,920.53	\$ 29.10	\$ 5,044.78	\$ 29.84	\$ 5,172.16
Senior Civil Engineer	Exempt	380	\$44.92	\$ 7,785.55	\$46.05	\$ 7,982.15	\$47.21	\$ 8,183.70	\$ 48.41	\$ 8,390.35	\$ 49.63	\$ 8,602.22	\$ 50.88	\$ 8,819.44	\$ 52.17	\$ 9,042.14	\$ 53.48	\$ 9,270.46	\$ 54.83	\$ 9,504.56
Senior Finance Analyst	Exempt	325	\$34.14	\$ 5,917.74	\$35.00	\$ 6,067.17	\$35.89	\$ 6,220.37	\$ 36.79	\$ 6,377.45	\$ 37.72	\$ 6,538.49	\$ 38.67	\$ 6,703.59	\$ 39.65	\$ 6,872.86	\$ 40.65	\$ 7,046.41	\$ 41.68	\$ 7,224.34
Senior Management Analyst	Exempt	353	\$39.26	\$ 6,804.65	\$40.25	\$ 6,976.47	\$41.27	\$ 7,152.64	\$ 42.31	\$ 7,333.25	\$ 43.38	\$ 7,518.43	\$ 44.47	\$ 7,708.28	\$ 45.59	\$ 7,902.92	\$ 46.75	\$ 8,102.48	\$ 47.93	\$ 8,307.08
Senior Project Manager	Exempt	353	\$39.26	\$ 6,804.65	\$40.25	\$ 6,976.47	\$41.27	\$ 7,152.64	\$ 42.31	\$ 7,333.25	\$ 43.38	\$ 7,518.43	\$ 44.47	\$ 7,708.28	\$ 45.59	\$ 7,902.92	\$ 46.75	\$ 8,102.48	\$ 47.93	\$ 8,307.08
Street Operations and Maintenance Manager	Exempt	361	\$40.86	\$ 7,081.65	\$41.89	\$ 7,260.47	\$42.95	\$ 7,443.80	\$ 44.03	\$ 7,631.77	\$ 45.14	\$ 7,824.48	\$ 46.28	\$ 8,022.06	\$ 47.45	\$ 8,224.62	\$ 48.65	\$ 8,432.31	\$ 49.88	\$ 8,645.23
Student Engineer	Non-exempt	123	\$12.47	\$ 2,160.78	\$12.78	\$ 2,215.35	\$13.10	\$ 2,271.29	\$ 13.43	\$ 2,328.64	\$ 13.77	\$ 2,387.44	\$ 14.12	\$ 2,447.73	\$ 14.48	\$ 2,509.54	\$ 14.84	\$ 2,572.90	\$ 15.22	\$ 2,637.87
Council Member	Exempt	n/a		\$ 500.00																

Revision Summary
 Resolution 47-2012; effective 6-1-2012
 Resolution 103-2012; retroactively made effective 7-1-2011
 Resolution 63-2013; effective 7-1-2013
 Resolution 64-2014; retroactively effective 7-1-13

MEMORANDUM

DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director
Elizabeth Sparkman, Senior Engineer



SUBJECT: RESOLUTION AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE AND SUBMIT RANCHO CORDOVA TRANSPORTATION DEVELOPMENT ACT CLAIMS

RECOMMENDATION

Adopt Resolution No. 57-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will authorize the Public Works Director to execute and submit Rancho Cordova Transportation Development Act claims for FY 13/14 and FY 14/15 to the Sacramento Council Area of Governments (SACOG).

BACKGROUND

The City of Rancho Cordova, through the Transportation Development Act (TDA), receives Local Transportation Funds (LTF) for the City's transportation system. The City's allocation of these funds has been accumulating since FY 04/05 until such time as sufficient funding was available to apply towards a project. We are now preparing to use the accumulated funds through FY 11/12 totaling \$345,225 as local match money for a federally funded project. The project on which the TDA funds will be applied to is the Rancho Cordova Elementary School Bicycle and Pedestrian Improvement Project.

Prior to submitting any TDA claims, the City must demonstrate that the funds are budgeted and that we have the authority to submit a claim. This resolution authorizes the Public Works Director to execute and submit claims to SACOG for the TDA funding. The funds are being budgeted towards the project in a separate action tonight which amends the FY 13/14 and FY 14/15 budget.

ATTACHMENT

Resolution No. 57-2014.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 57-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE AND SUBMIT RANCHO
CORDOVA TRANSPORTATION DEVELOPMENT ACT CLAIMS FOR FY 13/14 AND FY
14/15 TO THE SACRAMENTO AREA COUNCIL OF GOVERNMENTS**

WHEREAS, the City of Rancho Cordova, through the Transportation Development Act (TDA), receives Local Transportation Funds for the City's transportation system; and

WHEREAS, the City desires to utilize these funds for the Rancho Cordova Elementary School Bicycle and Pedestrian Improvement Project; and

WHEREAS, whereas the Sacramento Area Council of Governments requires submission of TDA claims to obtain these funds;

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the Public Works Director to execute and submit FY 13/14 and FY 14/15 claims for Local Transportation Funds in an amount not to exceed \$345,000, along with any subsequent amendments should the amount of the requested funds be adjusted.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Donna Silva, Finance Director

SUBJECT: RESOLUTION APPROVING THE FIRST AMENDMENT TO THE REIMBURSEMENT AGREEMENT BETWEEN THE KILGORE CEMETERY ENTERPRISE FUND AND THE CITY OF RANCHO CORDOVA AND CREATING AN AUTOMATIC ANNUAL BUDGET AMENDMENT WHEN IT IS NECESSARY TO TRANSFER FROM THE GENERAL FUND TO THE CEMETERY FUND FOR THE PURPOSES OF REDUCING THE BALANCE OF THE ADVANCE

RECOMMENDATION

Adopt Resolution No. 52-2014

RESULT OF RECOMMENDED ACTION

Adoption of Resolution No. 52-2014 will amend the repayment terms for the advance of funds from the City of Rancho Cordova ("City") to the Kilgore Cemetery Enterprise Fund ("Fund") by reducing the current balance of the advance over a period of 6 years (or by 1/6) for every year the Fund has inadequate net income to make an annual debt service payment; but only to the extent the City has sufficient surplus revenues to absorb the reduction. The resolution also creates an automatic budget adjustment in the General Fund in each year that there exists sufficient surplus to transfer 1/6th of the now existing loan balance out of the General Fund to the Cemetery Fund.

BACKGROUND

The City acquired the Mathew Kilgore Cemetery located on Kilgore Road between Trade Center Drive and Sun Center Drive in August 2005. The cemetery was originally established in 1874 and was in disrepair. In 2006, the City Council adopted Resolution 176-2006 to establish the Cemetery Enterprise Fund and advance \$1,000,000 from the general fund to cover improvement and operating costs, including a contract with PBM Construction in the amount of \$929,929 for the restoration of the cemetery. In fiscal years 2008 and 2009, advances of \$404,611 were made to the Fund for continuing improvements and operating costs. In 2010, it was determined that additional advances would be needed in future fiscal years for ongoing operations and for public improvements to enhance the City's ability to sell burial sites ("Phase II Improvements") and recover the cost of the improvements. In order to ensure all advances would be fully repaid, the City entered into a Reimbursement Agreement with the Fund.

The Cemetery has been unable to generate revenues sufficient to pay its operating costs, and has been unable to make a payment on the advance. In the Memorandum of Internal Control for the audit of FY 2012-13 our independent auditors advised that the City should develop specific plans to eliminate the fund deficit and repay the advance from the General Fund in a reasonable period of time. If the advance is not expected to be repaid within a reasonable period of time, generally accepted accounting principles require that the inter-fund balances be reduced and the amount that is not expected to be repaid should be reported as a transfer from the General Fund to the Cemetery Fund.

Staff believes it is possible, but not certain, that the advance can be repaid in a reasonable period of time. The proceeds from the sale of the existing available niche spaces *would be* sufficient to repay the advance. However, the demand does not currently exist. There are a total of 630 niche wall spaces, of which 30 have been sold to date. Phase II improvements are expected to commence in FY 2014-15, producing approximately 600 grave plots. Sales of the grave plots *would generate* revenue sufficient to repay the advance and staff anticipates a higher demand for grave plots than niche wall spaces. However, we have no basis to determine if the Cemetery would be able to repay the advance within a reasonable period of time after the installation of the grave plots.

Given the uncertainty over the amount of time it will take for the Cemetery Fund to repay the advance from the General Fund, staff has developed a plan which will allow the City to write off a portion of the loan over a 6 year period, or up to 1/6 of the current balance of the advance, in each year the Fund has insufficient net income to make an annual debt service payment. In accordance with GAAP, this will be accomplished by the City reducing the advance in the accounting system and reporting the amount as a transfer from the City to the Fund, but this transfer will only occur if the City has sufficient surplus revenues to absorb the transfer. Resolution 52-2014 also authorizes an automatic budget amendment for both the City's General Fund and the Kilgore Cemetery Fund in each year a transfer is made. This will not eliminate the obligation of the Fund to reimburse the City for the advance; rather it just removes the advance receivable (an asset) from the City's Financial Statements. The City would record any future repayments as revenue in the year they are received. This plan requires an amendment to the existing reimbursement agreement.

ATTACHMENTS

1. Resolution 52-2014 including Exhibit A, 1st Amendment to Reimbursement Agreement
2. Reimbursement Agreement

2283778.1

ATTACHMENT 1

CITY OF RANCHO CORDOVA

RESOLUTION NO. 52-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING THE FIRST AMENDMENT TO THE REIMBURSEMENT AGREEMENT
BETWEEN THE KILGORE CEMETERY ENTERPRISE FUND AND THE CITY OF RANCHO
CORDOVA AND CREATING AN AUTOMATIC ANNUAL BUDGET AMENDMENT WHEN IT
IS NECESSARY TO TRANSFER FROM THE GENERAL FUND TO THE CEMETERY FUND
FOR THE PURPOSES OF REDUCING THE BALANCE OF THE ADVANCE**

WHEREAS, the City acquired the Kilgore Cemetery, a historical cemetery, in August 2005; and

WHEREAS, the Kilgore Cemetery is an enterprise fund (the "**Fund**") of the City of Rancho Cordova (the "**City**") created by the adoption of Resolution No. 176-2006; and

WHEREAS, the City advanced \$1,000,000 to the Fund for restoration of the cemetery by adoption of Resolution No. 176-2006; and

WHEREAS, the City subsequently extended additional funds on behalf of the Kilgore Cemetery Enterprise Fund for administrative, operational, and public improvement costs; and

WHEREAS, in order to ensure the City would be fully reimbursed for the additional funds advanced, the City Council adopted Resolution 65-2010 approving a Reimbursement Agreement between the Kilgore Cemetery Fund and the City of Rancho Cordova; and

WHEREAS, Generally Accepted Accounting Principles (GAAP) require the advance be repaid in a reasonable period of time; and

WHEREAS, the Kilgore Cemetery Fund is expected to continue to operate at a deficit at least until such time as the Phase II Improvements can be constructed; and

WHEREAS, since the advance cannot be repaid at this time, GAAP require the advance be reduced and the amount that is not expected to be repaid be reported as a transfer from the fund that made the loan to the fund that received the loan; and

WHEREAS, these requirements result in the need for the City to amend the original Reimbursement Agreement to allow for a portion of the advance to be reduced proportionately over a six year period for each year the fund continues to operate at a deficit.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize as follows:

Section 1. The City agrees to amend the Reimbursement Agreement in accordance with the terms and conditions set forth in the First Amendment to the Reimbursement Agreement, attached to this Resolution as Exhibit A.

Section 2. The City Manager or his designee is authorized to execute the First Amendment to the Reimbursement Agreement substantially in the form attached hereto as Exhibit A and to take such other actions reasonably necessary to carry out the intent of this Resolution.

ATTACHMENT 1

Section 3. An annual transfer of up to 1/6th of the advance balance is authorized to be made from the General Fund to the Kilgore Cemetery Enterprise Fund when the General Fund has a sufficient surplus available and the Kilgore Cemetery Enterprise Fund has insufficient net income to make the annual debt payment; and in such event the budgets for both funds will be automatically adjusted to allow for the transfer out expense and transfer in revenue of the respective funds.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

2283806.1

EXHIBIT A

**FIRST AMENDMENT TO THE REIMBURSEMENT AGREEMENT
BETWEEN THE CITY OF RANCHO CORDOVA AND
THE KILGORE CEMETERY ENTERPRISE FUND**

This First Amendment to the Reimbursement Agreement (“**Amendment**”) is entered into effective as of June 16, 2014 (“**Effective Date**”), by and between the City of Rancho Cordova, a California municipal corporation (“**City**”) and the Kilgore Cemetery Enterprise Fund (“**Fund**”). The Fund and the City are hereinafter collectively referred to as the “**Parties**.”

RECITALS

WHEREAS, the Parties entered into a Reimbursement Agreement (“**Agreement**”) dated June 30, 2010 which allowed the City to provide certain administrative services to the Fund and advance monies to the Fund for operational and public improvement costs, and the Fund shall reimburse the City for services and advances; and

WHEREAS, through June 30 2013, the City had advanced a total of \$1,634,387 to the Fund; and

WHEREAS, Generally Accepted Accounting Principles (GAAP) require the advance to be repaid in a reasonable period of time in order to be considered a receivable of the City; and

WHEREAS, the City expects the Fund to continue to operate at a deficit at least until the Phase II Improvements at the cemetery can be installed; and

WHEREAS, if the advance cannot be repaid in a reasonable period of time, GAAP requires the advance be reduced and the amount that is not expected to be repaid be reported as a transfer from the fund that made the advance to the fund that received the advance.

NOW THEREFORE, the Parties agree as follows:

AMENDMENT

1. The Parties agree to modify the end date of the Reimbursement Agreement. The First sentence of Section 2 of the Agreement is amended to read as follows:

“This Agreement shall continue in full force and effect until the Fund has fully satisfied all repayment and reimbursement obligations owed to the City pursuant to this Agreement.”

2. Section 3 of the Agreement, “Reimbursement of Advance,” outlines the repayment terms for funds advanced by the City to the Fund. The Parties agree to amend Section 3 of the Agreement to comply with GAAP rules to read as follows:

Reimbursement of Advance. The Fund shall be obligated to reimburse the City for the Advance. Such obligation shall bear interest at the Applicable Interest Rate (defined in Section 5), which shall accrue commencing upon the date that the

City provided the Advance to the Fund. Reimbursement shall occur by means of payment to the City of any net income generated by the Fund, which shall be paid to the City during the term of this Agreement or any extension thereof, until the entire amount of the Advance has been repaid.

Starting June 30, 2014, the City shall reduce the total Advance recorded in the accounting system by up to 1/6 for each year in which the Fund has insufficient net income to make the annual payment, if the City has sufficient surplus revenues to absorb the reduction. This reduction shall be for reporting purposes only and does not relieve the Fund from the reimbursement obligation.

3. All other terms and conditions of the Agreement shall remain in full force and effect to the extent they are not in conflict with this Amendment.

IN WITNESS WHEREOF, the Fund and the City have executed this Amendment as of the date first written above.

CEMETERY ENTERPRISE FUND

CITY OF RANCHO CORDOVA

By: _____

By: _____
Interim City Manager

ATTEST:

ATTEST:

Secretary

City Clerk

APPROVED:

Finance Director

APPROVED AS TO FORM:

City Attorney

Exhibit A**CITY ADVANCES AND ADMINISTRATIVE COSTS**

(Schedule to be administratively updated and attached following the end of each fiscal year.)

<u>Date</u>	<u>Amount</u>	<u>Purpose</u>
June 30, 2007	\$1,000,000	Advance to Cemetery Enterprise Fund for restoration and operational expenses
June 30, 2008	\$341,883	Public improvement, administrative and operational costs
June 30, 2009	\$62,728	Public improvement, administrative, and operational costs.
June 30, 2010	\$70,463	Public improvement, administrative, and operational costs.
June 30, 2011	\$101,794	Public improvement, administrative, and operational costs.
June 30, 2012	\$21,861	Public improvement, administrative, and operational costs.
June 30, 2013	\$35,658	Public improvement, administrative, and operational costs.
Total	<u>\$1,634,387*</u>	

* This amount represents the outstanding principal balance and does not include accrued interest 2283822.1

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement (“**Agreement**”) is entered into effective as of June 30, 2010 (“**Effective Date**”), by and between the City of Rancho Cordova, a municipal corporation (“**City**”) and the Cemetery Enterprise Fund (“**Fund**”). The Fund and the City are hereinafter collectively referred to as the “**Parties**.”

RECITALS

WHEREAS, in August 2005, the City acquired the Kilgore Cemetery, a historical cemetery located on Kilgore Road between Trade Center Drive and Sun Center Drive, and

WHEREAS, at the time Kilgore Cemetery was acquired by the City it was in a state of disrepair and in need of major restoration; and

WHEREAS, to provide funds for the restoration of the cemetery and ongoing cemetery operations the City Council approved Resolution No. 176-2006 on October 16, 2006, which established a “Cemetery Enterprise Fund,” and authorized an advance of One Million Dollars (\$1,000,000) from the City’s General Fund to the Cemetery Enterprise Fund (“**Advance**”); and

WHEREAS, the City subsequently expended additional funds on behalf of the Cemetery Enterprise Fund (“**Fund**”) for administrative, operational, and public improvement costs, and expects to incur further administrative, operational, and public improvement costs in the future; and

WHEREAS, the Parties now desire to enter into an agreement pursuant to which the City shall provide certain administrative services to the Fund and shall advance monies to the Fund, and the Fund shall reimburse the City for services and advances.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Fund and the City hereby agree as follows.

1. Purpose. The purpose of this Agreement is to establish a mechanism pursuant to which the Fund shall reimburse the City for the Advance, and certain administrative, operational, and public improvement costs the City has incurred to date and shall incur in the future in connection with the Fund.
2. Term. This Agreement shall continue in full force and effect until June 30, 2020, unless extended by mutual consent of the parties.
3. Reimbursement of Advance. The Fund shall be obligated to reimburse the City for the Advance. Such obligation shall bear interest at the Applicable Interest Rate (defined in Section 5), which shall accrue commencing upon the date that the City provided the Advance to the Fund. Reimbursement shall occur by means of payment to the City of any net income generated by the Fund, which shall be paid to the City during the term of this Agreement or any extension

thereof, until the entire amount of the Advance has been repaid.

4. Reimbursement of City Administrative, Operational and Public Improvement Costs. The Fund shall reimburse the City for all administrative, operational and public improvement costs the City incurs on behalf of the Fund.

No later than three months following the end of each fiscal year during the term of this Agreement, the City and the Fund shall set forth in a schedule to be agreed upon by the Parties and attached to this Agreement as Exhibit A the amount of administrative, operational, and public improvement costs the City has incurred during such fiscal year. The Fund shall thereafter be obligated to reimburse the City for such costs during the term of this Agreement or any extension thereof. Such obligation shall bear interest at the Applicable Interest Rate (defined in Section 5), which shall be assessed on the balance owing to the City on June 30th of each year. Exhibit A shall be updated at the end of each fiscal year during the term of this Agreement.

In its discretion, the City may advance funds to the Fund which the Fund may draw upon to cover Fund administrative, operational, and capital improvement purposes. Each such advance shall be listed in Exhibit A.

5. Interest Rate; Subordination. The reimbursement obligations of the Fund under this Agreement shall bear simple interest, which shall be the LAIF rate, assessed annually on June 30th of each year and begin to accrue on July 1st of each year (the “Applicable Interest Rate”). The Parties further agree that all Fund obligations under this Agreement shall be subordinate to any and all existing and future indebtedness that the Fund has incurred or may in the future incur.

6. Further Assurances. The Parties agree to execute, acknowledge and deliver to the other such other documents and instruments, and to undertake such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Agreement.

7. No Third Party Beneficiaries. There shall be no third party beneficiaries to this Agreement except as specifically set forth herein.

8. Governing Law. This Agreement shall be construed in accordance with the laws of the State of California.

9. Severability. If any term, provision, covenant or condition contained in this Agreement or the application thereof to any person, party, transaction or circumstance is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement or the application of such provision to other persons, parties, transactions or circumstance shall not be affected thereby.

10. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one instrument.

11. Amendments. This Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed by the Parties.

12. Captions; Entire Agreement. The section headings used in this Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. This Agreement, together with Exhibit A as such may be appended hereto and amended from time to time in accordance with the terms hereof, contains the entire agreement of the Parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Fund and the City have executed this Agreement as of the date first written above.

CEMETERY ENTERPRISE FUND

CITY OF RANCHO CORDOVA

By: _____

By: _____
City Manager

ATTEST:

ATTEST:

Secretary

City Clerk

APPROVED:

Finance Director

APPROVED AS TO FORM:

City Attorney

Exhibit A**CITY ADVANCES AND ADMINISTRATIVE COSTS**

(Schedule to be attached following the end of each fiscal year.)

<u>Date</u>	<u>Amount</u>	<u>Purpose</u>
June 30, 2006	\$1,000,000	Advance to Cemetery Enterprise Fund for restoration and operational expenses
June 30, 2008	\$341,883	Public improvement, administrative and operational costs
June 30, 2009	\$62,728	Public improvement, administrative, and operational costs.
	Total = \$1,404,611	

1413891.2

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator

SUBJECT: A RESOLUTION OF THE CITY COUNCIL AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN SUPPORT OF THE HORIZONS SENIOR DEVELOPMENT FOR AN AMOUNT NOT TO EXCEED \$6,000,000 IN HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDING AND EXECUTION OF A STANDARD AGREEMENT AND RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME PROGRAM

RECOMMENDATION

Staff recommends that Council adopt Resolution 55-2014.

RESULT OF RECOMMENDED ACTION

Adoption of Resolution 55-2014 will authorize City Staff to submit an application to the State of California Department of Housing and Community Development (HCD) for an amount not to exceed \$6,000,000 in funding from the Home Investment Partnerships Program (HOME). Additionally, upon award of program funds, the recommended action will authorize City Staff to enter into a Standard Agreement with HCD.

BACKGROUND

Annually, HCD advertises the availability of HOME funds to smaller jurisdictions not otherwise eligible for HOME funding on a formula basis. All applications are governed by State HOME regulations dated 10/10/12 and State Uniform Multifamily Regulations dated 7/11/10. These funds are made available on a competitive basis to qualified units of local government for the development of new or rehabilitated rental projects and certain Homebuyer projects.

In January of 2012, the first phase of redevelopment of the Stagger Inn project area opened for occupancy. This effort resulted following the demolition of three abandoned and foreclosed 4-plex buildings and a foreclosed single family unit.

On May 1, 2014, HCD issued a Notice of Funding Availability for the HOME Program. The Council's authorization for the submittal of an application for HOME grant funding, if successful, will result in the development of 48 senior, rental units on a site which once held the Stagger Inn and an older 16-unit apartment complex. The requested HOME

grant will complete the City financing for up to 48 units of affordable one- and two-bedroom rentals for seniors, to be known as Horizons at New Rancho. Efforts will be made to construct the units with “net zero energy” consumption. Design will be required to complement the high level of quality and attractiveness seen in the Crossings project.

DISCUSSION

The subject HOME grant is one of the few remaining sources of funding sufficient to close the funding gap on the Horizons project. All discretionary actions required for this effort, including design review, have been completed. This Council has seen several prior requests by staff for authorization to pursue grant funding for this effort. Grant financing for new senior development is highly competitive and few awards are made.

ATTACHMENT

Resolution 55-2014

2284820.1

CITY OF RANCHO CORDOVA

RESOLUTION NO. 55-2014

A RESOLUTION OF THE CITY COUNCIL AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR \$6,000,000 IN AFFORDABLE RENTAL NEW CONSTRUCTION PROJECT HOUSING FUNDING UNDER THE HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) AND THE EXECUTION OF A STANDARD AGREEMENT AND RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME PROGRAM

WHEREAS, on May 1, 2014 the California State Department of Housing and Community Development ("HCD") issued a 2014 Notice of Funding Availability ("NOFA") for the Home Investment Partnerships Program (HOME); and

WHEREAS, HCD is authorized to allocate HOME funds made available from the U.S. Department of Housing and Urban Development ("HUD"). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200.

WHEREAS, the City desires to apply for HOME funds and to enter into a Standard Agreement with the State of California for the acceptance of an amount of funds not to exceed \$6,000,000 in HOME (Affordable Rental New Construction Project) grant funding, which amount includes \$1,000,000 for deep targeted units to be affordable at or below 40 % of median income.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. In response to a NOFA issued on May 1, 2014, the City Council authorizes the City Manager, or his designee, to submit to HCD and to execute an application, and all other required documents, to participate in the HOME (Affordable Rental New Construction Project) program. The application will request a funding allocation in an amount not to exceed \$6,000,000 for the following activities:

To develop up to 48 "Rental New Construction Project" units for seniors. All units may be "deeply targeted" units affordable to seniors at rents levels required of the HCD program for a minimum of 55 years. The project will be located on property fronting Folsom Boulevard at 2738 Woodberry Way in the City of Rancho Cordova.

2. If the application for funding is approved, the City Council authorizes the use of the HOME (Rental New Construction Project) funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with Regulations and Rules cited above. The Council further authorizes the City Manager, or his designee, to execute a Standard Agreement, the Applicant Certification and commitment of Responsibility, and any amendments thereto, and all other documents or instruments necessary or required by HCD for participation in the HOME (collectively, the required documents).

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____th day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST: The undersigned City Clerk of the City of Rancho Cordova does hereby attest and certify that the foregoing is a true and full copy of a resolution of the City Council of the City of Rancho Cordova passed and adopted at a duly convened meeting on the date set forth above, and said resolution has not been altered, amended, or repealed.

Mindy Cuppy, City Clerk
2284826.1

MEMORANDUM

DATE: June 16, 2014
TO: Honorable Mayor and Council Members
FROM: Mindy Cuppy, CMC, City Clerk
SUBJECT: RESOLUTION APPOINTING LINDA BUDGE AS MAYOR PRO TEMPORE FOR THE PERIOD JUNE 17, 2014 TO JUNE 24, 2014 IN ORDER TO REPRESENT THE CITY OF RANCHO CORDOVA IN THE MAYOR'S ABSENCE AT TWO CONFERENCES



RECOMMENDATION

Adopt Resolution No. 63-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will appoint Linda Budge as Mayor Pro Tempore for the period June 17, 2014 to June 24, 2014 during her attendance at the New Cities Summit and U.S. Conference of Mayors conferences.

Per Government Code Section 36802 if the Mayor is absent or unable to act, the Mayor Pro Tempore shall serve until the mayor returns or is able to act. The mayor pro tempore has all of the powers and duties of the mayor. The purpose of these conferences is education, networking and advocacy. There will be no action taken at these conferences.

BACKGROUND

Council Member Linda Budge will be attending the New Cities Summit and U.S. Conference of Mayors in June 17, 2014 through June 23, 2014 in Dallas, Texas and she wishes to represent the City of Rancho Cordova. Mayor Skoglund is unable to attend these conferences.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 63-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPOINTING LINDA BUDGE AS MAYOR PRO TEMPORE FOR THE PERIOD
JUNE 17, 2014 TO JUNE 24, 2014 IN ORDER TO REPRESENT THE CITY OF
RANCHO CORDOVA IN THE MAYOR'S ABSENCE AT TWO CONFERENCES**

WHEREAS, Council Member Linda Budge will be attending the New Cities Summit June 17-19, 2014 and the U.S. Conference of Mayors June 20-23, 2014 in Dallas, Texas; and

WHEREAS, The Mayor is unable to attend these conferences; and

WHEREAS, The Mayor Pro Tempore would act in place of the Mayor in his absence in order to represent the City of Rancho Cordova at these venues; and

WHEREAS, Having Linda Budge in this leadership role will satisfy citywide goal number one which is to promote the positive image of Rancho Cordova; and

WHEREAS, Per Government Code Section 36802 if the Mayor is absent or unable to act, the Mayor Pro Tempore shall serve until the mayor returns or is able to act. The Mayor Pro Tempore has all of the powers and duties of the mayor; and

WHEREAS, The purpose of these conferences is education, networking and advocacy. There will be no actions taken at either of these conferences; and

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize Linda Budge to act as the Mayor Pro Tempore for the period June 17, 2014 to June 24, 2014 representing the City of Rancho Cordova.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director
John Samuelson, Operations & Maintenance Manager

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE YEAR ON-CALL STREET SIGNAGE SERVICES AGREEMENT WITH MCGUIRE-PACIFIC CONSTRUCTORS IN AN AMOUNT NOT TO EXCEED \$600,000

RECOMMENDATION

Adopt Resolution No. 53-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this Resolution will allow the City Manager to execute an on-call contract with McGuire-Pacific Constructors for Citywide street signage services. The contract will be set for a three year term and will expire on June 30, 2017.

BACKGROUND

In 2011, the City began using private contractors for several of its maintenance responsibilities. The three year on-call contract that is currently in place for signage services is set to expire on June 30, 2014. Public Works has solicited proposals for continued street signage services and received only one proposal. Staff recommends award of contract to, McGuire-Pacific Constructors, based on their proposed price, available resources, and the quality of their work on past City contracts.

The contractor's bid schedule is provided and attached as Exhibit A to Contract No. 51-2014. The bid schedule includes unit prices for the most common types of signs in the City. The contractor will be paid based on the actual quantity of signs provided. Any work that was not included in the bid schedule will be paid based on time and materials or by a project specific proposal from the contractor. The estimated quantities are for reference only and not a guaranteed amount of work.

Public Works staff recommends that a \$600,000 maximum dollar amount be assigned to this contract to allow Public Works the flexibility to adjust the annual contract amount to meet the City's needs each fiscal year. This contract will be fully funded through special districts and Measure A maintenance funds.

ATTACHMENT

Resolution No. 53-2014 including Exhibit 1 – Contract No. 51-2014

CITY OF RANCHO CORDOVA

RESOLUTION NO. 53-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE YEAR
ON-CALL CONTRACT WITH MCGUIRE-PACIFIC CONSTRUCTORS
FOR STREET SIGNAGE SERVICES**

WHEREAS, the City advertised a request for proposals on May 2, 2014 and received one proposals; and

WHEREAS, the City recommends awarding the street signage services agreement to McGuire-Pacific Constructors, and

WHEREAS, the agreement will be in the amount not to exceed \$600,000 and will commence on July 1, 2014 and terminate on June 30, 2017; and

WHEREAS, those services will exceed the maximum amount the City Manager has authorization to approve.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute a three year on-call maintenance contract with McGuire-Pacific Constructors (**Exhibit 1**), in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

**GENERAL SERVICES AGREEMENT BETWEEN
THE CITY OF RANCHO CORDOVA AND MCGUIRE-PACIFIC CONTRACTORS
FOR SIGNAGE MAINTENANCE SERVICES**

THIS AGREEMENT (hereinafter referred to as "Agreement") is made by and between the City of Rancho Cordova, a California municipal corporation, (herein "City") and McGuire-Pacific Contractors, (herein "Contractor"), as of July 1, 2014.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in the Scope of Work attached as Exhibit A ("Services") at the time and place and in the manner as specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

Section 2. TERM. The term of this Agreement shall begin on the date first noted above and shall end on July 1, 2017, unless the term of the Agreement is otherwise terminated as provided for in Section 10. The time provided to Contractor to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 10.

Section 3. CONTRACT ADMINISTRATOR. This Agreement shall be administered by John Samuelson ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

Section 4. COMPENSATION OF CONTRACTOR. The Contractor shall be paid \$600,000 for performance of the Services pursuant to this Agreement. The Contractor shall submit invoices to the City Finance Director on a monthly basis detailing the Services performed. In the event of a conflict between this Agreement and Contractor's Exhibit A regarding the amount of compensation, the Agreement shall prevail. Upon receipt and approval of the Contractor's invoices, the City shall remit payment to the Contractor for Services provided within thirty (30) days. Payment to Contractor shall be considered as full compensation for performing the Services.

City's failure to discover or object to any unsatisfactory work or billing prior to payment will not constitute a waiver of City's right to request Contractor to correct such work or billings or seek any other legal remedy.

Section 5. PERFORMANCE STANDARDS.

A. Contractor shall comply with all applicable laws now in force or which may hereafter be in force with regard to the provision of Services and this Agreement.

B. Contractor represents that it has the skills, expertise, licenses and permits necessary to perform the Services. Contractor shall perform all such Services in the manner and according to the standards observed by a competent practitioner of the same profession in which Contractor is engaged and in accordance with applicable industry standards. Permits and/or licenses shall be obtained and maintained by Contractor without additional compensation throughout the term of this Agreement.

Section 6. INDEPENDENT CONTRACTOR. Contractor shall perform the Services as an independent contractor and nothing herein contained shall be construed to make Contractor an agent or employee of the City while providing the Services. Contractor shall be entitled to no other benefits or compensation except as provided in this Agreement.

Section 7. INSURANCE REQUIREMENTS. Prior to beginning any Service under this Agreement, Contractor, at its own cost and expense, shall procure insurance coverage at such levels of coverage, scope, limits, and/or forms as set forth in Exhibit B ("Insurance Requirements") hereto. Contractor shall provide proof satisfactory to City of such insurance and maintain the insurance throughout the term of this Agreement.

Section 8. INDEMNIFICATION. Contractor shall indemnify, defend with counsel selected by the City, and hold harmless City, its officers, agents, employees and representatives from and against any and all claims, losses, liabilities or damages, demands and actions, including payment of reasonable attorney's fees, arising out of or resulting from Services performed pursuant to this Agreement caused in whole or in part by any negligent or willful act or omission of Contractor, its officers, agents, employees, or anyone directly or indirectly acting on behalf of Contractor. The foregoing obligation of Contractor shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Contractor or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

Section 9. NONDISCRIMINATION AND EQUAL OPPORTUNITY. Contractor shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Contractor under this Agreement. Contractor shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Contractor thereby. Contractor shall include the provisions of this section in any subcontract approved by the City.

Section 10. AMENDMENTS. No modification or amendment of this Agreement is effective unless made in writing and signed by both the City and Contractor.

Section 11. ASSIGNMENT AND SUBCONTRACTING. Contractor shall not assign or transfer any interest in this Agreement without the prior written consent of the City.

Section 12. TERMINATION. Either party may terminate this Agreement without cause, upon 30 days written notice to the other party. In the event of termination, Contractor shall be entitled to payment for Services then satisfactorily completed. Contractor shall not be entitled to any claim against City for any additional compensation or damages in the event of such termination.

Section 13. NOTICES. All notices that are regarding this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and

deposited in a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses:

City: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
ATTN: John Samuelson

Contractor: McGuire-Pacific Constructors
P.O. Box 4072
Auburn, CA 95604
ATTN: John McGuire, Jr.

Section 14. GOVERNING LAW AND VENUE. The laws of the State of California shall govern this Agreement. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Sacramento.

Section 15. ATTORNEYS' FEES. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

Section 16. SEVERABILITY. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 17. WAIVER. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 18. SURVIVAL. The obligations of this Agreement, which by their nature would continue beyond the term or expiration of the Agreement, including without limitation obligations regarding indemnification shall survive the term or expiration of this Agreement.

Section 19. ENTIRE AGREEMENT. This Agreement represents the entire and integrated Agreement between City and Contractor and supersedes all prior negotiations, representations, and Agreements regarding the subject matter of this Agreement, either written or oral.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above, which date shall be considered the effective date of this Agreement.

CITY OF RANCHO CORDVA

CONTRACTOR

By: _____
Joe Chinn, Interim City Manager

By: _____
John McGuire, Jr., Owner

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Adam Lindgren, City Attorney

ATTEST:

By: _____
Mindy Cuppy, CMC, City Clerk

1778773.3

EXHIBIT A**Section 4****Scope of Services****4.1 DESCRIPTION OF WORK**

The contractor shall furnish all signs and materials to the City for routine signs replacement and repair. The contractor shall also furnish all labor, equipment and materials required for new installations, repairs and replacement of overhead signs within the City. City signage consists of regulatory, warning, guide, specialty, and street name signs.

Routine Responsibilities

The Contractors responsibilities consist of new installations, resetting, repairing and/or replacement of, but not limited to, the following:

- Overhead Traffic Signs: Regulatory, Guide, Warning and Specialty Signs
- Internally Illuminated Street Name Signs
- Support Arms

All work, with the exception of Emergency Response, will be requested by means of a Work Order (WO). Emergency response work shall be considered extra work.

All WO's shall be completed in a timely manner. The final schedule of how the services will be performed shall be negotiated with the Contractor so as to provide the highest level of service in the most cost effective manner.

The City may choose to bid non-emergency extra work separately and may elect to use outside sources to perform this work if determined to be in the best interest of the City. No unscheduled (extra) installations and/or repairs shall be made without prior approval by the City.

Emergency Responsibilities

Emergency works includes unforeseen/unscheduled maintenance related tasks that must be performed on short notice due to potential impacts on public safety, right-of-way concerns and conveniences. When notified by the City to respond to an emergency situation, the Contractor shall be at the site in **two (2) hours or less from the time of notification**.

The Contractor shall maintain a local telephone number where they can be reached twenty-four (24) hours per day, seven (7) days a week, including holidays. Emergency response may be initiated by the City or the Contractor (if an emergency condition is observed in the field).

The following are examples of emergencies that require immediate response by the Contractor:

- Damaged signs creating a hazard for vehicles and/or pedestrians within the right-of-way.

Routine and/or Emergency response shall include, but is not limited to, the following steps:

- a. Receipt and confirmation of the requested task;
- b. Initial response to site for evaluation of problem & site conditions;

- c. Implementation of appropriate traffic controls to render the site safe;
- d. Perform the requested task and restore the site to a safe condition;
- e. The Contractor shall immediately advise the City of any emergency situation by phone and follow up with a written report by end of next business day; and
- f. Logbook entry: detailing time, date, and nature of requested, task performed and verbal report to Maintenance Coordinator if appropriate.

Traffic & Street Name Signs

The Contractor shall furnish all labor, equipment and materials to manufacture and deliver traffic and street name sign. All new signs shall be 0.080" thick ASTM B209 alloy 6061 – T6 flat aluminum with an anti-graffiti coating.

Street name sign, bracket, and unistrut post specifications can be found in **Appendix B**. The selected Contractor shall furnish a submittal detailing the specific details required for replacement of any street name sign prior to proceeding with installation. Contractor is directed to pay close attention to the details as described on Street Name Sign details drawing RC4-33.

4.2 QUALIFICATIONS

The contractor is to be licensed in the State of California. The license shall be **C-32**

4.3 TIME OF COMPLETION

The time for completion of this contract shall be **July 1, 2017**.

4.4 ITEMS OF WORK

The construction, materials, payment, etc., for items of work shown in the Proposal, and on the plans, but not specifically mentioned in these Special Provisions are referred to the Standard Construction Specifications for conformance.

4.10 PROPOSAL

The quantities shown in the Cost Forms (Section 6) are given to provide bidders with an indication of potential work and the order of magnitude and scope of work. The actual amount of work done under this contract may differ from the quantities shown. The City of Rancho Cordova does not expressly or by implication agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount of any class or portion of the work or to omit portions of the work as directed by the City.

4.12 NOTICE FOR INSURANCE

The Contractor, upon being notified of being awarded the contract, shall have their Certificate of Insurance delivered to City of Rancho Cordova Public Works Department, 2729 Prospect Park Drive, Rancho Cordova, CA 95670, Attn: John Samuelson. Contractor's insurance shall comply with all attached insurance requirements (Exhibit B of Appendix A). No goods or services shall be rendered by the contractor until a valid Certificate of Insurance is on file with The City of Rancho Cordova.

4.13 DESIGNATION OF SUBCONTRACTORS

Contractor shall comply with the provisions of the Sacramento County Standard Construction Specifications, dated January 2008.

The form is provided in these special provisions to identify subcontractors who may provide work under this contract. The Contractor shall perform, with the Contractor's own organization and with workers under the contractor's immediate supervision, work of a value not less than fifty percent (50%) of the value of all work embraced in the contract.

4.14 PAYROLL RECORDS

Attention is directed to Section 1776 of the Labor Code of the State of California. Regulations complementing said Section 1776 are located in Section 16000 and Sections 16400 through 16403 of Title 8, California Administrative Code. The Contractor is required to comply with the provisions of Section 1776 of said Labor Code. The Contractor shall also be responsible for compliance by their subcontractors.

4.15 PREVAILING WAGE

Pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division II, of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the Project contemplated under this Agreement shall be paid to all workers, laborers and mechanics employed in the execution of said Project by Contractor, or by any subcontractor doing or contracting to do any part of said Project. The appropriate determination of the Director of the California Department of Industrial Relations is filed with, and available for inspection at 2729 Prospect Park Drive, Rancho Cordova, CA 95670, the office of the Clerk of the City. Contractor shall post, at each job site, a copy of such prevailing rate of per diem wages as determined by the Director for the California Department of Industrial Relations.

4.17 PROTECTION OF EXISTING FACILITIES

The Contractor shall take every precaution to protect all public and private property during the performance of this contract. Any damages caused by the Contractor's personnel or equipment will promptly be repaired to the condition existing before the damage. If, in the opinion of the Project Manager, repair is not possible, the damaged facilities will be replaced in kind and size. All costs for such repairs or replacements shall be the sole responsibility of the Contractor. Damages to City facilities due to the Contractor's lack of performance in accordance with these specifications are the Contractor's responsibility.

4.18 EXISTING UTILITIES

Attention is directed to the Sacramento County Standard Construction Specifications and these Special Provisions.

The toll-free number for Underground Service Alert (U.S.A.) is (800) 642-2444. The Contractor is required to call this number two working days (48 hours) in advance of performing excavation work.

The Contractor shall take adequate measures to insure that their operations do not harm any existing underground facilities not specifically mentioned, or shown on the plans.

4.19 TRAFFIC MAINTENANCE

The Contractor's attention is directed to Section 6 and Section 12 of the Standard Construction Specifications and these Special Provisions.

The Contractor shall be responsible for maintaining local property access and access to existing public cross streets within the limits of this contract.

The Contractor shall be responsible for the safety of traffic within the project limits and on the approaches to the project.

The Contractor shall provide 24 hour advance notification to the occupants of the property to which the existing access will be closed for a period of time exceeding 2 hours. Notification may be verbal to the occupant of the property or by written notice placed on or near the building entrance or the property access point to be closed.

When doing work on a major street, the Contractor may, with the Project Manager's approval, close the traffic lanes in accordance with the Sacramento County Standard Construction Specifications.

Lane closure shall not be allowed without the proper advance warning devices and signing and flag person control in conformance to the Sacramento County Standard Construction Specifications, and these Special Provisions. At the completion of each working day, all existing lanes of traffic shall be open to traffic. Provisions must be made for the uninterrupted passage of emergency vehicles through the project limits at all times, regardless of the controlled traffic conditions existing at that time.

The Contractor shall do all traffic maintenance work as specified herein without direct payment.

4.20 REGULATIONS AND CONDUCT OF WORK

The Contractor shall plan and conduct the work to comply with local, State, and Federal government agencies' applicable rules, regulations, codes, and ordinances to adequately safeguard persons and property from injury. The Contractor shall direct the performance of the work in compliance with reasonable safety regulations and work practices, and with applicable federal, state, and local laws, rules and regulations including but not limited to "Occupational Safety and Health Standards" promulgated by the U.S. Secretary of Labor, and Safety Orders of the California Division of Industrial Safety.

4.21 PERSONNEL

All work shall be performed by qualified and trained personnel. All workers/personnel shall be neat and orderly in appearance.

4.22 SUPERVISION

The Contractor shall provide a competent superintendent during all times that work is being performed with the authority to represent and act for the Contractor in any matter pertaining to this contract. The Contractor shall furnish the names of all such superintendents to the Project Manager prior to the commencement of this contract and further advise of any changes.

4.23 DISMISSAL OF UNSATISFACTORY EMPLOYEES

Attention is directed to Section 7 of the Standard Construction Specifications.

The Contractor shall only furnish workers who are competent and skilled for work under this contract. If, in the opinion of the Project Manager, an employee of the Contractor is incompetent or disorderly, refuses to perform in accordance with the contract specifications, threatens or uses abusive language while on City property, does not meet safety requirements or is otherwise unsatisfactory, that employee shall be removed from all work under this contract. Contractor shall remove an unsatisfactory employee from contract sites immediately following notification.

Failure by the Contractor to remove an unsatisfactory employee from contract sites within one week of notification will result in withholding of monthly payment. Failure by the contractor to permanently replace an unsatisfactory employee will result in formal written warning (30-day notice) to the Contractor specifying that the employee must be replaced. Failure by the Contractor to replace an unsatisfactory employee within the 30 day time period will result in termination of this contract.

In the event of termination, the City shall be liable only for payment of those services performed and accepted by the City prior to the date of termination; and the Contractor and his surety shall be liable and assessed for any and all costs for the re-procurement of the contract services.

4.24 PAYMENT

The Contractor shall bid on a unit price set forth within the bid schedule. The City will compensate the Contractor for all work as indicated on the Bid Schedule.

In the event that extra work is requested, but not listed in the bid items; the Contractor shall supply a written "not to exceed" estimate for the proposed work to be completed. The City may at any time determine that the extra work is either required or it is in the best interests of the City to bid these items.

A monthly invoice shall be submitted at the end of each month to the City for all routine work as requested by the City.

The Contractor's monthly maintenance invoice shall include;

- Invoice Number
- Invoice Date
- Contract Number
- Period Service Provided (Date from – Date to)
- Service Provided (reference City of Rancho Cordova Work Order)
- Number of WOs completed, including location, description of work performed, including employee's actual hours worked along with equipment and material costs.

Billing shall be submitted to the following address:

City of Rancho Cordova
Public Works Department
2729 Prospect Park Drive
Rancho Cordova, CA 95670
ATTN: JOHN SAMUELSON

4.25 WITHHOLDING OF PAYMENT

For work deemed by the Project Manager as not meeting the requirements of the specifications, the City shall withhold monthly payments or percentages thereof for work not completed, or until work is completed as per contract specifications. The City shall withhold monthly payments or percentages thereof for work that is not completed on schedule.

To provide funds to cover the cost of any City of Rancho Cordova facilities damaged by the Contractor, the City shall withhold monthly payments until the damages are repaired. In the event repairs are not made the City shall withhold monthly maintenance payments to fund the necessary repairs. The Contractor shall be responsible for damages to the City of Rancho

Cordova facilities due to the contractor's failure to perform the services in accordance with these specifications. Expenses to cover damages shall be solely the Contractor's, and repairs shall meet with approval of the Project Manager.

4.26 FAILURE TO PERFORM

If the Contractor, or his representative, fails to perform in accordance with the terms and conditions of this contract, the Project Manager will specify the reasons and locations as applicable by written correspondence. Failure by the Contractor to correct any deficiencies within one (1) calendar week of notification may result in withholding of payment. Failure by the Contractor to correct any deficiencies within two (2) calendar weeks or more may result in formal written warning (30-day notice) to the contractor specifying that such deficiencies must be corrected. Failure by the contractor to correct such deficiencies within the 30-day specified time period may result in termination of this contract.

In the event of termination, the City shall be liable only for payment of those services performed and accepted by the City prior to the date of termination. Any damages to property caused by the contractor's inability to meet specification shall be recovered by withholding payments. The Contractor and his surety shall be liable and assessed for any and all costs for the re-procurement of the contract services and damages to City facilities or plant materials.

4.27 INSPECTION

The Contractor may receive an inspection report from the Project Manager. This form will indicate any deficiencies in the work performance of the Contractor. The Project Manager may inform the Contractor by telephone of urgent deficiencies for immediate attention or repairs. Inspection by City staff will occur the following day the Contractor has serviced the areas.

Lack of Inspections by the City staff does not relieve the Contractor of his obligations to provide services as required by these specifications. Lack of receipt of inspection reports does not relieve the Contractor of his obligations to provide services as required by these specifications. Schedules as required by these specifications shall be submitted and used as a guide for City Staff Inspection schedules. Inspection will be scheduled to occur the following day the Contractor has serviced the area(s).

4.31 COMPLIANCE WITH STANDARD TERMS & CONDITIONS

You agree to be bound by our standard "boilerplate" conditions, a sample of which is attached to this RFP (Appendix A), and to all other terms and conditions in this RFP.

4.32 INSURANCE

The insurance provisions attached as **Exhibit B of Appendix A** must be complied with by you if awarded the contract. Proof of insurance must be provided to us prior to commencement of work under the contract.

4.33 INDEMNITY

The Contractor indemnifies the City as stated in Section 6-2 of the County Standard Construction Specifications.

4.34 STANDARD CONSTRUCTION SPECIFICATIONS

The County of Sacramento, Municipal Services Agency, Standard Construction Specifications, adopted January 2008, and these Special Provisions shall control all work to be done under this contract. A copy of the Standard Construction Specifications may be obtained at the Cashier's

window, County Administration Building, 872 Seventh Street, Room 105, Sacramento, CA 95814.

4.35 STATE SPECIFICATIONS AND STATE STANDARD PLANS

State Specifications and State Standard Plans, when referred to, shall be the May 2006 issue.

Copies of the State Specifications and State Standard Plans may be obtained from the State of California, Department of Transportation, Publications Unit, 1900 Royal Oaks Drive, Sacramento, CA 95815; telephone (916) 455-3520.

4.36 PRECEDENCE

In the event of a conflict between the Standard Construction Specifications and the State Specifications/Standard Plans, the Standard Construction Specifications shall govern. These Special Provisions shall govern over both the Standard Construction Specifications and State Specifications/Standard Plans in the event of a conflict.

4.37 CODES AND LEGAL REQUIREMENTS

- (a) All reference to codes, specifications, and standards in the contract documents shall mean, and are intended to be, the latest editions, amendments, and/or revisions of such reference documents in effect, as of the date of this contract.
- (b) Authorities shall apply the minimum work requirements available to any work done for this project. Nothing described in these contract documents shall be construed to permit work not conforming to the most stringent of applicable codes and regulations.
- (c) When contract documents call for materials or construction of better quality or larger size than required by applicable codes, laws, rules or regulations, the contract documents shall take precedence.

4.38 TERMINATION

Any contract resulting from this RFP may be canceled by the City upon thirty (30) days advance notice in writing at City's sole discretion.

Section 5

Basis for Evaluation of Proposals

In order to receive consideration, responses must address all aspects of the checklist as specified in Section 3. The following general criteria will be used to evaluate the responses:

- Cost;
- Ability meet the City's Requirements;
- Experience in providing street signage services for other public agencies (e.g., cities, counties or special districts);
- Financial stability;
- Experience and qualifications of employees;
- Client references;
- Quality of equipment;
- Reference checks.

Submission of a proposal implies proposer's acceptance of the evaluation criteria.

Prior to award, proposers may be required to provide an oral presentation of their proposal to a review panel and/or the City Council for evaluation that may include an equipment demonstration.

Consideration may be given to price, terms, delivery, prior performance, availability of parts and service, warranty statement, and the willingness of the proposer to accept the City of Rancho Cordova's terms and conditions and specifications, but not necessarily restricted to those considerations.

Section 6

Cost Forms

Company Name: M^cGuire - Pacific Constructors

Primary Contact: John M^cGuire, Jr

Title: Owner

Business Address: P.O. Box 4072

City, State, Zip: Auburn CA 95604

Telephone No.: (530) 888-0527

Fax No.: (530) 888-6318

Email Address: MPCF@JPS.NET

Website Address: N/A

Authorized Signature: 

The work for which this proposal is submitted is for Street Signage Services in accordance with the special provisions (including the payment of not less than the minimum wage rates set forth therein) and contract annexed hereto, the plans described below, and also in accordance with the all Federal, State & local codes and manufacturer's specifications.

Proposals are to be submitted for the entire work. The amount of the proposals for comparison purposes will be the total of all items.

The undersigned, as proposer, declares that the only persons or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm, or corporation; that the proposer has carefully examined the attached proposed form of contract, and that the proposer proposed, and agrees if this proposal is accepted, that he/she will contract with the City of Rancho Cordova, in the form of the copy of the contract attached hereto, to provide all necessary machinery, tools, apparatus and other necessary means, and to do all the work and furnish all the materials specified in the contract, in the manner and time therein prescribed, and according to the requirements of the Public Works Director as therein set forth, and that the proposer will take in full payment therefore the following amount to wit:

BASE BID SCHEDULE

DESCRIPTION (in inches)	SQ FOOT	ENG. GRADE	DIAMOND
12 & less	1.00	See Excepts	25. ¹⁰ / ₁₆
8 x 12	1.17		25. ¹⁰ / ₁₆
8 x 24	1.33		25. ¹⁰ / ₁₆
9 x 21	1.31		25. ¹⁰ / ₁₆
8 x 42	2.33		25. ¹⁰ / ₁₆
12 x 12	1.00		25. ¹⁰ / ₁₆
12 x 18	1.50		25. ¹⁰ / ₁₆
12 x 24	2.00		25. ¹⁰ / ₁₆
12 x 30	2.50		100. ¹⁰ / ₁₆
12 x 36	3.00		85. ¹⁰ / ₁₆
12 x 48	4.00		75. ¹⁰ / ₁₆
12 x 60	5.00		25. ¹⁰ / ₁₆
15 x 21	2.19		30. ¹⁰ / ₁₆
15 x 30	3.13		20. ¹⁰ / ₁₆
16 x 48	5.33		30. ¹⁰ / ₁₆
18 x 18	2.25		30. ¹⁰ / ₁₆
18 x 24	3.00		20. ¹⁰ / ₁₆
18 x 30	3.75		20. ¹⁰ / ₁₆
18 x 36	4.50		30. ¹⁰ / ₁₆
18 x 48	6.00		30. ¹⁰ / ₁₆
18 x 60 **	7.50		50. ¹⁰ / ₁₆
18 x 72 **	9.00		50. ¹⁰ / ₁₆
21 x 84 **	12.25		55. ¹⁰ / ₁₆
18 x 96 **	12.00		55. ¹⁰ / ₁₆
20 x 32	4.44		32. ¹⁰ / ₁₆
21 x 36	5.25		30. ¹⁰ / ₁₆
24 x 24	4.00		25. ¹⁰ / ₁₆
24 x 30	5.00		25. ¹⁰ / ₁₆
24 x 36	6.00		25. ¹⁰ / ₁₆
24 x 48	8.00		25. ¹⁰ / ₁₆
30 x 30	6.25		25. ¹⁰ / ₁₆
30 x 36	7.50		25. ¹⁰ / ₁₆
30 x 48	10.00		30. ¹⁰ / ₁₆
30 x 60 **	12.50		55. ¹⁰ / ₁₆
36 x 36	9.00		48. ¹⁰ / ₁₆

36 x 45	11.25	See Exceptions	30. ⁰⁰
36 x 48	12.00		30. ⁰⁰
36 x 60	15.00		30. ⁰⁰
48 x 48	16.00		30. ⁰⁰
48 x 54 **	18.00		45. ⁰⁰
48 x 56 **	18.67		45. ⁰⁰
48 x 60 **	20.00		45. ⁰⁰
48 x 96 **	32.00		50. ⁰⁰
60 x 60 *	25.00		55. ⁰⁰
72 x 72 *	36.00		60. ⁰⁰

* Framed

** Should be framed

SCHEDULE OF RATES: Schedule of hourly rates, equipment rates, and percent markup for material shall apply to extra work not covered under the unit price submitted in the bid schedule. Hourly rates and equipment rates shall include all costs to include, but not limited to, overhead and profit.

Classifications: labor breakdown for each classification listed to be included in this proposal

HOURLY LABOR RATES	EXTRA WORK	EMERGENCY RESPONSE
Foreman	\$ 110. ⁰⁰	\$ 135. ⁰⁰
Equipment Operator	\$ 104. ⁰⁰	\$ 130. ⁰⁰
Truck Driver	\$ 85. ⁰⁰	\$ 107. ¹⁰
Laborer	\$ 76. ⁵⁰	\$ 97. ²²
Welder	\$ 94. ⁰⁰	\$ 120. ⁰⁰
Helper	\$ 72. ⁰⁰	\$ 96. ²⁰
All Other	\$ 72. ⁰⁰	\$ 96. ²⁰
HOURLY EQUIPMENT RATES		
Pick Up	\$ 34. ⁰⁰	\$ 36. ⁰⁰
Dump Truck	\$ 65. ⁰⁰	\$ 68. ⁰⁰
Backhoe W/Post Hole Digger	\$ 89. ⁰⁰	\$ 110. ⁰⁰
Front-End Loader	\$ 89. ⁰⁰	\$ 100. ⁰⁰
All Other	\$ 90. ⁰⁰	\$ 90. ⁰⁰
Percent Markup For Materials	15 %	15 %

Section 7

Exceptions to Agreement

Proposers are to prepare the Cost Form (Section 6) based on the program specifications set forth in the RFP documents without considering any exceptions that may be set forth on this form. In the event the proposer takes exception to the RFP specifications they may set forth those exceptions in the following manner:

- The exceptions are to be presented on a separate paper titled, "Form Exceptions to Agreement".
- Each exception must be presented separately by stating: the specific exception, the page and line numbers of the exception, the suggested changes to the program related to the exception, the suggested changes in the Agreement language related to the exception, the manner in which the proposed change would benefit the City, the customers or both, and the specific dollar change in each of the various service rates, as proposed by the proposer in this RFP, that would take place if the exception was accepted by the City.
- The exceptions must be followed with the following language without exception.
- "Except as set forth above, proposer is in complete agreement with the proposed terms, conditions and business arrangements described in the RFP including the attached Agreement. The proposer assumes the risk of all conditions foreseen or unforeseen and agrees to provide the services set forth in the Agreement under whatever circumstances may develop other than as herein provided."
- The form must be signed by an individual authorized to commit the proposer's firm to the Agreement in the manner set forth below.

Date: 5/29/14

Name: John Mc Guire Jr

Title: owner

Signature: [Signature]

Please note that if exceptions are taken, all required information as set forth above must be submitted. Exceptions taken without providing the required information will not be considered.

Section 8**Proposal Bond Requirements****Proposal Bonds:**☐ required☒ not required

Section 9

Non-Collusion Affidavit

STATE OF CALIFORNIA)
)
COUNTY OF SACRAMENTO)

John Mc Guire Jr (name) being first duly sworn, deposes and says that he or she is owner (title) of McGuire-Pacific Constructors (company name) the party making the foregoing proposal that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proposer has not directly or indirectly induced or solicited any other proposer to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any proposer or anyone else to put in a sham proposal, or that anyone shall refrain from proposing; that the proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix proposal price of the proposer or any other proposer, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the proposer has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

McGuire-Pacific Constructors
Company Name (Printed)

5-9-14
Date

[Signature]
Authorized Signature

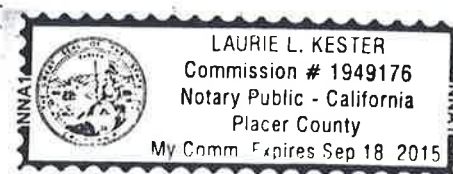
John Mc Guire Jr
Name (Printed)

owner
Title

Subscribed and sworn to before me

this 9th day of May, 2014.

[Signature]
Signature of Notary Public



Section 10

Designation of Subcontractors

In compliance with the provisions of Section 4100-4114 of the Public Contracts Code of the State of California, and any amendments thereof, each proposer shall set forth below the name and location of the place of business of each subcontractor who will perform work or labor or render service to the Contractor in or about the Services to be performed under these specifications in excess of one-half of one percent (0.5%) of the prime Contractor's total proposal or ten thousand dollars (\$10,000.00), whichever is greater. The prime Contractor shall list the portion of the work which will be done by such Subcontractor.

If the Contractor fails to specify a subcontractor for any portion of the work to be performed under the Contract, the Contractor shall be deemed to have agreed to perform such portion itself, and the Contractor shall not be permitted to subcontract that portion of the work except under the conditions allowed by applicable law. Subcontractors shall provide all required licensing documentation.

SUBCONTRACTOR (Name & Location)	PORTION OF WORK %	ESTIMATED ANNUAL DOLLAR AMOUNT
<i>- None -</i>		

Section 11

Experience and Qualifications Statement

The proposer has been engaged in the contracting business, under the present business name for 20 years. Experience in work of a nature similar to that covered in the proposal extends over a period of 30 years.

The proposer, as a Contractor, has never failed to satisfactorily complete a Contract awarded to it, except as follows:

Please provide written explanation on a separate sheet(s).

The following contracts have been satisfactorily completed in the last seven (7) years for the persons, firm or authority indicated, and to whom reference is made:

Contract Year(s)	Type of Work Performed	Annual Contract Amount	Client/Agency Name	Contact Name /Title Phone Number
	<u>See Attached</u>			

Project Name	Location	Owner	Contact - Phone	Description	Award Value	Final Project Costs	Completed in Allotted Working Days	Stop Notices	Liquidated Damages	Claims
City wide sign maintenance 2012-2013	Citrus Heights, Ca	City of Citrus Heights General Service Department	Stuart Hodgkins 916-727-4770	Sign maintenance	\$93,000.00	\$120,000.00	Yes	None	None	None
Countywide sign upgrade project,	Lake County	Lake County Public Works Department	Scott Hornung - 707-263-2341	County wide street name sign upgrade	\$325,000.00	\$464,000.00	Yes	None	None	None
Toll signing upgrade project	Bay Area	Bay Area Toll Authority	Linda Lee - 510-817-5700	Bay area bridges - truck toll signage	\$120,000.00	\$83,000.00	Yes	None	None	None
Sign Maintenance project 2012-2013	City of Rancho Cordova	City of Rancho Cordova Public Works Department	John Samuelson - 916-851-8716	Sign maintenance	\$89,000.00	\$94,650.00	Yes	None	None	None
Countywide sign upgrade project,	Amador County	Amador County Department of Public Works	Barbara Belvoir - 209-223-6517	Countywide warning & regulatory sign upgrade project	\$326,000.00	\$365,000.00	Yes	None	None	None
Citywide Regulatory sign upgrade project	City of El Cajon	City of El Cajon Public Works Department	Raul Armenta - 619-441-1665	Citywide Regulatory Signage upgrade	\$196,480.00	\$242,368.00	Yes	None	None	None
Countywide sign upgrade project,	Glenn County	Glenn County DPW	Mat Gomes-530-934-6530	Countywide warning & regulatory sign upgrade project	\$267,000.00	\$289,000.00	Yes	None	None	None
Citywide street name sign upgrade project	City of Oakley	City of Oakley Engineering Division	Reggie Decker 925-625-7152	City wide street name sign upgrade	\$44,299.00	\$44,266.00	Yes	None	None	None

Section 12

Operations Plan

- I. Equipment Storage and Maintenance Facility: Please provide the facility location(s) where the equipment utilized in this contract will be staged:

12500 Lockstep Lane

Street address

Auburn CA 95602

City, State, Zip Code

- II. Customer Service Call Center: Please list the address of the Customer Service center where calls will be received for this Contract:

12500 Lockstep Lane

Street address

Auburn CA 95602

City, State, Zip Code

- III. Emergency Response Plan: Please describe the emergency response plan for this contract. The plan should include who will be contacted, what number they will be contacted at, and where they will be responding from.

Calls to be made to John McGuire cell phone
number, then crews will be dispatched from
Auburn to Rancho Cordova - Travel time approx
40-60 minutes.

2 other contacts will be provided as well

Section 13

Signature Page

If proposer or other interested person is a corporation, state legal name of corporation, also names of the president, secretary, treasurer, and manager thereof; if a co-partnership, state true name of firm, also names of all individual co-partners composing the firm; if proposer or other interested person is an individual, state first and last names in full.

By my signature on this proposal I certify, under the Penalty of Perjury, that the foregoing Non-Collusion Affidavit and Contractor's License Certification along with all other statements in this proposal are true and correct.

Date: 5/29/14

McGuire - Pacific Constructors
Legal Company or Corporation Name

Individual
Business Type (Corporation, Partnership, etc.)

Print Name

Signature

Title

John Mc Guire Jr

Print Name

John Mc Guire Jr

Signature

owner

Title

Print Name

Signature

Title

Print Name

Signature

Title

Print Name

Signature

Title

Print Name

Signature

Title



MC GUIRE-PACIFIC CONSTRUCTORS

May 30, 2014

City of Rancho Cordova
Department of Public Works
2729 Prospect Park Drive
Rancho Cordova, CA
95670

Re: Statement of Qualifications.

1. Introduction

Mc Guire Pacific Constructors, (MPC) primary business is directed towards public work contracting since 1987. M.P.C. holds a valid California contractors license #587099 with classifications of A, B, and Haz. and expires 1/31/2016. No citations and or violations have ever been imposed on our firm.

M.P.C. owner and staff members have over 45 years experience successfully contracting with federal and local government agencies such as:

California Department of Parks & Recreation
California Department of Water Resources
California Department of Transportation
United States Army Corps of Engineers
County Agencies
City Agencies

We organize and communicate information according to project standards in order to maximize our efforts for greater control and succession. Members of M.P.C. staff are acknowledged leaders in the engineering, management and supervisory skills required to complete public work contracting successfully. John Mc Guire, Jr and Sr will again be the individuals involved with this project. Since 1987 all projects have been completed on time and have never had liquidated damages imposed on our company.

pg 1 of 2





MC GUIRE-PACIFIC CONSTRUCTORS

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA
95670

May 30, 2014

The proposed emergency plan involves dispatch to contact a series of cell numbers and then as a back up, to my home number. If we are awarded this contract we will forward the detailed information required. The personnel will be responding from either our office in Auburn or may be working in the surrounding area that could respond to an emergency call. With regards to an emergency call during the weekend and or holiday, we would probably be responding from the Auburn area which is 30 minutes away. We also have the option of our employees responding from the Lincoln area.

Listed below are the "Exceptions".

Item #

01)-Traffic control for a required lane closure, single shift one direction, the cost is \$869.00

02)-Engineer Grade Sheeting on the sign bid schedule is left without pricing due to this grade of sheeting will not meet current Federal MUTCD minimum reflectivity requirements. We can still provide pricing for this sheeting per individual needs, as required.

Please contact our office if you have any questions or need any further information.

Sincerely,

John Mc Guire, Jr

Owner

Mc Guire - Pacific Constructors

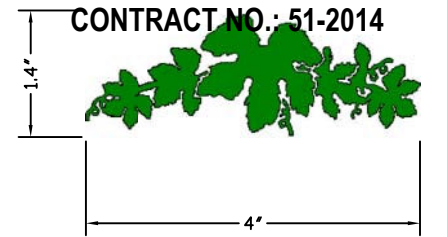
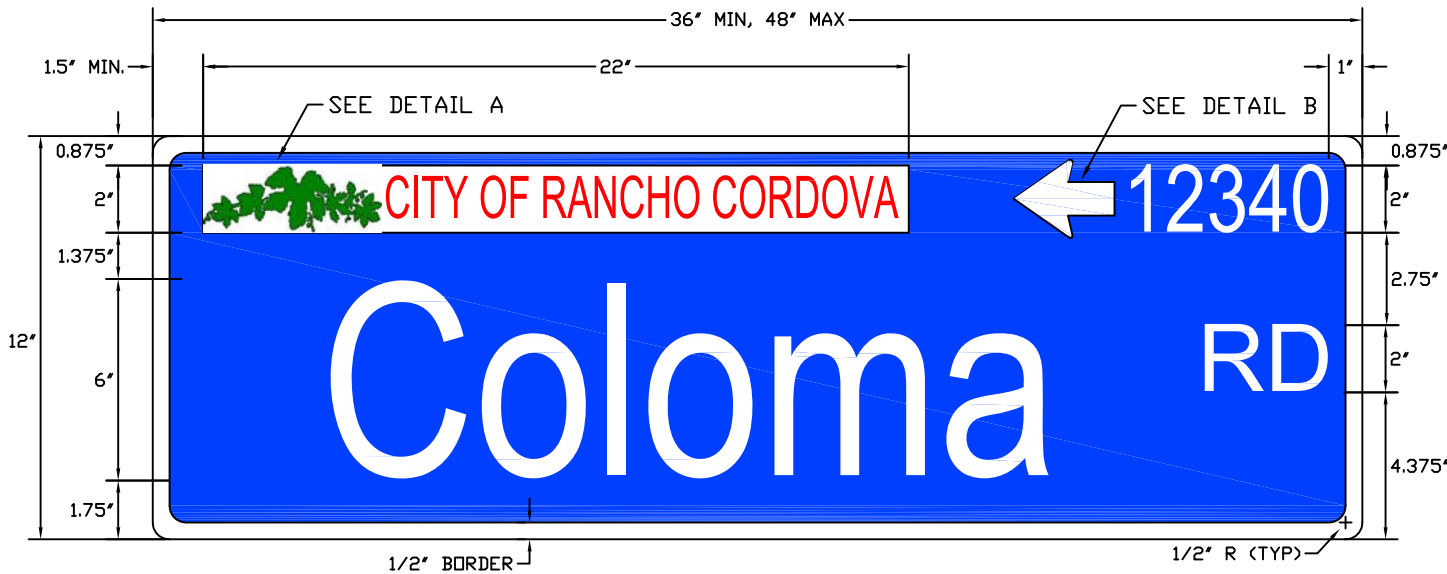
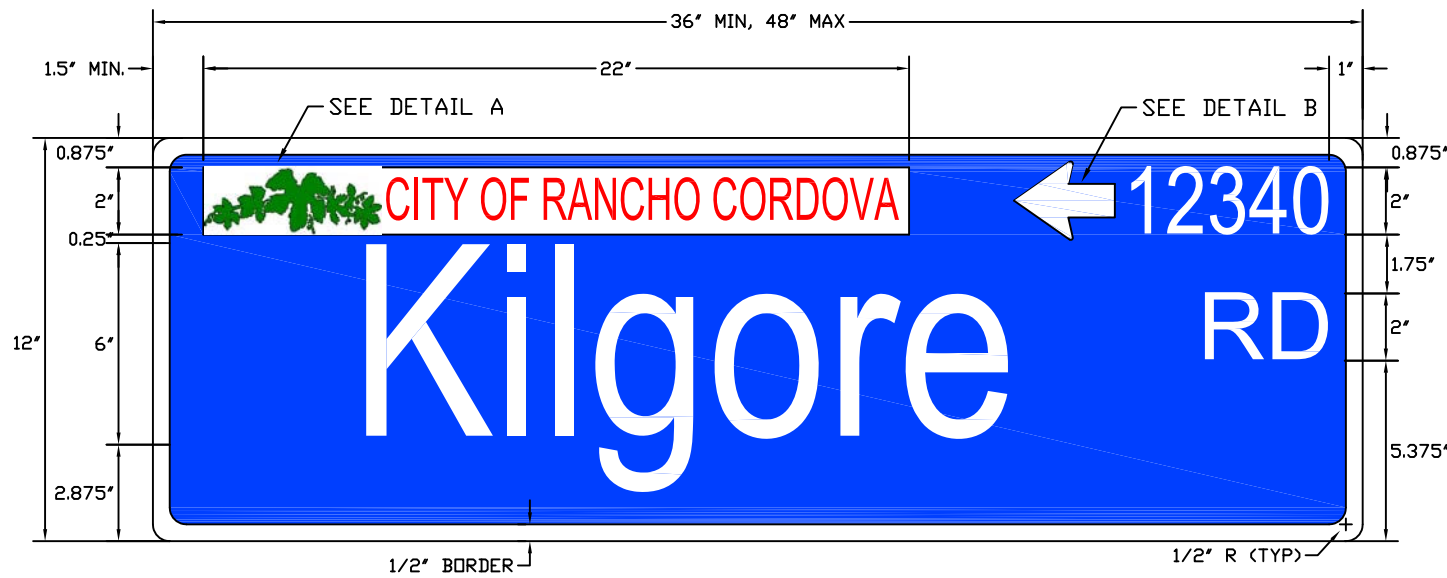
pg 2 of 2



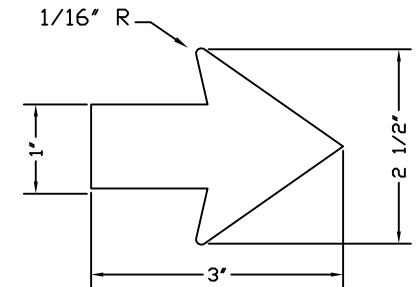
City of Rancho Cordova

Sign Maintenance Contract 2014

#	Description	Unit Price	Unit
01	Side Mounted Bracket - L Bracket	\$18.00	E.A.
02	Top Mounted Bracket - Wood top or Square top	\$21.00	E.A.
03	Type 201 Stainless Steel Bands - 100 foot rolls	\$75.00	E.A.
04	Flair Saddle	\$2.50	E.A.
05	Heavy Duty Buckle	\$0.58	E.A.
06	Vandal Proof Button Head Screws	\$0.65	E.A.
07	10' 14 Gauge Post, Anchor & Sleeve	\$66.00	E.A.
08	12' 14 Gauge Post, Anchor, & Sleeve	\$71.00	E.A.
09	Clear Drive Rivets or Red	\$0.75	E.A.



DETAIL A



DETAIL B

INSTALLATION NOTES:

- 1 - SIGNS SHALL BE INSTALLED IN PAIRS WITH ONE ON EACH SIDE OF THE POST. FOR THE INTERSECTION OF TWO STREETS, PLACE 2ND PAIR PERPENDICULAR TO 1ST PAIR.
- 2 - STREET NAME SIGNS MOUNTED ON SIGNAL STANDARDS OR ELECTROLIERS SHALL BE SIDE MOUNTED WITH "VANDAL PROOF" WING BRACKET MODEL 1010 MODIFIED, VERTICAL HOLE TO BE FILLED WITH VANDAL PROOF BUTTON HEAD BOLT, OR APPROVED EQUAL. BRACKETS SHALL BE FASTENED TO POLES WITH TWO 3/4" WIDE x 0.030" THICK TYPE 201 STAINLESS STEEL BANDS WITH HEAVY DUTY BUCKLE AND A MINIMUM OF TWO VANDAL PROOF SCREWS.

DIRECTOR

NOTES:

- 6" UC AND 4.5" LC "HIGHWAY GOTHIC" FONT WITH A "C" STROKE SHALL BE USED FOR STREET NAMES.
- 6" UC AND 4.5" LC "HIGHWAY GOTHIC" FONT WITH A "B" STROKE MAY BE USED FOR STREET NAMES THAT WILL NOT FIT ON A 48" SIGN.
- 2" UC WITH A "C" STROKE SHALL BE USED FOR THE BLOCK NUMBER AND STREET SUFFIX.
- 1.25" "C" FONT SHALL BE USED FOR THE "CITY OF RANCHO CORDOVA" LEGEND.
- STREET NAME SHALL BE CENTER JUSTIFIED BETWEEN THE LEFT EDGE AND THE SUFFIX WITH A MINIMUM OF 1.5" FROM THE LEFT EDGE.
- SIGNS INSTALLED ON METAL POST SHALL BE SINGLE FACE SIGNS. SIGNS ON SIGNAL STANDARDS OR ELECTROLIERS SHALL BE DOUBLE FACED
- SINGLE FACE SIGNS SHALL BE 0.080" THICK AND DOUBLE FACE SIGNS SHALL BE 0.125" THICK, ASTM B209 ALLOY 6061 - T6 FLAT ALUMINUM.
- REFLECTIVE SHEETING SHALL BE WHITE 3M DIAMOND GRADE CUBED (DG3) OR APPROVED EQUAL.
- SIGN COLORS SHALL BE BLUE BACKGROUND WITH WHITE LETTERS. "CITY OF RANCHO CORDOVA" LEGEND SHALL BE RED. LEAF SHALL BE GREEN.
- METAL POST SHALL BE 2X2X12 12-GUAGE UNISTRUT TELESCOPING SQUARE TUBE SIGN POST SYSTEM.

AGENDA ITEM 8.12

CITY OF RANCHO CORDOVA
PUBLIC WORKS

STREET SIGN
FULLY REFLECTORIZED

SCALE: NONE
DATE: 5/2013
DRAWN BY: J SAMUELSON

RC 4-33

EXHIBIT B INSURANCE REQUIREMENTS

Before beginning any work under this Agreement, Contractor, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Contractor shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Contractor's bid. Contractor shall not allow any subcontractor to commence work on any subcontract until Contractor has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Contractor shall maintain all required insurance listed herein for the duration of this Agreement.

1. **Workers' Compensation.** Contractor shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Contractor may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Contractor, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Contractor shall notify City within fourteen (14) days of notification from Contractor's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance insurance may be waived by the City upon written verification that Contractor does not have any employees.

2. **Commercial General and Automobile Liability Insurance.**

- 2.1 **General requirements.** Contractor, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general liability insurance or an automobile liability form or other form with a general

aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

2.2 Minimum scope of coverage. Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor; products and completed operations of Contractor; premises owned, occupied, or used by Contractor; and automobiles owned, leased, or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.
- b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.
- d. Any failure of Contractor to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
- e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Contractor shall notify City within fourteen (14) days of notification from Contractor's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

3. **All Policies Requirements.**

- 3.1 **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.
- 3.2 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.
- 3.3 **Subcontractors.** Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 3.4 **Deductibles and Self-Insured Retentions.** Contractor shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Contractor may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Contractor procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

- 3.5 **Waiver of Subrogation.** Contractor hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Contractor, its employees, agents, and subcontractors.
- 3.6 **Notice of Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Contractor shall provide written notice to City at Contractor's earliest possible opportunity and in no case later than five (5) days after Contractor is notified of the change in coverage.

4. **Remedies.** In addition to any other remedies City may have if Contractor fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which

are alternatives to other remedies City may have and are not the exclusive remedy for Contractor's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Contractor to stop work under this Agreement or withhold any payment that becomes due to Contractor hereunder, or both stop work and withhold any payment, until Contractor demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director
Kathy Garcia, Senior Engineer

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND AMENDMENT TO CONTRACT 17-2012 WITH MARK THOMAS & COMPANY, INC. TO INCREASE THE MAXIMUM COMPENSATION TO \$485,000 FOR THE FOLSOM BOULEVARD TRANSIT PRIORITY AREA IMPLEMENTATION PLAN

RECOMMENDATION

Adopt Resolution No. 51-2012.

RESULT OF RECOMMENDED ACTION

Adoption of this Resolution will allow the City Manager to execute the second amendment with Mark Thomas & Company, Inc. to expand funds by \$65,000 to complete survey work initiated in the Folsom Boulevard Transit Priority Area Implementation Plan funded by the Strategic Growth Council to an amount not to exceed \$485,000.

BACKGROUND

The County of Sacramento, in partnership with the City of Rancho Cordova, was awarded a grant from the Strategic Growth Council's (SGC) Sustainable Communities Planning Grant and Incentive Program to prepare the Folsom Boulevard Transit Rail Corridor Implementation Plan. The purpose of the SGC grant program was to foster the development of sustainable communities throughout California by helping local governments meet the challenges of adopting land use plans and related implementation strategies.

The purpose of the Implementation Plan was to develop infrastructure improvement plans and refine land use plans for five light rail stations located on Folsom Boulevard between Watt Avenue and Hazel Avenue. Mark Thomas & Company, Inc., through this contract, has provided the build-out infrastructure plan requirements (circulation, parking, sewer, water, drainage, and dry utilities) needed to enhance access to the station areas and to support new transit-oriented development in the station catchment areas.

This second amendment to the original contract will provide the addition of \$65,000 which will increase the total contract amount from \$420,000 to \$485,000. This increase will allow expansion of the survey scope necessary to complete infrastructure plans along Folsom Boulevard.

FISCAL IMPACT

The SCG Grant will fully reimburse the City for this contract and therefore does not impact the City's General Fund.

ATTACHMENT

Resolution No. 51-2014 including Exhibit 1 – Contract 17-2012-2

CITY OF RANCHO CORDOVA

RESOLUTION NO. 51-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND AMENDMENT TO
CONTRACT 17-2012 WITH MARK THOMAS & COMPANY, INC. TO INCREASE THE
MAXIMUM COMPENSATION TO \$485,000 FOR THE FOLSOM BOULEVARD TRANSIT
PRIORITY AREA IMPLEMENTATION PLAN**

WHEREAS, the City of Rancho Cordova entered into an Agreement with Mark Thomas & Company, Inc. for consulting services associated with the Folsom Boulevard Transit Priority Area Implementation Plan (also referenced as Sustainable Communities Transportation Study) on March 19, 2012 in an amount not to exceed \$420,000; and

WHEREAS, the City of Rancho Cordova executed the First Amendment with Mark Thomas & Company, Inc. on April 1, 2014 to extend the term of the contract from March 31, 2014 to March 31, 2016

WHEREAS, this Amendment will provide an additional \$65,000, bringing the total maximum compensation to \$485,000 to allow expansion of the survey scope necessary to complete infrastructure plans along Folsom Boulevard; and

WHEREAS, those services will exceed the maximum amount the City Manager has authorization to approve.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute the Second Amendment with Mark Thomas & Company, Inc., Consultant, attached as Exhibit 1, in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

EXHIBIT 1
CONTRACT NO. 17-2012-2

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF RANCHO CORDOVA AND MARK THOMAS & COMPANY, INC.**

This Second Amendment to the Agreement for Professional Services ("Amendment") is made by and between the City of Rancho Cordova ("City") and Mark Thomas & Company, Inc. ("Professional") as of June 16, 2014. City and Professional are hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, the Parties entered into a Professional Services Agreement ("PSA") dated March 19, 2012 for the purpose of providing consulting services for the Sustainable Communities Transportation Study; and

WHEREAS, the Parties entered into a Professional Services Amendment dated April 1, 2014 in order to extend the term of the Agreement from March 31, 2014 to March 31, 2016; and

WHEREAS, this Second Amendment will increase the maximum compensation from \$420,000 to \$485,000; and

WHEREAS, the Parties agree that changes to the compensation amount provided for in the PSA are necessary in order for the City to continue receiving services by Professional.

NOW, THEREFORE, the Parties hereto agree as follows:

AGREEMENT

1. Section 2 of the PSA, "Compensation," provides for the City to pay Professional a sum not to exceed four hundred and twenty thousand dollars (\$420,000). The Parties agree to amend Section 2 of the PSA in order to increase the compensation amount to pay Professional for additional services. The first sentence of Section 2 of the PSA is amended to read as follows:

"City hereby agrees to pay Professional a sum not to exceed four hundred and eighty-five thousand dollars (\$485,000), notwithstanding any contrary indication that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement."

2. All other terms and conditions in the PSA shall remain in full force and effect to the extent they are not in conflict with this Amendment.
3. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.

EXHIBIT 1
CONTRACT NO. 17-2012-2

4. **Contract Administration.** This Agreement shall be administered by Britton Snipes ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

Notices. Any written notice to Professional shall be sent to:

Philip J. Vulliet
Mark Thomas & Company, Inc.
7300 Folsom Boulevard, Suite 203
Sacramento, CA 95826

Email Address (for Insurance Update Requests):

ksunseri@markthomas.com

Any written notice to City shall be sent to:

Kathy Garcia, Senior Engineer
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

IN WITNESS WHEREOF, the Parties have executed this Amendment on the day and year first above written.

CITY OF RANCHO CORDOVA

PROFESSIONAL

Joe Chinn, City Manager

Robert A. Himes, President

Date: _____

Date: _____

Attest:

Mindy Cuppy, CMC, City Clerk

Date: _____

Approved as to Form:

Adam Lindgren, City Attorney

Date: _____

MEMORANDUM

DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director
John Samuelson, Operations and Maintenance Manager

SUBJECT: RESOLUTION AWARDING A SURFACE TREATMENT SERVICES AGREEMENT TO CALIFORNIA PAVEMENT MAINTENANCE COMPANY, INC.



RECOMMENDATION

Adopt Resolution 61-2014.

RESULT OF RECOMMENDED ACTION

Adoption of the resolution will allow the City to award a two year surface treatment services agreement to the second lowest responsive bidder, California Pavement Maintenance Company, Inc., in an amount not to exceed \$1.5 M.

BACKGROUND

In 2013, Public Works advertised for new maintenance contracts to continue repairing City streets and resurfacing various residential neighborhoods. In order to get the most qualified contractors for a more competitive unit cost, Public Works decided to divide the street maintenance activities into three separate contracts. Street maintenance will cover routine maintenance activities such as filling potholes, as well as performing asphalt and base repair, and overlays. Surface treatment services will cover slurry seals, micro-surfacing, and cape seals. Concrete maintenance will cover curb, gutter, and sidewalk maintenance and repair.

In March 2013, a request for bids was advertised and staff received five bids for surface treatment services. A contract was awarded to the lowest responsive bidder, Central Valley Engineering and Asphalt, Inc. Since then, the contractor had not performed any work under this contract do to their inability to honor the unit prices they bid involved in the first residential rehabilitation neighborhood project. After several discussions with City staff, it was mutually agreed upon to terminate the existing contract.

Staff is recommending awarding the surface treatment contract to the second lowest responsive bidder, California Pavement Maintenance Company, Inc. in the amount not to exceed \$1.5 M. While California Pavement Maintenance Company's bid was only slightly more than that of Central Valley Engineering and Asphalt, \$1,290,200 and \$1,209,975 respectively, City staff recommend awarding a higher dollar amount for contingency. Funding for this contract will come from a variety of street maintenance funds, primarily Gas Tax and Measure A Maintenance funds.

ATTACHMENT

Resolution No. 61-2014 including Contract No. 54-2014

CITY OF RANCHO CORDOVA

RESOLUTION NO. 61-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AWARDING A TWO YEAR SURFACE TREATMENT SERVICES AGREEMENT
TO CALIFORNIA PAVEMENT MAINTENANCE COMPANY, INC.**

WHEREAS, the City Council for the City, after proper notification, awarded a contract to the lowest responsive bidder, Central Valley Engineering and Asphalt, Inc. (CVE) for surface treatment maintenance in May of 2013, and

WHEREAS, the City and CVE have mutually agreed to terminate this contract due to disagreements over the scope of the project, and

WHEREAS, the City recommends awarding the two year Surface Treatment Services agreement to the second lowest responsive bidder, California Pavement Maintenance Company, Inc., in the amount not to exceed \$1.5 M; and

WHEREAS, those services will exceed the maximum amount the City Manager has authorization to approve.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager and or his Designee to execute a two year maintenance contract with California Pavement Maintenance Company, Inc. (**Exhibit 1**), in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skogulund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

**CONSTRUCTION SERVICES AGREEMENT BETWEEN
THE CITY OF RANCHO CORDOVA AND CALIFORNIA PAVEMENT MAINTENANCE
COMPANY, INC. FOR SURFACE TREATMENT SERVICES**

THIS AGREEMENT made and entered into between the City of Rancho Cordova ("City") and California Pavement Maintenance Company, Inc. ("Contractor") as of June 16, 2014.

W I T N E S S E T H:

WHEREAS, the City Council for the City, after proper notification, awarded a contract to the lowest responsive bidder, Central Valley Engineering and Asphalt, Inc. (CVE) for surface treatment maintenance in May of 2013, and

WHEREAS, the City and CVE have mutually agreed to terminate this contract due to disagreements over the scope of the project, and

WHEREAS, the City would like to enter into an agreement with the Contractor, which was the second lowest responsive bidder for said project.

NOW THEREFORE, in consideration of the promises herein, it is mutually agreed between the parties hereto as follows:

Section 1. CONTRACT DOCUMENTS. The following documents are by this reference incorporated in and made a part of this Agreement: The County of Sacramento, Standard Construction Specifications dated January 2008; the Special Provisions; the contract drawings, all addenda; the Notice to Contractors; the Proposal; all required bonds; and all supplemental Agreements covering alterations, amendments, or extensions to the contract. The documents which describe the work to be performed are sometimes collectively referred to herein as the Plans and Specifications.

Section 2. SCOPE OF WORK. The Contractor will furnish all labor, materials, services, transportation, appliances, and mechanical workmanship required for Contract No. 54-2014, as provided for and set forth in said Specifications, which said Specifications, including those required under Appendix C, "Additional Special Provisions" and those scope of services described in the RFB incorporated herein, are hereby referred and by such reference incorporated herein and made a part of this Agreement. All of the said work done under this Agreement shall be under the supervision of and performed to the satisfaction of the Public Works Director of the City of Rancho Cordova who shall have the right to reject any and all materials and supplies furnished by the Contractor which do not comply with the Plans and Specifications, together with the right to require the Contractor to replace any and all work furnished by the Contractor which shall not either in workmanship or material be in strict accordance with the Specifications.

Section 3. COMPLETION. Agreement shall be effective from the time at which the contract is fully executed through April 30, 2016 as described in Section 2.2 of the attached.

Section 4. PAYMENT. Attached hereto as Exhibit "A" and by reference made a part hereof, is the bid and proposal of Contractor. Said bid and proposal will contain, as required by the terms of said specifications, the full and complete schedule of the different items with the lump sums or unit prices as so specified. The City agrees in consideration of the work to be performed for the Project herein and subject to the terms and conditions thereof, to pay Contractor all sums of money which may become due to Contractor in accordance with the

terms of the aforesaid bid and proposal, and this Agreement, to wit: One Million, Five Hundred Thousand Dollars (\$1,500,000). Said sum shall be paid in accordance with Section 8 of the Standard Specifications. With respect to that portion of the above sum as is based upon the estimated quantities specified for the general scope of the work to be performed herein, actual payment will be based upon the quantities as measured upon completion. No payment made under this Agreement shall be construed to be an acceptance of defective work or improper materials.

Section 5. PREVAILING WAGES. Pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division II, of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the Project contemplated under this Agreement shall be paid to all workers, laborers and mechanics employed in the execution of said Project by Contractor, or by any subcontractor doing or contracting to do any part of said Project. The appropriate determination of the Director of the California Department of Industrial Relations is filed with, and available for inspection at 2729 Prospect Park Drive, Rancho Cordova, CA 95670, the office of the Clerk of the City. Contractor shall post, at each job site, a copy of such prevailing rate of per diem wages as determined by the Director for the California Department of Industrial Relations.

Section 6. INSURANCE. The Contractor shall carry and maintain during the life of this Agreement, such public liability, property damage and contractual liability, auto, worker's compensation and builders' risk insurance as required by Appendix B of Exhibit A.

Section 7. WORKERS' COMPENSATION CERTIFICATION. By execution of this Agreement, the Contractor certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

Section 8. PERFORMANCE AND PAYMENT BONDS. The Contractor shall, before beginning said work for the Project, file two bonds with the City, each made payable to the City. These bonds shall be issued by a surety company authorized to do business in the State of California, and shall be maintained during the entire life of the Agreement at the expense of the Contractor. One bond shall be in the amount of one hundred percent (100%) of the Agreement and shall guarantee the faithful performance of the Agreement. The second bond shall be the payment bond required by California Civil Code Section 3247 et seq., and shall be in the amount of one hundred percent (100%) of the Agreement. Any alterations made in the specifications which are a part of this Agreement or in any provision of this Agreement shall not operate to release any surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of California Civil Code Sections 2819 and 2845.

Section 9. INDEMNIFICATION.

9.1 Contractor's Performance. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless City, its governing Board, officers, directors, agents, employees and volunteers from and against any and all claims, demands, actions, losses, liabilities, damages, and all costs incidental thereto, including cost of defense, settlement, arbitration, and reasonable attorneys' fees arising out of, pertaining to, or resulting from the acts or omissions of anyone

else directly or indirectly acting on behalf of the Contractor, or for which the Contractor is legally liable under law, regardless of whether caused in part by a party indemnified hereunder.

- 9.2 No Limitation of Liability for Indemnification.** The indemnities set forth in this Section shall not be limited by the insurance requirements set forth in the Contract.

Section 10. MISCELLANEOUS PROVISIONS.

- 10.1** This Agreement shall bind and inure to the heirs, devisees, assignees, and successors in interest of Contractor and to the successors in interest of Contractor in the same manner as if such parties had been expressly named herein. All times stated herein or in the contract documents are of the essence hereof. As used in this instrument the singular includes the plural, and the masculine includes the feminine and the neuter. This Agreement may create a possessory interest subject to property taxation, and Contractor may be subject to the payment of property taxes levied on such interest.

- 10.2 Contract Administration.** This Agreement shall be administered by the Public Works Director ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

- 10.3 Notices.** Any written notice to Consultant shall be sent to:

Bruce Taylor, Vice President
California Pavement Maintenance Company, Inc.
9390 Elder Creek Road
Sacramento, CA 95829

Any written notice to City shall be sent to:

John Samuelson
City of Rancho Cordova
Department of Public Works
2729 Prospect Park Drive
Rancho Cordova, CA 95670

- 10.4 IRS Form W-9.** Contractor shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

IN WITNESS WHEREOF, the City Council and Contractor have caused this Agreement to be executed as of the day and year first above written.

CITY OF RANCHO CORDOVA:

CONTRACTOR:

Joe Chinn, Interim City Manager

Bruce Taylor, Vice President

Date

Date

Attest:

Mindy Cuppy, City Clerk

Date

Approved as to Form:

Adam U. Lindgren, City Attorney

Date

Last Revised August 1, 2012

EXHIBIT A**SECTION 2**
SCOPE OF SERVICES**2.1 WORK GUIDANCE**

All work to be done by any Bidder selected to perform the work outlined in this RFB shall be guided by the County of Sacramento, Municipal Services Agency Standard Construction Specifications, adopted January 2008, and this RFB, herein referred to as Special Provisions. Copies of the Standard Construction Specifications may be obtained from the Municipal Services Agency, Land Division and Site Improvement Review, located in the County Administration Building, 827 Seventh Street, Room 105, Sacramento, California, 95814.

A complete, preliminary copy of the City's contract for Surface Treatment Services is attached to this RFB as Appendix A. The contract shall bind selected bidder to perform work in accordance with this RFB.

2.1 DESCRIPTION OF WORK STANDARDS

All Bidders accept, and confirm by submission of a signed bid in response to this RFB, that work to be performed by the selected Contractor is comprised of general surface treatment services including slurry seals, micro surfacing, chip seals, and cape seals in areas owned by the City of Rancho Cordova, as further designated in this RFB.

City requires the selected Bidder to meet the following minimum standards:

Workmanship: All materials and workmanship shall be of a quality that is equal or superior to any similar work considered by surface treatment contractors to be best practice. All work completed by selected Contractor shall be subject to inspection prior to payment being authorized. All work shall be conducted in a manner that least interferes with operation and public usage of the streets and sidewalks.

Safety: All services, supplies and equipment must comply with the California Safety Division of Industrial Safety Orders and O.S.H.A. The Contractor shall plan and conduct the work in a manner that will safeguard all persons from injury and shall take all precautions required by applicable regulations of the State Department of Industrial Regulations. **The Contractor's employees shall wear O.S.H.A. approved safety vests at all times during contract work.**

Hazards and Vandalism: Any hazards or acts of vandalism shall be reported immediately to the Contract Manager and then followed up in writing. Hazards shall be remedied by the Contractor after approval is obtained from the Contract Manager. Hazards which

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create life-threatening situations or potential for bodily harm shall be remedied immediately by the Contractor.

Response: Selected Contractor will be required to be able to respond to any location with no more than two hours (120 minutes) delay in response time. A communications system shall be in place which provides the City ability to contact the Contractor in an emergency twenty-four (24) hours a day, seven days a week. Failure to adequately respond can result in immediate termination of the remainder of the contract.

City Policy: Selected Contractor shall be aware of, and shall comply with, City ordinances governing surface treatment work and traffic control regulations during work, as applicable to individual locations being maintained.

Equipment: Selected Contractor must furnish all tools, and equipment needed to provide a high level of workmanship, to ensure continuous and safe operation, and complete work in accordance with the current City and standard specifications. City may require demonstration of equipment during selection process of this RFB, as outlined in **Section 5, Bidder Experience and Operations Plan.**

2.2 COMMENCEMENT OF WORK

Bidders acknowledge that submittal of bid does not constitute any acceptance of work by City. Additionally, the receipt of award of contract to any Bidder shall not constitute any authority to enter upon sites for work. Work shall commence only upon formal execution of a contract and work orders from the City.

The City seeks to make selection of a Contractor and execute a contract for Surface Treatment Services by May 1, 2013. Bidders acknowledge that they are prepared to execute a contract and begin prosecuting work within this time. Any bidder unable to meet this timeframe shall not be considered for award.

In the event the selected Contractor fails to adequately perform maintenance services to standards identified in this RFB, as appended to the executed contract, the City reserves the right to remove work from the contract. Additionally, the City reserves the right to enter into additional contracts for Surface Treatment Services should the selected Contractor not meet City standards.

2.2 TERM OF AGREEMENT

Any Contract resulting from subject Bid is expected to be a three (3) year contract starting from the time at which the Contract is fully executed.

If mutually agreeable to both parties, any resultant Contract may be extended for an additional one (1) year term. However, in no case shall the contract be extended more than two (2)

EXHIBIT A

additional years. Unit prices will be adjusted according with Engineering News & Records Cost Materials Index or mutually agreed upon increase.

Failure of the Contractor to diligently prosecute the work as defined herein will be considered as grounds for termination of the contract.

Failure to provide an adequate working force shall be considered as grounds for the termination of the contract.

This Agreement may be terminated by the City upon thirty (30) calendar days prior written notice addressed to the last known address of the Contractor. In the event of such termination, the Contractor shall be paid for all work, which has been completed up to the effective date of such termination.

2.3 SUBCONTRACTORS

Bidders requiring the provision of additional services from subcontractors acknowledge that all proposed subcontractors shall adhere to the same standards of work as described in this RFB. Bidders further acknowledge that the selected Contractor shall be required to perform, with the Contractor's own organization and employees, not less than fifty percent (50%) of the value of all work conducted under executed contract.

Any Bidder submitting bids for work that includes the use of subcontractors shall additionally submit a filled out **Section 5.4, Designation of Subcontractors**.

2.4 ADDITIONAL CONTRACT PROVISION

Further special provisions guiding the execution of a contract for Surface Treatment Services are fully described in **Appendix C, Additional Contract Provisions**. The additional provisions as described in Appendix C include items such as Prevailing Wage, Payroll Records, Traffic Management, Regulations of Work, Payment, and other additional special provisions. Bidders' attention is directed to review of these Additional Contract Provisions as they will be made part of the contract to be executed by the selected Contractor.

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Surface Treatment Services
Request for Bids

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City of Rancho Cordova

SECTION 3
BID SUBMITTAL CHECKLIST

Each submitted bid shall include a completed (and signed where required) copy of each of the following checklist items. Any submitted bid that fails to include any of the following may be deemed inadequate by the City of Rancho Cordova, and may be grounds for dismissal of submittal at the City's sole discretion.

In addition to each item below, please include this sheet.

- ☒ Cost Certification Form (Section 4.1)
- ☒ Bid Schedule (Section 4.2)
- ☒ Experience and Qualifications (Section 5.2)
- ☒ Employee/Staff Experience & Qualifications (Section 5.3)
- ☒ Designation of Subcontractors (Section 5.4)
- ☒ Operations Plan (Section 5.5)
- ☒ Exceptions (Section 6.1)
- ☒ Guarantee Requirements (Section 6.2)
- ☒ Non-Collusion Affidavit (Section 6.3)
- ☒ Signature Certification Page (Section 6.4)

EXHIBIT ASurface Treatment Services
Request for BidsPage 9 of 52
City of Rancho Cordova**SECTION 4****BASE BID SCHEDULE****4.1 COST CERTIFICATION FORM (Required submittal form)**

The undersigned Authorized Signature certifies as follows:

All work for which this bid is submitted is for Surface Treatment Services in accordance with all special provisions (including the payment of not less than the minimum wage rates set forth therein) and contract annexed hereto, and also in accordance with all Federal, State & local regulations as detailed in this Request for Bids.

The undersigned, as bidder, declares that the only persons or parties interested in this bid as principals are those named herein; that this bid is made without collusion with any other person, firm, or corporation; that the bidder has carefully examined the location of the proposed work, the attached proposed form of contract, and documents herein referenced; and that the bidder agrees if this bid is accepted, that he/she will contract with the City of Rancho Cordova, in the form of the copy of the contract attached hereto, to provide all necessary machinery, tools, apparatus and other necessary means, and to do all the work and furnish all the materials specified in the contract, in the manner and time therein prescribed, and according to the requirements of the Public Works Director as therein set forth, and that the bidder will take in full payment therefore the following amount to wit:

BASE BID GRAND TOTAL \$1,290,200

(List total Base Bid Grand Total from Bid Schedule – bottom line)

Company Name:

CALIFORNIA PAVEMENT
MAINTENANCE COMPANY, INC.

Primary Contact:

Bruce Taylor

Title:

Vice President

Business Address:

9390 ELDER CREEK RD.
SACRAMENTO, CA 95829

City, State, Zip:

Telephone No.:

(916) 381-8033

Fax No:

(916) 381-5703

Email Address:

btaylor@cpmaamerica.com

Website Address:

www.1916 Pavement.com

Authorized Signature:

BRUCE TAYLOR
VICE PRESIDENT

Section 4

AGENDA ITEM 8.14

EXHIBIT A**4.2 BID SCHEDULE** *(Required submittal form)*

Maintenance Type	3 Year		Total Amount
	Estimated Quantity	Unit Price	
1. Type II Slurry Seal (Less than 10,000 SF)	1,000 SF	\$ 1.50	\$ 1,500 ⁻
2. Type II Slurry Seal (10,000 SF or Greater)	100,000 SF	\$.14	\$ 14,000 ⁻
3. Chip Seal (Less than 10,000 SF)	1,000 SF	\$ 1.50	\$ 1,500 ⁻
4. Chip Seal (10,000 SF or Greater)	3,200,000 SF	\$.221	\$ 707,200 ⁻
5. Micro-Surfacing (Less than 10,000 SF)	1,000 SF	\$ 1.50	\$ 1,500 ⁻
6. Micro-Surfacing (10,000 SF or Greater)	4,000,000 SF	\$.12	\$ 480,000 ⁻
7. Storm Drain Inlet Protection	650 EA	\$ 130 ⁻	\$ 84,500 ⁻
Grand Total			\$ 1,290,200 ⁻

The three year estimated quantities shown are given to provide bidders with an indication of potential work and the order of magnitude and scope of work. The actual amount of work done under this contract may differ from the quantities shown. The City of Rancho Cordova does not expressly, or by implication, agree that the actual amount of work will correspond therewith, but reserve the right to increase or decrease the amount of any class or portion of the work, or to omit portions of the work, as directed by the City.

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Labor and Equipment Rates

The following hourly rate and equipment rates shall apply to all work not covered under the unit prices included in the Bid Schedule. Hourly rates and equipment rates shall include all costs to supply the necessary labor and equipment including, but not limited to, overhead and profit.

Labor

Forman
Equipment Operator
Truck Driver
Laborer
Flagman
Other (Describe _____)
Other (Describe _____)
Other (Describe _____)

Extra Work

\$ 86.98
\$ 84.20
\$ 65.81
\$ 58.30
\$ 59.51
\$ _____
\$ _____
\$ _____

Equipment

Pick Up
Dump Truck
Sign Truck
Skid-Steer
Skip Loader
Small Roller
Large Roller
Paver
Other (Describe Slurry Truck)
Other (Describe _____)
Other (Describe _____)
Other (Describe _____)

\$ 18
\$ 65
\$ 25
\$ 50
\$ 50
\$ 50
\$ 75
\$ 60
\$ 75
\$ _____
\$ _____
\$ _____
\$ _____

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SECTION 5**BIDDER EXPERIENCE AND OPERATIONS PLAN****5.1 BIDDER EXPERIENCE AND OPERATIONS PLAN OVERVIEW**

Each Contractor submitting a bid shall clearly detail, on the forms provided in this Section 5, each of the following:

Firm Experience and Qualifications: Bidder shall detail their firms experience as necessary to demonstrate satisfactory compliance with the minimum qualification requirements as listed in **Section 1.4**. Additionally, firm experience and qualifications will be used by the City as a basis for evaluation when determining the most qualified Bidders, as further detailed in **Section 5.2**.

Employee/Personnel Experience and Qualifications: Bidder shall list the names and experience/qualifications of any employees who would be responsible for undertaking the Maintenance Task Items should a contract be provided. Employee experience and qualifications will be used by the City as a basis for evaluation when determining the most qualified Bidder, as further detailed in **Section 5.3**.

Operations Plan Details: Bidder shall detail an inventory of equipment, location of any equipment and materials storage facilities, and customer service processes and call center location (if applicable). The Operations Plan Details submitted will be used by the City as a basis for evaluation when determining the most qualified Bidders, as further detailed in **Section 5.5**.

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5.2 FIRM EXPERIENCE AND QUALIFICATIONS *(Required submittal form)*

Contractor's License Class A, C12 and License Number 374514

The bidder has been engaged in the contracting business, under the present business name for 34 years. Experience in work of a nature similar to that covered in the bid extends over a period of 34 years.

The bidder, as a Contractor, has never failed to satisfactorily complete a Contract awarded to it, except as follows: N/A

Please provide written explanation on a separate sheet(s).

The following contracts related to the proposed Surface Treatment Services are currently active or have been satisfactorily completed in the last five (5) years. Please provide a contact name and person of reference for each of the contracts listed.

Contract Year(s)	Type of Work Performed	Contract Amount	Client/Agency Name	Contact Name /Title Phone Number

See Attachments

5.3 EMPLOYEE/STAFF EXPERIENCE AND QUALIFICATIONS *(Required submittal form)*

Employee/Staff Name	Title & Position	Years w/ Firm	Years Experience in Trade	Specialized Certifications
Bruce Taylor	Vice President	20	20	Casp
Corey Kilroy	Project Manager	7	7	N/A
Nick Buzzetta	Project Superintendent	2	2	N/A
Gilberto Gonzalez	Field Supervisor			N/A
	Field Supervisor			N/A

Use additional sheets of paper as necessary for additional references or employees.

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MUNICIPAL REFERENCES

TOWN OF TRUCKEE

Public Works
10183 Truckee Airport Road
Truckee, CA 96161
530-582-7700
Slurry Seal 2004, 2005, 2007,
2008, 2009
\$350,000-\$650,000

CITY OF YUBA

1201 Civic Center Blvd
Yuba City, CA 95993
Ben Moody, 209-468-3017
Slurry Seal 2003, 2007-2011
\$100,000-456,000

City of Suisun City

701 Civic Center Blvd.
Suisun City, CA 94585
Daniel A. Kasperson
(707) 421-7340
2008 Slurry Seal Project
\$235,000

CITY OF SANTA ROSA

90 Santa Rosa Avenue
Santa Rosa, CA 95402
Pat Gothard, 707-543-3855
Slurry Seal 2000,
2001,2007,2011
\$350,000

CONTRA COSTA COUNTY

2555 Glacier Drive
Martinez, CA 94553-4825
Rich Bruno, 925-531-32330
Slurry Seal 2000, 01, 02, 04
Microsurfacing 2003, 2004, 2006
\$523,641 - \$604,965

CITY OF ARROYO GRANDE

208 E. Branch Street
Arroyo Grande, CA 93421
Public Works
805-473-5440
Slurry Seal 1999 & 2005
\$60,050

CITY OF TURLOCK

901 S. Walnut Road
Turlock, CA 95380-5599
209-668-559
Slurry Seal 1999, 2000,
2009,2010
\$73,893

COUNTY OF SAN JOAQUIN

P.O. Box 1810
Stockton, CA 95201
209-468-3000
Slurry Seal
1980,88,90,91,94,96,98, 2001-
2007,2011

CITY OF LATHROP

16775 Howland Road
Lathrop, CA 95330
(209) 858-2860
Slurry Seal 2000, 2009
\$89,907, \$124,000

STATE OF CALIFORNIA

Dept. of Transportation
P. O. Box 942874
Sacramento, CA 94274-0001
916-225-5661
Slurry Seal Various Districts
1983-2011

STATE OF CALIFORNIA

Dept. of Corrections
P. O. Box 942883
Sacramento, CA 94283-0001
(530) 251-5008
Slurry Seal 1999, 2001, 2008
\$45,773 -284,000

CITY OF PLEASANTON

P. O. Box 520
Pleasanton, CA 94566-0802
Huy A. Ho, (925) 931-5663
Slurry Seal 2002, 2007
\$182,655

COUNTY OF SOLANO

Public Works
675 Texas Street, Suite 5500
Fairfield, CA 94533-6341
707-784-6074
Slurry Seal 2005,
2006,2007,2008
\$259,942.90

CITY OF WALNUT CREEK

1666 N. Main Street
P. O. Box 8039
Walnut Creek, CA 94509
(925) 943-5800
Slurry Seal 2000 , 2008, 2010
\$166,245.20, \$475,000

City of Stockton

1465 South Lincoln Street
Stockton, CA 95206
Vijay Sinha 209-937-7003

Micro Surfacing Project 2006
\$877,000

YUMA COUNTY

Dept. Public Works
2703 Avenue B
Yuma, AZ 85364
520-329-2306
Slurry Seal 1998/99, 2003, 2004
\$107,950 - \$200,441

CITY OF SACRAMENTO

915 I Street
Sacramento, CA 95814
916-449-5281
Chip Seal 1979, 81-83, 85-88
Slurry/Cape Seal 1992, 93, 98,
2000, 2002, 2004
\$200,000 - \$1,500,000

CITY OF ROSEVILLE

Public Works
311 Vernon Street
Roseville, CA 95678
916-746-1375
Cape Seal 2005
\$860,124.24

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MUNICIPAL REFERENCES

CITY OF ELK GROVE

8400 Laguna Palms Way
Elk Grove, Ca 95758
Robert L. Lee, 916-683-7111
Slurry Seal 2003, 2006, 2009
\$178,115-\$724,000

COUNTY OF SANTA CRUZ

701 Ocean Street, Room 410
Santa Cruz, CA 95060-4070
Donald Hill, 831-454-2160
Slurry Seal 2003
\$402,506

City of Ceres

2220 Magnolia Street
Ceres, CA 95307
Len Guillette 209-538-5791

Slurry Seal 2005, 2006
\$ 250,000

CITY OF HANFORD

900 South 10th Avenue
Hanford, CA 93230
559-585-2550
Slurry Seal 1996, 99, 2000, 01,02
\$31,454 - \$208,876

PLACER COUNTY

11444 B Avenue
Auburn, CA 95603
530-880-7500
Slurry Seal &
Microsurfacing 1997, 1998, 1999
2001, 2002, 2011
\$250,000 – \$593,563

CITY OF LODI

Public Works-City Hall
221 West Pine Street
Lodi, CA 95241-1910
Curt Juran, (209) 333-6706
Slurry Seal 2003 \$57,711

**NORTHSTAR COMMUNITY
SERVICE DISTRICT**

51 Trimont Lane
Truckee, CA 96161
530-562-0669
Slurry Seal 1998
\$98,840

City of Ceres

2220 Magnolia Street
Ceres, CA 95307
Len Guillette 209-538-5791
Slurry Seal 2005, 2006
\$ 250,000

COUNTY OF SACRAMENTO

3030 Explorer Dr., Suite 5
Sacramento, CA 95827
916-855-5574
Slurry Seal 1992, 93, 96, 98, 99,
2000
\$78,000 - \$700,000

CITY OF SAN LUIS OBISPO

955 Morro Street
San Luis Obispo, CA 93401
805-783-7715
Micro-Surfacing 1999, 2005, 2009
\$457,512, \$628,401

City of Tracy

520 Tracy Blvd.
Tracy, CA 95376
Zabih Zaca 209-831-4600

Airfield Improvements, Taxiway
Fillets and Airfeild Markings
2007
\$589,000

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5.4 DESIGNATION OF SUBCONTRACTORS *(Required submittal form)*

In compliance with the provisions of Section 4100-4114 of the Public Contracts Code of the State of California, and any amendments thereof, each bidder shall set forth below the name and location of the place of business of each subcontractor who will perform work or labor or render service to the Contractor in or about the Services to be performed under these specifications in excess of one-half of one percent (0.5%) of the prime Contractor's total bid or ten thousand dollars (\$10,000.00), whichever is greater. The prime Contractor shall list the portion of the work which will be done by such Subcontractor.

If the Contractor fails to specify a subcontractor for any portion of the work to be performed under the Contract, the Contractor shall be deemed to have agreed to perform such portion itself, and the Contractor shall not be permitted to subcontract that portion of the work except under the conditions allowed by applicable law. Subcontractors shall provide all required licensing documentation.

SUBCONTRACTOR (Name & Location)	% OF WORK	ESTIMATED ANNUAL DOLLAR AMOUNT	WORK TO BE PERFORMED BY SUBCONTRACTOR
Thunder MTN express Sacramento CA	2%	\$20,000	DI protection

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Surface Treatment Services
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5.5 OPERATIONS PLAN *(Required submittal forms)*

Equipment Inventory: Please provide a list of all equipment that will be utilized in the performance of this contract.

Quantity	Name, Type and Capacity	Model Year and Condition	Location

See Attachment

Customer Service Call Center: Please list the address of the Customer Service center where calls will be received for this Contract:

Street address 9990 ELDER CREEK RD.
SACRAMENTO, CA 95829

City, State, Zip Code

Will Customer Service representatives be available during normal business hours to answer calls? Y / N (circle one)

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CPMID	Manufacturer	Type of Vehicle	Description	Year	License	RegExpire	InsCoverag	Combo59
039	Chevrolet	Slurry	Flatbed Crewcab 1 Ton	1999	5Y97420	30-Jun-12	Full	Red Crew(FC)
054	GMC	Slurry	Flatbed 1 Ton	2003	6U44494	31-Jul-13	Full	Red Crew(FC)
064	Chevrolet	Slurry	Crewcab	2007	8F60055	31-Oct-13	Full	Red Crew(FC)
078	Kenworth	Slurry	Flatbed	2008	8P95432	30-Apr-13	Full	Red Crew(FC)
081	Chevrolet	Slurry	Flatbed	2008	8Y00360	31-Dec-13	Full	Green Crew(CS)
082	Chevrolet	Slurry	Flatbed	2008	8Y00359	31-Dec-13	Full	Red Crew(FC)
083	Chevrolet	Slurry	Pickup	2011	98996C1	30-Jun-13	Full	Green Crew(CS)
117	Peterbilt	Slurry	Tanker Truck	1995	8L66074	31-Dec-13	Full	Red Crew(FC)
128	Kenworth	Slurry	Flatbed Sulfate Truck	1995	8R45356	31-Dec-12	Full	Green Crew(CS)
130	Peterbilt	Slurry	Tanker Truck	1995	4Z16644	31-Dec-12	Full	Green Crew(CS)
132	Peterbilt	Slurry	Cab & Chassis	2008	9D99409	31-Dec-13	Full	Green Crew(CS)
187	Kenworth	Slurry	TRACTORTRACTOR	1994	9A80044	31-Dec-12	Full	
223	Ferre	Slurry	Trailer Flatbed	1981	4AY2040	31-May-17	Full	Green Crew(CS)
234	Trail King	Slurry	Trailer	1985	4AY2002	30-Nov-17	Full	Green Crew(CS)
235	Trail King	Slurry	Trailer	1986	4AY2048	30-Jun-17	Full	Red Crew(FC)
236	Trail King	Slurry	Trailer	1986	4AY2014	31-Dec-16	Full	
238	Trail King	Slurry	Trailer Tilt	1987	4AY2194	31-Dec-16	Full	
240	CPM	Slurry	Trailer Utility	1988	4AY2050	31-Jul-17	Full	Red Crew(FC)
250	MorTec	Slurry	Trailer Flatbed	1982	4AY2053	31-Jul-17	Full	
510	Caterpillar	Slurry	920 Wheel Loader	1972				
520	Volvo	Slurry	Pneumatic Tire Roller	2010			Full	Red Crew(FC)
542	Caterpillar	Slurry	926 Wheel Loader	1985			Full	0
557	Caterpillar - 73U-03	Slurry	930 Wheel Loader	1975				Green Crew(CS)
130-A	weld	Slurry	Tank Trailer	1950	4AT8097	31-Dec-16	Full	0
140-A	Clough	Slurry	Tank Trailer	1975	4AY2009	31-Dec-16	Non-Op	Red Crew(FC)
161-A	Clough	Slurry	Tank Trailer	1977	4AY2032	31-Dec-16	Full	Green Crew(CS)
197-A	JTL	Slurry	Tank Trailer	1975	4AY2035	31-Dec-16	Full	
SE-01	Eclipse	Slurry	Arrowboard	2000	SE502317	31-Dec-15	Full	0
SE-30	Kenworth	Slurry	Slurry Truck	2009	SE586757	31-Dec-15	Full	0
SE-31	Kenworth	Slurry	Slurry Truck	2009	SE586758	31-Dec-15	Full	
SE-32	Kenworth	Slurry	Slurry Truck	2010	SE586786	31-Dec-15	Full	Green Crew(CS)
SE-33	Kenworth	Slurry	Slurry Truck	2010	SE586788	31-Dec-15	Full	Green Crew(CS)
SE-34	Kenworth	Slurry	Slurry Truck	2011	SE586790	31-Dec-15	Full	Blue Crew(TG)
SE-35	Kenworth	Slurry	Slurry Truck	2011	SE586795	31-Dec-15	Full	Red Crew(FC)
SE-36	Kenworth	Slurry	Slurry Truck	2011	SE586823	31-Dec-15	Full	Green Crew(CS)
SE-44	Crafco	Slurry	Crack Filling Machine	2005	SE586844	31-Dec-15	Full	0
SE-61	White GMC	Slurry	Slurry Truck	1990	SE423089	31-Dec-15	Non-Op	Sac Shop
SE-86	Kenworth	Slurry	Tractor	1998	SE554098	31-Dec-10	Non-Op	Red Crew(FC)
126	Freightliner	Striping	Van Truck	2001	8U70231	31-Aug-13	Full	Striping Crew
113	Kenworth	Sulphate	Flatbed Sulfate Truck	1985	6D74105	31-Dec-09	Non-Op	Red Crew(FC)
211	Trail-R-Man	Sulphate	Trailer Tilt	1981	4AY2044	30-Apr-17	Full	
052	Chevrolet	Supervisor	Pickup 3/4 Ton	2002	6V67799	28-Feb-13	Full	Red Crew(FC)
034	Chevrolet	Traffic Control	Flatbed Crewcab 1 Ton	1998	5Y97530	30-Jun-13	Full	Green Crew(CS)
053	GMC	Traffic Control	1 Ton	2003	6X06416	30-Jun-13	Full	Green Crew(CS)
252	CPM	Traffic Control	Trailer	1995	4AY2054	31-May-17	Full	Red Crew(FC)
253	CPM	Traffic Control	Trailer	1995	4AY2055	30-Jun-17	Full	Green Crew(CS)
254	CPM	Traffic Control	Trailer	1998	4AY2056	30-Apr-17	Full	
255	CPM	Traffic Control	Trailer	1998	4AY2057	30-Apr-17	Full	
SE-03	Allmand	Traffic Control	Arrowboard		SE505840	31-Dec-15	Full	
SE-04	Allmand	Traffic Control	Arrowboard		SE502358	31-Dec-15	Full	

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SE-05	Allmand	Traffic Control	Arrowboard		SE502359	31-Dec-15	Full	
SE-06	Allmand	Traffic Control	Arrowboard		SE502363	31-Dec-15	Full	
100	Kenworth	Trench	Dump Truck	1990	6F85325	31-Dec-06	Non-Op	Trench Crew 2
103	Kenworth	Trench	Dump Truck Transfer	1990	8X95915	31-Dec-12	Full	Asphalt
105	Kenworth	Trench	Dump Truck	1990	5T54950	31-Dec-02	Non-Op	Trench Crew 2
SE-07	Essik	Trench	Bitch Pot		SE502360	31-Dec-15	Full	
SE-08	Diamond	Trench	Bitch Pot	1999	SE502357	31-Dec-15	Full	
103-A	Reliance	Trucking	Dump Transfer Trailer	2003	4EJ2520	31-Dec-13	Full	Trucking

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Surface Treatment Services
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SECTION 6EXCEPTIONS, GUARANTEES AND CERTIFICATIONS**6.1 EXCEPTIONS TO AGREEMENT** *(Required submittal forms)*

Bidders are to prepare all Base Bid Schedule forms (Section 4) based on the program specifications set forth in the RFB documents without considering any exceptions that may be set forth on this form. In the event the bidder takes exception to the RFB specifications they may set forth those exceptions in the following manner:

- The exceptions are to be presented on a separate paper titled, "Form Exceptions to Agreement".
- Each exception must be presented separately by stating: the specific exception, the page and line numbers of the exception, the suggested changes to the program related to the exception, the suggested changes in the Agreement language related to the exception, the manner in which the proposed change would benefit the City, the customers or both, and the specific dollar change in each of the various service rates, as proposed by the bidder in this RFB, that would take place if the exception was accepted by the City.
- The exceptions must be followed with the following language without exception.
- **"Except as set forth above, bidder is in complete agreement with the proposed terms, conditions and business arrangements described in the RFB including the attached Agreement. The bidder assumes the risk of all conditions foreseen or unforeseen and agrees to provide the services set forth in the Agreement under whatever circumstances may develop other than as herein provided."**
- The form must be signed by an individual authorized to commit the bidder's firm to the Agreement in the manner set forth below.

Date: 4/2/2013

Name: BRUCE TAYLOR
VICE PRESIDENT

Title: _____

Signature: 

Please note that if exceptions are taken, all required information as set forth above must be submitted. Exceptions taken without providing the required information will not be considered.

EXHIBIT A

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City of Rancho Cordova

6.2 GUARANTEE REQUIREMENTS *(Required with submittal)*

The City of Rancho Cordova will require all bids be accompanied by a Bid Guarantee in the form of cash, a certified check, a cashier's check, or a bidders bond. The Bid Guarantee shall be executed by an admitted surety insurer in favor of the City of Rancho Cordova, the amount of which shall not be less than ten percent (10%) of the Base Bid Grand Total as indicated in **Section 4, Base Bid Schedule**.

Performance and Payment Bonds will not be required for submittal of bids or for the execution of a contract with the selected Contractor.

EXHIBIT A

Surface Treatment Services
Request for Bids

Page 18 of 52
City of Rancho Cordova

6.3 NON-COLLUSION AFFIDAVIT (Required with submittal)

STATE OF CALIFORNIA)

COUNTY OF SACRAMENTO)

BRUCE TAYLOR (name) being first duly sworn, deposes and says that he or she is VICE PRESIDENT (title) of California Pavement Maint. Co. (company name) the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from proposing; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

CALIFORNIA PAVEMENT
MAINTENANCE COMPANY, INC.

Company Name (Printed)


Authorized Signature

Date

4/2/2013

Name (Printed)

BRUCE TAYLOR
VICE PRESIDENT

Title

Subscribed and sworn to before me

this ____ day of _____, 2013.

Signature of Notary Public

EXHIBIT A

State of California)

County of Sacramento)

CALIFORNIA JURAT

Subscribed and sworn to (or affirmed) before me on this 2nd dayof April, 20 13, by Bruce Taylor

proved to me on the basis of satisfactory evidence to be the person~~s~~
 who appeared before me.

Signature




Seal

OPTIONAL INFORMATION

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

Description of Attached Document

This certificate is attached to a document titled/for the purpose of

containing _____ pages, and dated _____.

Additional Information

Method of Affiant 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

☐ Affiant(s) Thumbprint(s) ☐ Describe: _____

EXHIBIT A

Surface Treatment Services
Request for Bids

Page 19 of 52
City of Rancho Cordova

6.4 SIGNATURE CERTIFICATION PAGE (Required with submittal)

If bidder or other interested person is a corporation, state legal name of corporation, also names of the president, secretary, treasurer, and manager thereof; if a co-partnership, state true name of firm, also names of all individual co-partners composing the firm; if bidder or other interested person is an individual, state first and last names in full.

By my signature on this bid I certify, under the Penalty of Perjury, that the foregoing Non-Collusion Affidavit and Contractor's License Certification along with all other statements in this bid are true and correct.

Date: _____

CALIFORNIA PAVEMENT MAINTENANCE COMPANY, INC.
Gordon L. Rayner, CEO
Richard Rayner, President
Tina B. Feeney, Corporate Secretary
Bruce Taylor, Vice-President

CALIFORNIA PAVEMENT
MAINTENANCE COMPANY, INC.
Legal Company or Corporation Name

Corporation

Business Type (Corporation, Partnership, etc.)

Print Name

Signature

Title

Bruce Taylor
Print Name

[Signature]
Signature

Vice President
Title

Print Name

Signature

Title

Tina Feeney
Print Name

[Signature]
Signature

Corporate Secretary
Title

Print Name

Signature

Title

Print Name

Signature

Title

EXHIBIT A



Linda Budge
Mayor

Dan Skoglund
Vice Mayor

Robert J. McGarvey
Council Member

David M. Sander
Council Member

Donald Terry
Council Member

March 29, 2013

SURFACE TREATMENT SERVICES

ADDENDUM NO. 1

TO ALL PROSPECTIVE BIDDERS:

Please incorporate the following revisions as part of the contract documents for subject project. Any workmanship and/or materials involved shall be as set forth in the original drawings and/or specifications unless otherwise directed herein.

<u>ADDENDUM ITEM</u>	<u>PAGE OR DRAWING</u>	<u>LOCATION AND DESCRIPTION OF CHANGE</u>
1.1	Page 10	<u>Bid Schedule</u> – Replace bid schedule with revised bid schedule included with this addendum. Change includes adding a bid item for installation of gravel bags and storm drain inlet filter bags while performing slurry seals, chip seals, and micro-surfacing.
1.2	Page 17	<u>Guarantee Requirements</u> – Refer to second paragraph Change the second paragraph to: Performance and Payment Bonds will be required as outlined in Appendix A, Section 8 of this Request for Bids. At the end of each contract year, the contractor may request to have their bond reduced by the amount of work completed during that contract year.
1.3	Page 52	The following shall be added to the end of Appendix C: C.42 COMPENSATION ADJUSTMENTS FOR PRICE ; INDEX FLUCTUATIONS Attention is directed to Section 23-12 "Compensation Adjustments for Price Index Fluctuations" of the Sacramento County Standard Construction Specifications.

EXHIBIT A



In May of each year of the contract, the Contract Manager can increase or decrease payments to contractors for various contract items that contain paving asphalt when paving asphalt price fluctuation exceeds 10%. Annual adjustments shall be made only in units of one cent (\$0.01)

1.4

Page 52

The following shall be **added** to the end of Appendix C:

C.43 STORM DRAIN INLET (DI) PROTECTION

The contractor shall install gravel bags and filter bags per the standard details in Appendix D at all drainage inlets located within the project limits as directed by the Contract Manager. Contractor shall inspect all DI protection weekly, and after each rainfall during the wet season. All missing or damaged DI protection shall be replaced by the Contractor with no additional compensation.

The price paid per each Storm Drainage Inlet Protection shall include all labor, equipment and materials to supply, install, and maintain gravel bags and filter bags at each drainage inlet.

1.4

Page 53

The following shall be **added**:

APPENDIX D – STANDARD DETAILS

Standard detail 11-7 “Inlet Sediment Control” and standard detail 11-8 “Storm Drain inlet Filter Bag” from the Sacramento County Standard Construction Specifications are included with this addendum.

END OF ADDENDUM



John Samuelson

Streets Operations & Maintenance Manager

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
EXHIBIT A Hartford, Connecticut 06183

BID BOND

Bond No. BBSU

KNOW ALL MEN BY THESE PRESENTS,

That we as principal, CALIFORNIA PAVEMENT MAINTENANCE COMPANY, INC., 9390 ELDER CREEK ROAD, SACRAMENTO, CALIFORNIA 95829, hereinafter called the Principal, and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a corporation duly organized under the laws of the State of Connecticut, as Surety, hereinafter called the Surety, are held and firmly bound unto:

**CITY OF RANCHO CORDOVA
 2729 PROSPECT PARK DRIVE
 RANCHO CORDOVA, CALIFORNIA 95670**

as Oblige, hereinafter called the Oblige, in the sum of TEN PERCENT (10%) OF THE TOTAL AMOUNT OF THE BID Dollars (\$10%-), for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for:

SURFACE TREATMENT SERVICES

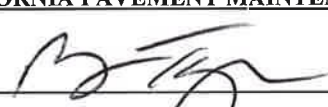
NOW, THEREFORE, if the Oblige shall accept the bid of the Principal and the Principal shall enter into a Contract with the Oblige in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Oblige the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Oblige may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 1ST Day of APRIL 2013.

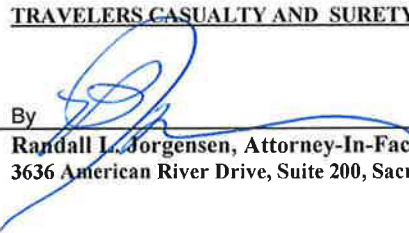
 (Witness)

 (Witness)

CALIFORNIA PAVEMENT MAINTENANCE COMPANY, INC.
 (Principal) (Seal)


 BRUCE TAYLOR
 VICE PRESIDENT

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

By 
 Randall L. Jorgensen, Attorney-In-Fact
 3636 American River Drive, Suite 200, Sacramento, California 95864

Printed in cooperation with the American Institute of Architects (AIA) by Travelers Casualty and Surety Company of America. The language in this document conforms exactly to the language used in AIA Document A310, February 1970 edition.

EXHIBIT A
CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of SACRAMENTO

On APRIL 1, 2013 before me, M. McLaughlin - Notary Public
(Here insert name and title of the officer)

personally appeared Randall L. Jorgensen

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

M. McLaughlin
 Signature of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Title or description _____

(Title or description of attached document)

Title or description continued _____

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
☐ Corporate Officer

(Title)

- ☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

AGENDA ITEM 8.14



POWER OF ATTORNEY EXHIBIT A

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 225956

Certificate No. 005312453

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Carol Dunn, Paul F. Bystrowski, Randall L. Jorgensen, Joseph H. Weber, Mary E. A. McLaughlin, John E. Murphy, Sandi Pullen, and John J. Weber

of the City of Sacramento, State of California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 21st day of December, 2012.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: Robert L. Raney
Robert L. Raney, Senior Vice President

On this the 21st day of December, 2012, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2016.



Marie C. Tetreault
Marie C. Tetreault, Notary Public

EXHIBIT A

APPENDIX B

INSURANCE REQUIREMENTS

Without limiting Contractor's indemnification, Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the agreement by the Contractor, his agents, representatives or employees. City shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of the City's Risk Manager the insurance provisions in these requirements do not provide adequate protection for City and for members of the public, City may require Contractor to obtain insurance sufficient in coverage, form and amount to provide adequate protection. City's requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

VERIFICATION OF COVERAGE

Contractor shall furnish the City with certificates evidencing coverage required below. **Copies of required endorsements must be attached to provided certificates.** The City's Risk Manager may approve self-insurance programs in lieu of required policies of insurance if, in the opinion of the Risk manager, the interests of the City and the general public are adequately protected. All certificates or evidences of self-insurance are to be received and approved by the City before performance commences. The City reserves the right to require that the Contractor provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, the Contractor's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required by these specifications.

MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. GENERAL LIABILITY: Insurance Services Office's Commercial General Liability occurrence coverage form CG 0001. Including, but not limited to Premises/Operations, Products/Completed Operations, and Personal & Advertising Injury, without exclusions or limitations unless approved by City Risk Manager.
2. AUTOMOBILE LIABILITY: Insurance Services Office's Commercial Automobile Liability coverage form CA 0001, auto coverage symbol "1" (any auto). If there are no owned or leased vehicles, symbols 8 and 9 for non-owned and hired autos shall apply.
3. WORKER'S COMPENSATION: Statutory requirements of the State of California and Employer's Liability Insurance.
4. PROFESSIONAL LIABILITY or Errors and Omissions Liability insurance appropriate to the Contractor's profession.

EXHIBIT A

5. UMBRELLA or Excess Liability policies are acceptable where the need for higher liability limits is noted in the Minimum Limits of Insurance and shall provide liability coverages that at least follow form over the underlying insurance requirements where necessary for Commercial General Liability, Automobile Liability, Employer's Liability, and any other liability coverage designated under the Minimum Scope of Insurance.

MINIMUM LIMITS OF INSURANCE

Contractor shall maintain limits no less than:

1. General Liability shall be on an Occurrence basis (as opposed to Claims Made basis). Minimum limits and structure shall be:

General Aggregate:	\$2,000,000
Products Comp/Op Aggregate:	\$2,000,000
Personal & Adv. Injury:	\$1,000,000
Each Occurrence:	\$1,000,000
Fire Damage:	\$ 100,000

Building Trades Contractors and Contractors engaged in other projects of construction shall have their general liability Aggregate Limit of Insurance endorsed to apply separately to each job site or project, as provided for by Insurance Services Office form CG-2503 Amendment-Aggregate Limits of Insurance (Per Project).

2. Automobile Liability: \$1,000,000 Combined Single Limit per accident for bodily injury and property damage.
3. Worker's Compensation: Statutory.
4. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
5. Professional Liability or Errors and Omissions Liability: \$1,000,000 per occurrence.

DEDUCTIBLES AND SELF-INSURED RETENTION

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respect the City, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

CLAIMS MADE ON PROFESSIONAL LIABILITY INSURANCE

If professional liability coverage is written on a Claims Made form:

EXHIBIT A

1. The "Retro Date" must be shown, and must be on or before the date of the Agreement or the beginning of the Agreement performance by Contractor.
2. Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after completion of the Agreement.
3. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of one (1) year after completion of the Agreement.

OTHER INSURANCE PROVISIONS

The insurance policies required in this Agreement are to contain, or be endorsed to contain, as applicable, the following provisions:

1. ADDITIONAL INSURED STATUS: The City, its officers, directors, officials, employees, and volunteers are to be endorsed as additional insured as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied, or used by the Contractor; or automobiles owned, leased hired or borrowed by the Contractor. The coverage shall contain no endorsed limitations on the scope of protection afforded to the City, its officers, directors, officials, employees, or volunteers. Applicable to General Liability, use ISO form CG 2010 11-85 only, and Auto Liability Policies.
2. PRIMARY INSURANCE: For any claims related to this agreement, the Contractor's insurance coverage shall be endorsed to be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, directors, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. Applicable to General Liability and Auto Liability policies.
3. FAILURE TO COMPLY: Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, directors, officials, employees, agents or volunteers. Applies to policies in which the City is named as an additional insured.
4. SEVERABILITY OF INTEREST: The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Applicable to General Liability and Auto Liability policies.
5. MAINTENANCE OF INSURANCE COVERAGE: The Contractor shall maintain all insurance coverages in place at all times and provide the City with evidence of each policy's renewal ten (10) days in advance of its anniversary date. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party,

EXHIBIT A

reduced in coverage, or reduced in limits, except after thirty (30) days' written notice for cancellation or sixty (60) days' written notice for non-renewal has been given to the City. For non-payment of premium 10 days' prior written notice of cancellation, certified mail, return receipt requested is required. Applicable to all policies.

6. WORKER'S COMPENSATION WAIVER OF SUBROGATION: The worker's compensation policy required hereunder shall be endorsed to state that the worker's compensation carrier waives its right of subrogation against the City, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by the Contractor.
7. PROPERTY WAIVER OF SUBROGATION: Course of construction policies shall contain the following provisions:
 1. The City shall be named as loss payee.
 2. The insurer shall waive all rights of subrogation against the City.
8. CIVIL CODE PROVISION: Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.
9. ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than **A-VII**. The City Risk Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the City and the general public are adequately protected.
10. SUBCONTRACTORS: CONTRACTOR shall require all subcontractors to maintain adequate insurance. Subcontractors shall name the CONTRACTOR as additional insured on their General Liability policies. CONTRACTOR shall maintain copies of certificates of insurance and additional insured endorsements as provided by its subcontractors. All subcontractors shall be subject to all terms and conditions stated herein.

EXHIBIT A
APPENDIX C
ADDITIONAL SPECIAL PROVISIONS

C.1) PAYROLL RECORDS

Attention is directed to Section 1776 of the Labor Code of the State of California. Regulations complementing said Section 1776 are located in Section 16000 and Sections 16400 through 16403 of Title 8, California Administrative Code. The Contractor is required to comply with the provisions of Section 1776 of said Labor Code. The Contractor shall also be responsible for compliance by their subcontractors.

C.2) PREVAILING WAGE

See Section 5 in Appendix A. The contractor is required to submit certified payrolls on a monthly basis. Failure to submit payroll records is cause for delay in payment or payment may be stopped.

C.3) PRESERVATION OF PROPERTY

Attention is directed to Section 6-21 "Preservation of Property" of the Sacramento County Standard Construction Specifications and these Special Provisions.

The Contractor shall take every precaution to protect all public and private property during the performance of this contract. Any damages caused by the Contractor's personnel or equipment will promptly be repaired to the condition existing before the damage. If, in the opinion of the Contract Manager, repair is not possible, the damaged facilities will be replaced in kind and size. All costs for such repairs or replacements shall be the sole responsibility of the Contractor. Damages to City facilities due to the Contractor's lack of performance in accordance with these specifications are the Contractor's responsibility.

C.4) TRAFFIC MAINTENANCE

The Contractor's attention is directed to Section 7-1.09, "Public Safety", and Section 12, "Construction Area Traffic Control Devices", of the State Standard Specifications, the Uniform Manual of Traffic Control Devices (latest edition of the California Supplement), and these Technical Specifications.

Typically, a minimum of one (1) traffic lane, (not less than 3.66 m (12 feet wide), per direction, shall be allowed for closure during construction activity, or as defined within the approved traffic control plan. All other traffic lanes shall be open for public vehicular traffic at all times during non-construction activity. No work that interferes with public traffic shall be performed between 3:30 P.M. and 8:30 A.M. except work required under Section 7-1.08, "Public Convenience", and Section 7-1.09, "Public Safety" or by special approval of the Contract Manager.

The full width of the traveled way shall be open for use by public traffic on Saturdays, Sundays and designated legal holidays and when maintenance operations are not actively in progress.

EXHIBIT A

Prior to performing any work, under this contract the Contractor shall prepare and submit a Traffic Control Plan (TCP) to the City Traffic Engineer for review. Note: To avoid delays, the Contractor is encouraged to submit in advance, several standard TCP's covering the most common maintenance situations anticipated, prior to the start of the contract period. ALL night work (if any), requires a MANDATORY Traffic Control Plan (TCP), for each occurrence;

If traffic controls are required for any operation under this contract to ensure the safety of workers and the public, a TCP must be submitted to the City Traffic Engineer four (4) working days in advance of performing said operation. Contractor must receive written approval from the City Traffic Engineer, or their designee, prior to implementing any traffic controls and notify Police, and Fire at least twenty-four (24) hours in advance of implementing the traffic controls. Review and approval of a TCP by the City Traffic Engineer, or their designee, is based upon general conformance with Federal, State and local regulations and standards and does not relieve Contractor of responsibility for the safety of its workers and the public.

If any component in the Contractor's traffic control system is displaced, damaged, or ceases to operate correctly, from any cause, during the life of the work, the Contractor shall immediately repair said component to its original condition or replace said component and shall restore the component to its original location.

If the Contractor refuses or fails to furnish and install necessary warning devices and take adequate protective measures in a timely manner, the City Traffic Engineer, with or without notice to the Contractor, may provide suitable warning devices or protective measures by causing such work to be done and such materials to be furnished. The cost and expense of such work and materials so furnished shall be borne by the Contractor; and if the same is not paid for on presentation of the bills therefore, then such costs will be deducted from any moneys due or to become due to the Contractor. The performance of such work under the direction of the City Traffic Engineer shall in no way relieve the Contractor from any damages which may occur during or after such precaution has been taken by the City Traffic Engineer.

Full compensation for conforming to the requirements of this Section shall be considered as included in the prices paid for the various Contract items of work and no separate payment will be made therefore.

The City Traffic Engineer or their designee shall review and approve all Traffic Control Plans on the basis of general conformance with applicable regulations and standards. Such review and approval of a Traffic Control Plan does not relieve Contractor of responsibility for public and worker safety.

C.5) REGULATIONS AND CONDUCT OF WORK

The Contractor shall plan and conduct the work to comply with local, State, and Federal government agencies' applicable rules, regulations, codes, and ordinances to adequately safeguard persons and property from injury. The Contractor shall direct the performance of the work in compliance with reasonable safety regulations and work practices, and with applicable federal, state, and local laws, rules and regulations including but not limited to "Occupational

EXHIBIT A

Safety and Health Standards” promulgated by the U.S. Secretary of Labor, and Safety Orders of the California Division of Industrial Safety.

C.6) PERSONNEL

All work shall be performed by qualified and trained personnel with a minimum of two (2) years of experience in surface treatments. Experience must include use of typical tools and operation of commonly used equipment. All workers shall be neat and orderly in appearance.

C.7) SUPERVISION

The Contractor shall provide a competent superintendent during all times that work is being performed with the authority to represent and act for the Contractor in any matter pertaining to this contract. The Contractor shall furnish the names of all such superintendents to the Contract Manager prior to the commencement of this contract and further advise of any changes.

C.8) DISMISSAL OF UNSATISFACTORY EMPLOYEES

Attention is directed to Section 7 of the Standard Construction Specifications.

The Contractor shall only furnish workers who are competent and skilled for work under this contract. If, in the opinion of the Contract Manager, an employee of the Contractor is incompetent or disorderly, refuses to perform in accordance with the contract specifications, threatens or uses abusive language while on City property, does not meet safety requirements or is otherwise unsatisfactory, that employee shall be removed from all work under this contract. Contractor shall remove an unsatisfactory employee from contract sites immediately following notification.

Failure by the Contractor to remove an unsatisfactory employee from contract sites within one week of notification will result in withholding of monthly payment. Failure by the contractor to permanently replace an unsatisfactory employee will result in formal written warning (30-day notice) to the Contractor specifying that the employee must be replaced. Failure by the Contractor to replace an unsatisfactory employee within the 30 day time period will result in termination of this contract.

In the event of termination, the City shall be liable only for payment of those services performed and accepted by the City prior to the date of termination; and the Contractor and his surety shall be liable and assessed for any and all costs for the re-procurement of the contract services.

C.9) PAYMENT

Attention is directed to Section 8 of the Sacramento County Standard Construction Specifications. The following shall be substituted with regard to invoicing procedure.

At the end of each month the Contractor shall submit invoice(s) to the City for maintenance work approved by the City.

EXHIBIT A

The Contractor's routine maintenance invoice shall include;

Invoice Number

Invoice Date

City's Contract Number

Period Service Provided (Date from – Date to)

A breakdown of each work order completed with a description of the work performed, quantity of the work performed, unit cost, and total cost for the work performed.

Billing shall be submitted to the following address:

City of Rancho Cordova
Public Works Department
2729 Prospect Park Drive
Rancho Cordova, CA 95670
ATTN: O&M Manager

C.10) WITHHOLDING OF PAYMENT

For work deemed by the Contract Manager as not meeting the requirements of the specifications, the City shall withhold monthly payments or percentages thereof for work not completed, or until work is completed as per contract specifications. The City shall withhold monthly payments or percentages thereof for work that is not completed on schedule.

To provide funds to cover the cost of any City of Rancho Cordova facilities or plant materials damaged by the Contractor, the City shall withhold monthly payments until the damages are repaired. In the event repairs are not made the City shall withhold monthly maintenance payments to fund the necessary repairs. The Contractor shall be responsible for damages to the City of Rancho Cordova facilities or plant materials due to the contractor's failure to perform the services in accordance with these specifications. Expenses to cover damages shall be solely the Contractor's, and repairs shall meet with approval of the Contract Manager.

C.11) FAILURE TO PERFORM

If the Contractor, or his representative, fails to perform in accordance with the terms and conditions of this contract, the Contract Manager will specify the reasons and locations as applicable by written correspondence. Failure by the Contractor to correct any deficiencies within one (1) calendar week of notification may result in withholding of payment. Failure by the Contractor to correct any deficiencies within two (2) calendar weeks or more may result in formal written warning (30-day notice) to the contractor specifying that such deficiencies must be corrected. Failure by the contractor to correct such deficiencies within the 30-day specified time period may result in termination of this contract.

In the event of termination, the City shall be liable only for payment of those services performed and accepted by the City prior to the date of termination. Any damages to property caused by the contractor's inability to meet specification shall be recovered by withholding payments. The Contractor and his surety shall be liable and assessed for any and all costs for the re-procurement of the contract services and damages to City facilities or plant materials.

EXHIBIT A**C.12) INSPECTION**

The Contractor may receive an inspection report from the Contract Manager. This form will indicate any deficiencies in the work performance of the Contractor. The Contract Manager may inform the Contractor by telephone of urgent deficiencies for immediate attention or repairs. Inspection by City staff will occur the following day the Contractor has serviced the areas.

Lack of Inspections by the City staff does not relieve the Contractor of his obligations to provide services as required by these specifications. Lack of receipt of inspection reports does not relieve the Contractor of his obligations to provide services as required by these specifications. Schedules as required by these specifications shall be submitted and used as a guide for City Staff Inspection schedules. Inspection will be scheduled to occur the following day the Contractor has serviced the area(s).

C.13) COMPLIANCE WITH STANDARD TERMS & CONDITIONS

You agree to be bound by our standard contract conditions, a sample of which is attached to this RFB (Appendix A), and to all other terms and conditions in this RFB.

C.14) INSURANCE

The Contractor, upon being notified of being awarded the contract, shall have their Certificate of Insurance delivered to City of Rancho Cordova Public Works Department, 2729 Prospect Park Drive, Rancho Cordova, CA 95670, Attn: O&M Manager. Contractor's insurance shall comply with all insurance requirements as shown in Appendix B. No goods or services shall be rendered by the contractor until a valid Certificate of Insurance is on file with The City of Rancho Cordova.

C.15) INDEMNITY

The Contractor indemnifies the City as stated in Section 6-2 of the County Standard Construction Specifications.

C.16) STANDARD CONSTRUCTION SPECIFICATIONS

The County of Sacramento, Municipal Services Agency, Standard Construction Specifications, adopted January 2008, and these Special Provisions shall control all work to be done under this contract. A copy of the Standard Construction Specifications may be obtained at the Cashier's window, County Administration Building, 872 Seventh Street, Room 105, Sacramento, CA 95814.

C.17) STATE SPECIFICATIONS AND STATE STANDARD PLANS

State Specifications and State Standard Plans, when referred to, shall be the 2010 issue.

Copies of the State Specifications and State Standard Plans may be obtained from the State of California, Department of Transportation, Publications Unit, 1900 Royal Oaks Drive, Sacramento, CA 95815; telephone (916) 455-3520.

EXHIBIT A**C.18) PRECEDENCE**

In the event of a conflict between the Standard Construction Specifications and the State Specifications/Standard Plans, the Standard Construction Specifications shall govern. These Special Provisions shall govern over both the Standard Construction Specifications and State Specifications/Standard Plans in the event of a conflict.

C.19) CODES AND LEGAL REQUIREMENTS

- (a) All reference to codes, specifications, and standards in the contract documents shall mean, and are intended to be, the latest editions, amendments, and/or revisions of such reference documents in effect, as of the date of this contract.
- (b) Authorities shall apply the minimum work requirements available to any work done for this project. Nothing described in these contract documents shall be construed to permit work not conforming to the most stringent of applicable codes and regulations.
- (c) When contract documents call for materials or construction of better quality or larger size than required by applicable codes, laws, rules or regulations, the contract documents shall take precedence.

C.20) TERMINATION

Any contract resulting from this RFB may be canceled by the City upon thirty (30) calendar days advance notice in writing at City's sole discretion. Contractor may cancel this agreement upon ninety (90) calendar days advance notice in writing to the City.

C.21) SOUND CONTROL REQUIREMENTS

Sound control shall conform to the provisions in Section 7-1.01I, "Sound Control Requirements" of the Standard Specifications.

The noise level from the Contractor's operations, between the hours of 8:00 P.M. and 7:00 A.M., shall not exceed 86 dbA at a distance of 15 m (50 feet). Said noise level requirement shall apply to all equipment on the work or related to the work, including but not limited to trucks, transit mixers or transient equipment that may or may not be owned by the Contractor. The use of loud sound signals shall be avoided in favor of light warnings except those required by safety laws for the protection of personnel.

Full compensation for conforming to the requirements of this section shall be considered as included in the Contract prices paid for the various Contract items of work involved and no additional compensation will be allowed therefore.

C.22) COOPERATION

Attention is directed to Section 7-1.14, "Cooperation", and Section 8-1.10, "Utility and Non-highway Facilities" of the Standard Specifications.

The Contractor shall notify United Service Alert (USA) prior to commencing any excavation:

EXHIBIT A**Underground Service Alert (USA) – 1 (800) 642-2444****C.23) PUBLIC CONVENIENCE**

Public convenience shall conform to the provisions in Section 7-1.08, "Public Convenience", of the Standard Specifications. The contractor shall limit his operations to weekdays between the hours of 7:00 A.M. to 6:00 P.M., unless otherwise approved by the Contract Manager.

No work will commence before 8:30 A.M. on the City main arterial and collector street without prior written approval by the Contract Manager.

Temporary closure of driveways may be allowed subject to the advance written approval of the affected property owners and the Contract Manager. Prior to closure of a driveway, the Contractor shall coordinate and notify the property owner at least twice of such closure. The Contractor shall deliver closure notices to residents and operators of commercial properties seventy-two (72) hours prior to each closure, (twenty-four (24) hour notice for emergency repairs).

It is the Contractor's responsibility to provide and accommodate all residents, operators of commercial properties and property owners' specific needs for driveway and pedestrian access at all times.

Full compensation for conforming to the provisions of this Section shall be considered as included in the prices paid for the various contract items of work and no additional compensation will be allowed therefore.

C.24) OBSTRUCTIONS

Attention is directed to Section 8-1.10, "Utility and Nonhighway Facilities", and Section 15, "Existing Highway Facilities", of the Standard Specifications.

Attention is directed to the presence of overhead and underground utilities in the construction sites. The Contractor shall exercise due caution in performing his work so as not to damage the utilities. The work specified shall be so conducted by the Contractor as to permit the utility companies to maintain their services without interruption. Utilities which are to remain in place shall be worked around and protected from damage or interruption of service. The Contractor shall coordinate his work with the utility companies where utilities are to be relocated or set to grade.

The toll-free number for **Underground Service Alert (U.S.A.) is (800) 642-2444**. The Contractor shall take adequate measures to insure that their operations do not harm any existing underground facilities not specifically mentioned, or shown on the plans.

Full compensation for conforming to the provisions of this Section shall be considered as included in the prices paid for the various contract items of work and no additional compensation will be allowed therefore.

EXHIBIT A**CONSTRUCTION AREA SIGNS**

Construction area signs shall be furnished, installed, maintained and removed when no longer required by the Contractor in accordance with the provisions in Section 12, "Construction Area Traffic Control Devices" of the Standard Specifications.

Full compensation for conforming to the requirements of this Section shall be considered as included in the prices paid for the various Contract items of work and no additional compensation will be allowed therefore.

C.25) WATER POLLUTION CONTROL

Water pollution control work shall conform to the requirements in Section 7-1.01G, "Water Pollution," of the Caltrans Standard Specifications, and these Specifications.

As part of the water pollution control work, a Water Pollution Control Program, hereafter referred to as the "WPCP," is required for this contract. The WPCP shall be prepared in accordance with Caltrans Storm Water Quality Handbooks, SWPPP and WPCP Preparation Manual, current addition.

Implementation, inspection, maintenance and modification of the WPCP shall be in accordance with the Caltrans Storm Water Quality Handbooks, Construction Site Best Management Practice Field Manual and Trouble Shooting Guide, current addition.

Copies of the above Caltrans handbooks may be obtained from the Department of Transportation, Material Operations Branch, Publication Distribution Unit, 1900 Royal Oaks Drive, Sacramento, California 95815, Telephone: (916) 445-3520.

The Contractor shall become fully informed of, and comply with the applicable provisions of the Handbook and Federal, State and local regulations that govern the Contractor's operations and storm water discharges from both the project site and areas of disturbance outside the project limits during construction.

Unless arrangements for disturbance of areas outside the project limits are made by the City of Rancho Cordova and made part of the contract, it is expressly agreed that the City assumes no responsibility to the Contractor or property owner whatsoever with respect to any arrangements made between the Contractor and property owner to allow disturbance of areas outside the project limits.

The Contractor shall be responsible for the costs and for any liability imposed by law as a result of the Contractor's failure to comply with the requirements set forth in this section "Water Pollution Control" including, but not limited to, compliance with the applicable provisions of the Handbook and Federal, State and local regulations. For the purposes of this paragraph, costs and liabilities include but are not limited to fines, penalties and damages whether assessed against the City or the Contractor, including those levied under the Federal Clean Water Act and the State Porter Cologne Water Quality Act.

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Full compensation for conforming to the requirements of this section shall be considered as included in the prices paid for the various contract items of work involved and no additional compensation will be allowed therefore.

C.26) QUANTITIES

The quantities shown in the Bid are given to provide bidders with an indication of potential work and the order of magnitude and scope of work. The actual amount of work done under this contract may differ from the quantities shown. The City does not expressly or by implication agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount of any class or portion of the work or to omit portions of the work as directed by the Contract Manager.

Sections 4-1.03B, 4-1.03B(1), 4-1.03B(2) and 4-1.03B(3) of the Standard Specifications do not apply to this Contract and are not a part of this Contract.

C.27) MOBILIZATION

Mobilization shall be in accordance with Paragraph 11-1.01 "Description" of Section 11 "Mobilization" of the Standard Specifications. Full compensation for conforming to the requirements of this Section shall be considered as included in the prices paid for the various Contract items of work and no separate payment will be made therefore.

C.28) WORK ORDER

Requests for maintenance are made via a Work Order (WO). WO's are originated by City staff during normal City business hours in response to observed or reported maintenance deficiencies. While initial contact with the Contractor may be directly by phone, this will always be followed up with a written WO. Delivery of the written WO's shall be via e-mail and will be made directly to Contractor or designated Supervisor.

C.29) SLURRY SEAL

This work includes placing of type II slurry seal. The estimated quantities involved in this section are for bidding purposes only. The quantity may be extended, reduced or deleted at the discretion of the Contract manager with no change in unit price.

Slurry seal shall conform to the provisions in Section 37-2, "Slurry Seal," of the State Specifications and these special provisions.

The aggregate for slurry seal shall be Type II.

Polymer modified asphaltic emulsion shall be composed of a bituminous material uniformly emulsified with water and an emulsifying or stabilization agent and shall contain a polymer.

The polymer used in the manufacture of polymer modified asphaltic emulsions shall be at the option of the Contractor, either neoprene, or a copolymer of butadiene and styrene. The polymer used in the polymer modified asphaltic emulsion shall be homogenous and shall be milled into the product at the colloid mill.

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The polymer modified asphaltic emulsion shall be Grade PMCQS1h and shall conform to the following requirements:

Type	Cationic	
Grade	PMCQS1h	
Properties	Min.	Max
Tests on Emulsion:		
Viscosity SSF @ 25°C, sec	15	90
AASHTO Designation: T 59		
Sieve Test, %	—	0.30
AASHTO Designation T 539		
Storage Stability, 1 day, %	—	1
AASHTO Designation: T 59		
Residue by Evaporation, %	57	—
California Test 331		
Particle Charge	Positive	
AASHTO Designation: T 59		
Tests on Residue from Evaporation Test		
Penetration, 25°C	40	90
AASHTO Designation: T 49		
Ductility, 25°C, mm	400	—
AASHTO Designation: T 51		
Torsional Recovery, %	18	—
California Test 332		
or		
Polymer Content, %	2.5	—
California Test 401		

Note:

When the test for polymer content of polymer modified asphaltic emulsion is used, see sampling requirements in Section 94-1.03, "Sampling" of the Standard Specifications.

The Contractor shall be responsible for clearing grass from the edge of pavement and making minor roadway repairs in advance of the slurry seal operation.

The Contractor shall sweep the pavement and remove and dispose of all raised pavement markers no earlier than 2 days prior to the slurry seal operations, and shall cover and protect any raised traffic bars or utility covers from being coated, as directed by the Contract Manager. The City will replace the raised pavement markers and striping after the slurry seal operation is complete.

The Contractor shall be responsible for inspecting the street prior to performing the slurry seal operation to assure proper bonding. If the Contract Manager determines that additional

EXHIBIT A

sweeping is necessary, the Contractor shall schedule an additional sweeper as soon as possible at no cost to the City. The City shall be held free of any liability due to any delays experienced by the Contractor during the time a sweeper is scheduled and the sweeper finishes the work.

All striping and pavement legends on the road surface shall be scarified prior to placing chip seal. Scarification shall be performed by grinding or sandblasting such that approximately 30% of the underlying pavement is exposed. The bid price for slurry seal shall include this work and all pavement sweeping, and no additional compensation shall be allowed therefore

At least 24 hours prior to the beginning of slurry seal operations, the Contractor shall notify all residents, businesses, and agencies by an approved, written notice detailing streets and limits of work to be done and the hours of work. The Contractor shall, prior to the beginning of slurry seal operations, post streets that are to be worked upon with approved "No Parking - Tow Away" signs at 100-foot intervals. These signs shall state the day of the week and the hours of no parking.

To prevent blockage, existing slotted drain and drainage inlet grates shall be protected during and inspected following the slurry seal operations. If the slotted drain and drainage inlet grates are blocked as a result of the slurry seal operations, the Contractor shall remove the slurry seal materials from the inlet grates. Full compensation for protecting, inspecting and cleaning the grates shall be considered as included in the contract price paid per square foot of slurry seal and no additional compensation will be made therefore.

Payment for Slurry Seal shall be made per square foot of application, as measured in the field. Payment shall be at the contract unit price bid per square foot and shall include traffic control, surface preparation, application curing time and all labor and materials involved and no additional payment allowed therefore.

Quantities of material wasted or disposed of in a manner not called for under the contract, or rejected loads of material, including material rejected after it has been placed by reason of the failure of the Contractor to conform to the provisions of the contract, or materials placed outside the lines indicated from the transporting vehicle, or material remaining on hand after completion of the work, will not be paid for and such quantities will be deducted from the final total quantities. No compensation will be allowed for hauling rejected material.

C.30) CHIP SEAL

This work includes placing of a Chip Seal. The estimated quantities involved in this section are for bidding purposes only. The quantity may be extended, reduced or deleted at the discretion of the Contract Manager, with no change in unit price.

Chip seal coat shall be the medium fine type and shall conform to the provisions in Section 37-1, "Seal Coats," of the State Specifications and these special provisions.

Attention is directed to Section 6-3.02, "Testing By Contractor," of the State Specifications. The name of an independent testing laboratory that participates in the AASHTO Proficiency Sample

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Program shall be submitted to the Contract Manager for approval at least 10 days before beginning chip seal operations. The independent testing laboratory shall conduct quality control testing on the polymer modified asphaltic emulsion for viscosity, sieve, demulsibility, and torsional recovery properties within 3 business days of sampling. The results shall be submitted to the Contract Manager within 7 days of the receipt of the samples. Within 10 days of beginning the chip seal operation, the Contractor's independent testing laboratory shall conduct the Vialit Test Method for aggregate in Chip Seals, French Chip for the retention requirement and submit a signed copy of a test results report to the Contract Manager and to:

City of Rancho Cordova
Department of Public Works
2729 Prospect Park Drive
Rancho Cordova CA, 95670

The report will not be considered for acceptability testing. The Vialit Test Method is available at: <http://www.dot.ca.gov/hq/esc/ctms/index.html>

Asphalt emulsion for the seal coat shall be Grade PMCRS-2h cationic polymer modified asphaltic emulsion.

The polymer used to produce polymer modified asphaltic emulsion shall be an elastomeric polymer.

The polymer modified asphaltic emulsion shall be thoroughly circulated in the truck prior to obtaining a sample. The samples shall be taken from the distributor truck at mid-load or from a sampling tap or thief. Before the samples are taken, one gallon shall be drawn from the sampling device and discarded. Two separate 0.5-gallon samples shall be taken in the presence of the Contract Manager. The Contractor shall provide one sample to the Contractor's approved independent testing laboratory in an insulated shipping container, within 24 hours of sampling. The second sample shall be given to the Contract Manager in an insulated shipping container, within 24 hours of sampling. Polymer modified asphaltic emulsion and screenings shall meet a 90 percent retention requirement, when tested in conformance with the requirements in the Vialit Test Method for aggregate in Chip Seals, French Chip.

In addition to the Test on Residue from Evaporation Test for asphaltic emulsion Grades PMRS2, PMRS2h, PMCRS2 and PMCRS2h in Table 3 of the Requirements for Polymer Modified Asphaltic Emulsion in Section 94-1.04, "Method of Test," of the State Specifications, the following shall apply:

- A. The penetration at 59° F (7 ounces for 60 seconds) shall be minimum of 6, when determined in conformance with the requirements in AASHTO Designation: T 49.
- B. The requirement for Elastic Recovery shall be Report Only, when determined in conformance with the requirements in AASHTO Designation: T 301.
- C. Polymer Content, percent (by weight) shall not apply.

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D. Ring and Ball Softening Point temperature shall be a minimum of 135°F in conformance with the requirements in AASHTO Designation: T 53, for Test on Residue from Evaporation.

Test results for polymer modified asphaltic emulsion not within the allowable ranges specified, based upon the Engineer's tests, will be assessed a pay factor value in increments as follows:

Pay Factor Value Table

Test Method and Property	Increment	Pay Factor Value
Test on polymer modified asphaltic emulsion		
AASHTO Designation: T 59 (Viscosity SSF at 50°C)	each 10 seconds above max. or below min	1
AASHTO Designation: T 59 (Settlement, 5 days percent)	each 1.5 percent above max.	1
AASHTO Designation: T 59 (Sieve test, percent max.)	each 0.2 percent above max	1
AASHTO Designation: T 59 (Demulsibility percent)	each 2 percent below min.	1
Test on Residue from Evaporation Test		
AASHTO Designation: T 49 (Penetration, 15°C)	each 2 dm above max. or below min	1
ASTM Designation: D 36 (Field softening point °C)	2°C below min	1
California Test 332 Torsional Recovery	For each one increment below the min. value of 18, or	1
	For each two increments below the min. value of 18, or	3
	For each three or more increments below the min. value of 18	10
Improper sampling (see note)		1

Note:

Improper sampling shall also include samples that are sampled in inappropriate sample containers, or shipped in inappropriate containers.

If test results for polymer modified asphaltic emulsion are not within the allowable ranges, specified seal coats shall be removed. However, if requested in writing by the Contractor and approved by the Contract Manager, the seal coat containing total pay factor values of not more than 20 may remain in place. The Contractor shall pay to the City the following amount for the asphaltic emulsion represented by the tests and left in place.

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Total Pay Factor	Payment to City
0	none
1 - 2	\$5.00 per ton
3 - 5	\$10.00 per ton
6 - 9	\$15.00 per ton
10 - 14	\$25.00 per ton
15 - 20	\$50.00 per ton

At least 90 percent by weight of the screenings shall consist of crushed particles as determined by California Test 205. A crushed particle is defined as a particle having 2 or more fresh mechanically fractured faces.

The percentage composition by weight of screenings shall conform to the following grading:

Medium Fine 5/16" max. size

Sieve Sizes	Percentage Passing
3/4"	—
1/2"	—
3/8"	100
No. 4	0 - 50
No. 8	0 - 15
No. 16	0 - 5
No. 30	0 - 3
No. 200	0 - 2

Cleanness Value quality requirement of screenings shall be 86 minimum in conformance with the requirements in California Test 227.

Cleanness Value test results for screenings below 86, will require that the seal coat represented by the test shall be removed. However, if requested in writing by the Contractor and approved by the Contract Manager, seal coat containing screenings with a Cleanness Value below 86, but not less than 75, may remain in place. The Contractor shall pay to the City the following amount for the screenings represented by the test and left in place:

Cleanness Value	Payment to City
86 or over	None
81 - 84	\$2.20 per ton
77 - 80	\$4.40 per ton
75 - 76	\$6.60 per ton

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When the results of tests for polymer modified asphaltic emulsion and the aggregate grading and Cleanness Value requirements for screenings do not conform to the requirements specified, each payment to the City shall apply. The City may deduct these amounts from any moneys due, or that may become due, the Contractor under the contract. No single test for polymer modified asphaltic emulsion shall represent more than 55 tons or one day's production, whichever is smaller. No single aggregate grading or Cleanness Value test shall represent more than 303 tons or one day's production, whichever is smaller.

The Contractor shall be responsible for clearing grass from the edge of pavement before the Contractor performs the chip seal, and making minor roadway repairs in advance of the chip seal operation.

The Contractor shall sweep the pavement and remove and dispose of all raised pavement markers no earlier than 2 days prior to the chip seal operations, and shall cover and protect any raised traffic bars or utility covers from being coated, as directed by the Contract Manager. The City will replace the raised pavement markers and striping after the chip seal operation is complete.

The Contractor shall be responsible for inspecting the street prior to performing the chip seal operation to assure proper bonding. If the Contract manager determines that additional sweeping is necessary, the Contractor shall schedule an additional sweeper as soon as possible at no cost to the City. The City shall be held free of any liability due to any delays experienced by the Contractor during the time a sweeper is scheduled and the sweeper finishes the work.

All striping and pavement legends on the road surface shall be scarified prior to placing chip seal. Scarification shall be performed by grinding or sandblasting such that approximately 30% of the underlying pavement is exposed. The bid price for the chip seal shall include this work and all pavement sweeping, and no additional compensation shall be allowed therefore.

Polymer modified asphaltic emulsion shall not be placed when the ambient air temperature is expected to fall below 39° F within 24 hours after placement.

The maximum length of seal coat operations at any one location, including pilot-car-assisted traffic control, shall be limited to 1 mile. The minimum space between successive seal coat operations on the lanes in the same direction of travel shall be 5 miles.

Payment for Chip Seal shall be made per square foot of application, as measured in the field. Payment shall be at the contract unit price bid per square foot and shall include traffic control, surface preparation, application curing time and all labor and materials involved and no additional payment allowed therefore.

Quantities of material wasted or disposed of in a manner not called for under the contract, or rejected loads of material, including material rejected after it has been placed by reason of the failure of the Contractor to conform to the provisions of the contract, or materials placed outside the lines indicated from the transporting vehicle, or material remaining on hand after

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completion of the work, will not be paid for and such quantities will be deducted from the final total quantities. No compensation will be allowed for hauling rejected material.

C.31) MICRO-SURFACING

This work includes mixing a polymer modified cationic micro-surfacing emulsion (MSE), water, additives, mineral filler, and aggregate and spreading the mixture on pavement. The estimated quantities involved in this section are for bidding purposes only. The quantity may be extended, reduced or deleted at the discretion of the Contract Manager, with no change in unit price.

At least 10 days before starting micro-surfacing, a mix design and a mix design report of laboratory tests performed for the micro-surfacing materials must be submitted. A representative of the laboratory performing the mix design and tests must sign the report. The Contract Manager shall review and approve the submittal before starting micro-surfacing.

Materials shall not be substituted after the mix design is approved unless the substitute materials are laboratory-tested and a new mix design and report is submitted. Substitute materials shall not be used until the Contract manager approves the mix design for those materials.

A Certificate of Compliance with each MSE shipment must be submitted as specified for asphaltic emulsion in Section 94-1.05, "Test Report," of the State Specifications.

Before micro-surfacing activities start, submit the name of a person authorized to communicate with the Contract Manager about days when unsuitable weather conditions prevent micro-surfacing.

A mix design consists of performing tests to determine the optimum mix proportions and micro-surfacing qualities. Use a laboratory to perform the mix design. The component materials used in the mix design must have the same qualities as the micro-surfacing materials used.

The mix design proportions must comply with:

Micro-Surfacing Mix Design Proportion Limits

Material	Proportion Limits
MSE residual asphalt	5.5 - 9.5% of aggregate dry weight
Water and additives	No limit
Mineral filler	0 - 3% of aggregate dry weight

The laboratory must be capable of performing International Slurry Surfacing Association (ISSA) tests. The mix design must comply with:

EXHIBIT A**Micro-Surfacing Mix Design Tests**

Property	ISSA Method ^a	Test	Specification
Wet Cohesion @ 30 minute (set), minimum, kg-cm @ 60 minute (traffic), minimum , kg-cm	TB 139		12 20
Excess asphalt, maximum, g/m ²	TB 109		540
Wet stripping, minimum, %	TB 114		90
Wet track abrasion loss 6-day soak, maximum, g/m ²	TB 100		810
Displacement Lateral, maximum, % Specific gravity after 1000 cycles of 57 kg, maximum	TB 147A		5 2.10
Classification compatibility, minimum, grade points	TB 144		(AAA, BAA) 11
Mix time @ 25 °C, minimum	TB 113		Controllable to 120 seconds

Note:

^a TB = Technical Bulletin

The mix design report must include:

1. Test results used in the mix design
2. Based on the aggregate's dry weight, the proportions of:
 - 2.1. Aggregate
 - 2.2. Water, minimum and maximum
 - 2.3. Additives
 - 2.4. Mineral filler, minimum and maximum
 - 2.5. MSE residual asphalt content, minimum and maximum
3. Based on heating the mixture to 100 °F and mixing for 60 seconds, any recommended changes to the proportions of:
 - 3.1. Water
 - 3.2. Additives
 - 3.3. Mineral filler

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Do not recommend these changes when nighttime applications are specified or when atmospheric temperatures below 90 °F are forecast for daytime applications.

4. A comparison of each individual material's test results to its specified values. The Engineer accepts mix design reports prepared within the previous 12 months of this project's mix design report submittal if the test results are for the same materials.
5. The quantitative moisture effects on the aggregate's unit weight determined under ASTM C 29M.

In the presence of the Contract Manager, calibrate each truck mounted mixer-spreader used. Notify the Contract Manager at least 5 business days before calibrating. Calibration must comply with the Caltrans' Material Plant Quality Program (MPQP).

If a truck mounted mixer-spreader is approved, its calibration is valid for 6 months provided:

1. The same truck verified with a unique identifying number is used
2. The same materials in compliance with the approved mix design is used
3. No repair or alteration to the proportioning systems is performed

Before using a variable rate emulsion pump, the pump must be calibrated and sealed in the calibrated condition under the MPQP.

Each aggregate grading and sand equivalent test must not represent more than the lesser of 300 tons or 1 day's micro-surfacing production.

MSE consists of asphalt, polymer, and emulsifier solution. MSE must be homogenous.

Add polymer modifier to asphalt or emulsifier solution before emulsification. Polymer solids must be a minimum 3 percent by weight of MSE residual asphalt.

MSE must comply with:

Micro-Surfacing Emulsion

Property	Test Method	Specification
Viscosity @ 25 °C, SSF	AASHTO T 59	15 - 90 seconds
Sieve Test, maximum	AASHTO T 59	0.30%
Settlement, 5 days, maximum ^a	ASTM D 244	5%
Storage Stability, 1 day, maximum	AASHTO T 59	1%
Residue by Evaporation, minimum	California Test 331	62%

Note:

^a Waived if used within 48 hours of shipment.

EXHIBIT A

Residue by evaporation must comply with:

Micro-Surfacing Emulsion Residue By Evaporation

Property	Test Method	Specification
G* @ 20 °C, 10 rad/sec, MPa	AASHTO T 315	Report Only
Penetration @ 25 °C	AASHTO T 49	40 - 90
Phase Angle @ 50 °C, 10 rad/sec, PA (maximum) - PA base	AASHTO T 315	Report Only
Softening Point, minimum, °C	AASHTO T 53	57
Stiffness @ -12 °C, MPa, and M-value	AASHTO T 313	Report Only

Water or additives must not cause MSE to separate from micro-surfacing during application.

If portland cement is used as mineral filler, it must be any combination of Type I, Type II, or Type III cement under Section 90-2.01A, "Cement," of the State Specifications.

Aggregate must be free of:

1. Vegetable matter
2. Deleterious substances
3. Clay lumps
4. Oversized particles

Aggregate must be Type II. If aggregate from different sources are blended, each source's aggregate must comply with the aggregate specifications except grading.

Aggregate grading must comply with:

Aggregate Grading

Sieve Sizes	Percentage Passing	
	Type II	Type III
3/8 in.	100	100
No. 4	94 - 100	70 - 90
No. 8	65 - 90	45 - 70
No. 16	40 - 70	28 - 50
No. 30	25 - 50	19 - 34
No. 200	5 - 15	5 - 15

Aggregate properties excluding mineral filler must comply with:

EXHIBIT A**Micro-surfacing Aggregate**

Property	California Test	Specification
Sand equivalent, minimum	217	65
Durability index, minimum	229	65
Percentage of crushed particles, minimum ^a	205	95%
Los Angeles Rattler Loss at 500 rev., maximum ^b	211	35%

Notes:

^a Crushed particles must have at least 1 fractured face.^b California Test 211 must be performed on the parent aggregate before crushing.

The Contractor shall be responsible for clearing grass from the edge of pavement before the Contractor performs micro-surfacing, and making minor roadway repairs in advance of the micro-surfacing operation.

The Contractor shall sweep the pavement and remove and dispose of all raised pavement markers no earlier than 2 days prior to the micro-surfacing operations, and shall cover and protect any raised traffic bars or utility covers from being coated, as directed by the Contract Manager. The City will replace the raised pavement markers and striping after the micro-surfacing operation is complete.

The Contractor shall be responsible for inspecting the street prior to performing the micro-surfacing operation to assure proper bonding. If the Contract Manager determines that additional sweeping is necessary, the Contractor shall schedule an additional sweeper as soon as possible at no cost to the City. The City shall be held free of any liability due to any delays experienced by the Contractor during the time a sweeper is scheduled and the sweeper finishes the work.

All striping and pavement legends on the road surface shall be scarified prior to placing micro-surfacing. Scarification shall be performed by grinding or sandblasting such that approximately 30% of the underlying pavement is exposed. The bid price for the micro-surfacing shall include this work and all pavement sweeping, and no additional compensation shall be allowed therefore.

Using the approved mix design, the micro-surfacing materials shall be proportioned by volume.

Field conditions may require adjustments during construction. The Contract Manager's approval before adjusting proportions must be obtained.

A belt feeder with an adjustable cutoff gate must proportion aggregate. The gate opening height must be determinable.

EXHIBIT A

For the aggregate belt feeder, the delivery rate for any individual check run must not deviate more than 2 percent from the average of the rates of 3 runs of at least 3 tons each.

The MSE must be proportioned using a positive displacement pump.

For the emulsion pump, the delivery rate for any individual check run must not deviate more than 2 percent from the average of the rates of 3 runs of at least 300 gallons each.

At the option of the contractor, a continuous self-loading mixing machine or a truck mounted mixer-spreaders may be used.

In areas that could not be reached by spreading equipment, the micro-surfacing mixture may be spread with hand tools. If micro-surfacing is placed with hand tools, first lightly dampen the area. Do not handle or shift the mixture.

Continuous self-loading mixing machine must be automatically sequenced and self-propelled. The mixing machine must deliver the micro-surfacing materials to a double shafted mixer and discharge the mixed product on a continuous flow basis. The mixing machine must have sufficient storage capacity for the micro-surfacing materials to maintain a continuous supply to the proportioning controls. The mixing machine must be self-loading without interrupting the micro-surfacing application. The mixing machine operator must have full control of forward and reverse speeds during application.

Truck mounted mixer-spreaders must proportion micro-surfacing materials by volume and mix them in continuous pugmill mixers. Before starting mixing and spreading activities, the truck mounted mixer-spreader must demonstrate:

1. Rotating and reciprocating equipment are covered with metal guards.
2. Indicators work and are visible while walking alongside the truck mounted mixer-spreader.
3. Low-flow and no-flow devices work.
4. The aggregate feeder's drive shaft is equipped with a revolution counter that reads to the nearest 0.10 of a revolution.

Aggregate feeders must be connected directly to the drive on the emulsion pump.

Truck mounted mixer-spreaders must display identifying numbers at least 3 inches in height on the front and rear of the truck.

The emulsion storage tank must have a thermometer at the pump suction level measuring the MSE temperature to within 10 °F accuracy.

The belt feeder delivering aggregate to the pugmill must have a device monitoring the aggregate depth. The device must automatically shut down the power to the belt feeder if the

EXHIBIT A

aggregate depth is less than the target depth. If the aggregate delivery belt is not an integral part of the drive chain, a second device must detect belt movement by monitoring revolutions of the belt feeder. The second device must automatically shut down power to the belt feeder if movement is interrupted. For both devices, shutdown may be delayed 3 seconds from sensing to allow for normal fluctuations.

Spreader box must be capable of spreading the micro-surfacing a minimum of 12 feet wide and preventing the loss of micro-surfacing. Spreader boxes over 8 feet in application width must have a device, such as baffles or reversible motor driven augers, to ensure uniform application on super-elevated sections and shoulder slopes. Clean micro-surfacing and MSE from the spreader box before each work shift.

The spreader box must have a series of strike-off devices at its rear.

The leading strike-off device must be:

1. Fabricated of a suitable material such as steel or stiff rubber
2. Designed to maintain close contact with the pavement during spreading
3. Capable of obtaining the specified thickness
4. Capable of being adjusted to the various pavement cross sections

The final strike-off device must be:

1. Fabricated of flexible material that produces a uniform texture in the finished surface
2. Cleaned daily and changed if longitudinal scouring occurs in the micro-surfacing

Flexible drags attached to the rear of the spreader box must not be used.

Spread micro-surfacing on shoulders with a device such as an edge box that forms clean and straight joints and edges.

Spread scratch course with the same type spreader box used to spread micro-surfacing except use an adjustable steel strike-off device instead of a final strike-off device.

Wheel path depression (rut) boxes must have adjustable strike-off devices between 5 feet and 6 feet wide that regulate depth. The rut box must also have devices such as hydraulic augers capable of:

1. Moving the mixed material from the rear to the front of the filling chamber
2. Guiding larger aggregate into the deeper section of the wheel path depression
3. Forcing the finer material towards the outer edges of the spreader box

Micro-surfacing may only be placed if both the pavement and air temperatures are at least 45°F and rising. Do not place micro-surfacing if either the pavement or air temperature is below 50°F and falling.

EXHIBIT A

Micro-surfacing must not be placed if rain is imminent or the air temperature is expected to be below 36°F within 24 hours after placement.

Construct a micro-surfacing test strip:

1. From 300 to 450 feet long
2. The same as the full production micro-surfacing
3. On one of the application courses specified at a location approved by the Contract Manager
4. At the same time of day or night the full production micro-surfacing is to be applied

If multiple application courses are specified, construct test strips over 2 days or nights.

The Contract manager evaluates the test strip after traffic has used it for 12 hours. If the Contract Manager determines the mix design or placement procedure is unacceptable, modify and construct a new test strip for the Contract Manager's evaluation.

Remove loose particles of extraneous materials including paving and dirt by any non-destructive method including flushing or sweeping.

Fog spray the roadway surface with water ahead of the spreader box. The fog spray must be adjusted for pavement:

1. Temperature
2. Surface texture
3. Dryness

If repair wheel path depression is specified, before spreading micro-surfacing, fill wheel path depressions and irregularities with micro-surfacing material. If the depressions are less than 0.04 foot deep, fill with a scratch course. If the depressions are 0.04 foot deep or more, fill with a wheel path depression (rut) box.

Spread scratch course by adjusting the steel strike-off of a scratch course box until it is directly in contact with the pavement surface.

Spread micro-surfacing with a rut box leaving a slight crown at the surface. Multiple applications to fill depressions more than 0.12 foot deep may be used. Single application more than 0.12 foot deep will not be allowed.

Allow traffic to compact each wheel path depression application for a minimum of 12 hours before placing additional micro-surfacing.

Spread micro-surfacing in compliance with:

EXHIBIT A**Micro-surfacing Spread Rates**

Micro-surfacing Type	Location	Spread Rate Range (pounds of dry aggregate per sqyd)
Type II	Full Lane Width	10 - 20
Type III ^a	Full Lane Width	20 - 32
Type III ^b	Full Lane Width	30 - 32

Notes:

^a Over asphalt concrete pavement^b Over portland cement concrete pavement and concrete bridge decks

Spread micro-surfacing either in the direction of traffic or in the opposite direction. Hand tools must be available to remove spillage.

Construct longitudinal and transverse joints on micro-surfacing that are:

1. Uniform
2. Straight
3. Neat in appearance
4. Butt-type joints
5. Without material build-up
6. Without uncovered areas

Place longitudinal joints:

1. On centerlines, lane lines, edge lines, or shoulder lines
2. With overlaps not more than 3 inches

Set the leading edge of roofing felt on transverse joints to create a straight butt-joint with the next application when the roofing felt is removed.

The maximum difference between the pavement surface and the bottom edge of a 12 foot straightedge placed perpendicular to the joint must be:

1. 0.04 foot for longitudinal joints
2. 0.03 foot for transverse joints

Finish micro-surfacing to be free of irregularities such as scratch or tear marks. Up to 4 marks that are 1/2 inch or more wide and 6 inches or more long per 75 linear feet of micro-surfacing placed may be left. Marks that are over 1 inch wide or 6 inches long shall not be left.

Sweep micro-surfacing 24 hours after placement without damaging micro-surfacing. For 5 days afterward, sweep micro-surfacing daily.

EXHIBIT A

If bleeding, raveling, delaminating, rutting, or washboarding occurs after placing the micro-surfacing, make repairs using a method approved by the Contract Manager.

Payment for Micro-Surfacing shall be made per square foot of application, as measured in the field. Payment shall be at the contract unit price bid per square foot and shall include traffic control, surface preparation, application curing time and all labor and materials involved and no additional payment allowed therefore.

Quantities of material wasted or disposed of in a manner not called for under the contract, or rejected loads of material, including material rejected after it has been placed by reason of the failure of the Contractor to conform to the provisions of the contract, or materials placed outside the lines indicated from the transporting vehicle, or material remaining on hand after completion of the work, will not be paid for and such quantities will be deducted from the final total quantities. No compensation will be allowed for hauling rejected material.

MEMORANDUM

DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Kerry Simpson, Neighborhood Services Manager
Jessica Crone, Accounting Technician



SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 15-M0111-3 TO THE MEMORANDUM OF UNDERSTANDING FOR PROBATION SERVICES BETWEEN THE CITY AND THE COUNTY OF SACRAMENTO IN THE AMOUNT OF \$149,345 ANNUALLY

RECOMMENDATION

Adopt Resolution No. 65-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will allow the City to extend for one year the contract with the Sacramento County Probation Department to provide the services of two Probation Officers (POs) to the City of Rancho Cordova to act as liaisons between these agencies and to coordinate with other agencies and community-based organizations as part of the Rancho Cordova Community Alliance project.

BACKGROUND

The purpose and goal of amending this MOU is to continue providing the services of two Probation Officers (POs) to the City of Rancho Cordova to act as liaisons between these agencies and to coordinate with other agencies and community-based organizations as part of the Rancho Cordova Community Alliance project.

The Rancho Cordova Community Alliance Project strives to accomplish the citywide goals outlined in the "Growing Strong Neighborhoods" project:

- Promote the positive image of Rancho Cordova
- Ensure a safe, inviting and livable community
- Empower responsible citizenship
- Ensure the availability of the best public services in the region while practicing sound financial management
- Drive diverse economic opportunities

ATTACHMENT

Resolution No. 65-2014, including Exhibit A – Contract No. 66-2012-2.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 65-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT
NO. 15-MO111-3 TO THE MEMORANDUM OF UNDERSTANDING FOR PROBATION
SERVICES BETWEEN THE CITY AND THE COUNTY OF SACRAMENTO IN THE
AMOUNT OF 149,345 ANNUALLY**

WHEREAS, on July 1, 2012 the City entered a memorandum of understanding (hereinafter "MOU"), with the Probation Department of the County of Sacramento, California, (hereinafter "PROBATION"); and

WHEREAS, the MOU was entered into to provide the services of two Probation Officers (POs) to the City of Rancho Cordova to act as liaisons between these two agencies and to coordinate with other agencies and community-based organizations as part of the Rancho Cordova Community Alliance project; and

WHEREAS, the City and PROBATION now seek to amend the contract agreement for one year to provide that the rate commencing July 1, 2014 shall be in the amount of \$149,345 annually for PROBATION to continue to provide these services to City.

NOW THEREFORE, the City Council of the City of Rancho Cordova hereby resolves that: The City Council authorizes the City Manager to execute Amendment No. 15-MO111-3 to the MOU between the City and PROBATION, attached hereto as Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this _____ day of _____ 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

2286290.1

SACRAMENTO COUNTY
Probation Department

Adult Field Services
City of Rancho Cordova

AMENDMENT NO. 15-M0111-3 WITH CITY OF RANCH CORDOVA FOR PROBATION SERVICES

This AMENDMENT NO. 15-M0111-3 is made and entered into this 1st day of July, 2014, by and between the Probation Department of the County of Sacramento, hereinafter referred to as "PROBATION," and the City of Rancho Cordova, hereinafter referred to as "RANCHO CORDOVA."

RECITALS

WHEREAS, PROBATION and RANCHO CORDOVA have previously entered into Memorandum of Understanding (MOU) Number 13-M0111 on July 1, 2012, and MOU Amendment No. 14-M0111-2 on July 1, 2013, to provide Deputy Probation Officer services to RANCHO CORDOVA in support of the Rancho Cordova Community Alliance Project; and

WHEREAS, the Board of Supervisors authorized the CHIEF PROBATION OFFICER to enter into this MOU on behalf of COUNTY by Resolution 2012-0770; and

WHEREAS the above Resolution also authorizes the CHIEF PROBATION OFFICER to renew this MOU on substantially similar terms and conditions for two additional one-year terms; and

WHEREAS, Section V.C. of the MOU, stated "This MOU may be renewed for two additional one-year terms, subject to the availability of funding, in substantially similar form and terms and by mutual written agreement of the parties"; and

WHEREAS, PROBATION and RANCHO CORDOVA desire to renew said MOU by extending the term of the MOU for an additional one-year term, and;

NOW, THEREFORE, the MOU is renewed and amended as follows:

I. RESPONSIBILITIES

The responsibilities of PROBATION and RANCHO CORDOVA shall remain the same as stated in Section II. of MOU No. 13-M0111.

II. TERM

The term shall be extended from July 1, 2012, through June 30, 2015, for the third and final year of a possible three-year term.

**SACRAMENTO COUNTY
Probation Department**

**Adult Field Services
City of Rancho Cordova**

III. FISCAL PROVISIONS

- A. For fiscal year 2014-2015, RANCHO CORDOVA shall pay PROBATION for the annual cost of one Full-Time Equivalent (FTE) Senior Deputy Probation Officer in the amount of \$149,345.
- B. All other fiscal provisions shall remain the same as stated in Section VI. of MOU No. 13-M0111

IV. REAFFIRMATION

In all other respects, the above referenced MOU, as amended, remains in full force and effect.

V. ENTIRE MOU

This MOU, as amended, and any attachments hereto, constitute the entire understanding between PROBATION and RANCHO CORDOVA concerning the subject matter contained herein.

VI. EFFECTIVE DATE

This AMENDMENT shall be deemed effective as of the date first written above.

(continued on the following page)

SACRAMENTO COUNTY
Probation Department

Adult Field Services
City of Rancho Cordova

IN WITNESS WHEREOF, this MOU Amendment Number 15-M0111-3 has been executed by and on behalf of the parties hereto, the day and year first above written.

SACRAMENTO COUNTY
PROBATION DEPARTMENT
("PROBATION")

CITY OF RANCHO CORDOVA
("RANCHO CORDOVA")

LEE SEALE,
Chief Probation Officer

JOE CHINN
Interim City Manager

Date

Date

Execution of this MOU Delegated
By Board Resolution Number:

2012-0770

Reviewed and Approved by
County Counsel:

Approved as to form by
City Attorney:


Rick Heyer
Deputy County Counsel

Adam Lindgren
City Attorney

5-28-14

Date

Date

Purchase Order	**CHANGE ORDER**
Purchase Order No.	PO2013-00138
Date	11/28/2012

SACRODOL

COPY

^a Changed Since the Previous Revision

L/N	Item Number	Description	Req. Date	U/M	Ordered	Unit Price	Ext. Price
Shipping Method		Reference Number	FOB				
1	MOU	MOU-PROBATION SERVICES	7/1/2012	Each	157,090.00	\$1.00	\$157,090.00
G/L ACCT: 1000-6025-54199							
^2	MOU	FY13/14 MOU-PROBATION SERVICES	7/1/2013	Each	144,995.00	\$1.00	\$144,995.00
G/L ACCT: 1000-6025-54199							
						Subtotal	\$302,085.00
						Trade Discount	\$0.00
						Freight	\$0.00
						Miscellaneous	\$0.00
						Tax	\$0.00
						Order Total	\$302,085.00

AGENDA ITEM 8.15

Purchase Order	**CHANGE ORDER**
Purchase Order No.	PO2013-00138
Date	11/28/2012

County of Sacramento, Probation Department
9750 Business Park Drive, Suite 220
Sacramento CA 95827

^a Changed Since the Previous Revision

Authorized Signature

City of Rancho Cordova Contract Routing Form

Complete all fields and use n/a if not applicable.

- Contractor/Company name: Sacramento County Probation Department
- Services to be Provided (Description for PO): Two probation officers to serve as liaisons between agencies
- Resolution Number and Council Adoption Date: N/A
- Responsible Person and Department: Kerry Simpson, Neighborhood Services Manager

5. Contract Activity:

	Contract #	Amount	Expiration	Cumulative Amount
Original	66-2012	\$157,090	6/30/13	\$157,090
Amendment 1	66-2012-1	\$144,995	6/30/14	\$302,085
Amendment 2	66-2012-2	\$149,345	6/30/15	\$451,430
Amendment 3				

- ☒ W-9 Attached or on file ☐ 590 Attached or on file

- Budget Expense Account Number: 1000-6025-54199
- Project Number: N/A
- Grant Number: N/A (attach Grantor Procurement Requirements)
- PO Number: Previous PO20013-00138 Vendor ID: _____

10. Competitive Bid Process (choose 1)

- ☐ Publically Bid (Clerk initials that documents are on file: _____)
- ☐ Informal Bid (Evidence attached. Required for purchase of supplies/equipment greater than \$20,000.)
- ☒ Not Required. Why? Probation work MOU

11. Department Head Initial and Date: 6/2/14

12. Risk Manager Initial and Date: _____

- ☐ Standard required insurance with endorsement attached
- ☐ List modified insurance:
- ☐ General _____ ☐ Auto _____
- ☐ Professional _____ ☐ Workers Compensation _____
- Justification: _____
- (attach approval e-mail or checklist)

13. City Attorney Review Initial and Date: _____

(Check One)

- ☐ Professional Services Agreement - Amendment (PSA-A) Template Used
- ☐ Professional Services Agreement (PSA) Template Used
- ☐ Professional Services Agreement - Short Form (PSA-S) Template Used
- ☐ General Services Agreement (GSA) Template Used
- ☐ Construction Services Agreement (CSA) Template Used
- ☐ Franchise Agreement
- ☒ Custom Agreement AND E-mail Approval is Attached
- ☐ City Attorney Drafted AND E-mail Approval is Attached
- ☐ City Attorney Reviewed AND E-mail Approval is Attached
- ☐ Modification of Template AND Redline of Changes to Template is Attached

Routing Notes:

County of Sacramento has asked that three fully-executed copies be sent to:
County of Sacramento Probation Dept.
Attn: David McFarland
9750 Business Park Drive, Suite 220
Sacramento, Ca 95827
Email approval by Donna Silva previously submitted last year.
Thank you.

RECVD 6/3

CMPL 6/3

INTL EP

Rev. 4-17-13

= if template modified at all, include redline version • = document attached

"P:\Contracts\Contract Routing Transmittal Form.pdf"

MEMORANDUM

DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator
Peter Ibrahim, Housing Services Assistant



SUBJECT: ADOPTION OF A RESOLUTION APPROVING ISSUANCE OF MULTIFAMILY REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY IN SUPPORT OF AN AFFORDABLE 48 UNIT SENIORS DEVELOPMENT, HORIZONS AT NEW RANCHO. NO NEW CITY DEBT OBLIGATION ASSOCIATED WITH THIS RESOLUTION.

RECOMMENDATION

Adopt Resolution 54-2014

RESULT OF RECOMMENDED ACTION

Upon approval of the proposed financing, bonds can be issued to Urban Housing Communities, LLC in an amount not to exceed \$7.5 Million as a construction loan supporting the Horizons project.

ADVANCES GOALS: 1, 2, 3, and 6

BACKGROUND

The City Council is being asked to adopt a resolution which would approve the issuance of multifamily housing revenue bonds (the "Bonds") by the California Statewide Communities Development Authority ("CSCDA") for the purpose of financing construction of an affordable senior residential housing development to be located in the City (the "Project"). The purpose of the resolution is to authorize the financing to meet a requirement of the Internal Revenue Code of 1986 (the "Code"). The adoption of this resolution is one of the first steps in the process of financing the proposed Project. Prior to the issuance of bonds the Project will need to receive "private activity bond" allocation from the California Debt Limit Allocation Committee (CDLAC) and CSCDA will be required to adopt a resolution which would approve the execution and delivery of certain bond documents that will reflect the terms of the Bonds.

The Code requires that the "applicable elected representatives" of the jurisdiction in which a project to be financed with "private activity bonds" is situated adopt a resolution approving the issuance of such "private activity bonds" after holding a public hearing which has been noticed in a newspaper of general circulation in such jurisdiction. The City Council is being asked to hold such public hearing which has been noticed as

required by the Code. The proposed resolution would act as the approval by the “applicable elected representatives” with respect to the proposed Project. The CDLAC application for “private activity bond” allocation for a multifamily housing project requires the inclusion of the approval resolution. If the City Council adopts this resolution, CSCDA will proceed with the submission to CDLAC of an application for “private activity bond” allocation for the purpose of financing the construction of the Project.

As announced in the published notice, this hearing is simply an opportunity for all interested persons to speak or to submit written comments concerning the proposal to issue the debt and the nature or location of the Project. There is no obligation on the part of the City Council to respond to any specific comments made or submitted.

The City would not be a party to the financing documents. As set forth in Section 9 of the Amended and Restated Joint Exercise of Powers Agreement of CSCDA, the debt would not be secured by any form of taxation, or by any obligation of either the City or CSCDA. Neither would the debt represent or constitute a general obligation of either the City or CSCDA. Pursuant to the governing California statutes and the JPA Agreement, a member of CSCDA is not responsible for the repayment of obligations incurred by CSCDA. The debt would be payable solely from amounts received pursuant to the terms and provisions of financing agreements to be executed by the Developer of the proposed facility. In the financing documents the Developer will also provide comprehensive indemnification to CSCDA and its members, including the City.

The City’s membership in the CSCDA bears with it no cost or other financing obligation, but serves as a public acknowledgement by the host jurisdiction of the Project financing.

FISCAL IMPACT

The Bonds would be tax-exempt private activity bonds for the purposes of the Internal Revenue Code and, as such, require the approval of the elected body of the governmental entity having jurisdiction over the area where the project to be financed is located. The City will not be under any obligation to repay the Bond indebtedness. This action does not create any additional debt. Upon approval of the Bond financing, the City can proceed with the additional actions required to support the 48–unit senior project, Horizons at New Rancho, including application for both a \$5.5 million HOME grant from the State of California and 4% Tax Credits. With the exception of Redevelopment Agency and City Low Income Housing Trust funds used to assemble the land, this \$14.2 million dollar development is to be financed nearly completely with non-City/Agency funds.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 54-2014

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO
CORDOVA APPROVING THE ISSUANCE OF MULTIFAMILY REVENUE
BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY IN SUPPORT OF AN AFFORDABLE 48 UNIT SENIORS
DEVELOPMENT, HORIZONS AT NEW RANCHO.**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized by the laws of the State of California (the "Law") to execute and deliver multifamily housing revenue obligations for the purpose of financing the acquisition, construction and development of multifamily residential rental facilities located within the area of operation of the Authority which are to be occupied, in part, by very low and low income tenants; and

WHEREAS, UHC 00575 Rancho Cordova, LP, or a limited liability company or limited partnership to be formed by or related to UHC, LLC, a California limited liability company (the "Borrower") has requested the Authority to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$7,500,000 (the "Obligations"), the proceeds of which may only be used for the purpose of financing the acquisition and construction of up to a 48 unit multifamily residential rental facility to be commonly known as Horizons at New Rancho to be located at 2738 Woodberry Way in the City of Rancho Cordova, California (the "Project"); and

WHEREAS, the Obligations which are expected to be issued and delivered to finance the acquisition and construction of the Project are considered "qualified exempt facility bonds" under Section 142(a) of the Internal revenue Code of 1986, as amended (the "Code"), and Section 147(f) of the Code, which requires that the "applicable elected representatives" with respect to the jurisdiction in which the Project is located approve the issuance of the Obligations after a noticed public hearing on the issuance and delivery of the Obligations has been held; and

WHEREAS, the City Council of the City of Rancho Cordova, as the "applicable elected representatives" to hold said public hearing, held a public hearing on June 16, 2014, following duly published notice thereof, and all persons with an interest in speaking were heard; and,

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance and delivery of the Obligations by the Authority.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA:

- A. Hereby finds and determines that the foregoing recitals are true and correct.
- B. For purposes of the requirements of the Code only, the City Council hereby approves the proposed financing of the Project by the Authority with the proceeds of the Obligations.

- C. The issuance and delivery of the Obligations shall be subject to the approval of and execution by the Authority of all financing documents relating thereto to which the Authority is a party and subject to the sale of the Obligations by the Authority.
- D. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code and shall not be construed in any other manner; neither the City nor its staff has fully reviewed or considered the financial feasibility of the Project or the expected financing or operation of the Project with regard to any State of California statutory requirements, and such adoption shall not obligate (i) the City to provide financing to the Borrower for the acquisition, construction and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the City, or any department of the City, to approve any application or request for, or take any other action in connection with the Project, including but not limited to, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, construction, development or operation of the Project.
- E. The City Clerk of the City shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the public hearing notice to:

Thomas A. Downey
The Orrick Building
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105

- 6. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of _____, 2014, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, City Clerk

1687027.1

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Jessica Jordan, Senior Planner

SUBJECT: **CHICK-FIL-A MAJOR DESIGN REVIEW AND CONDITIONAL USE PERMIT;
PROJECT NO. DD8454 – LOCATED AT 2352 SUNRISE BOULEVARD.**

PROPERTY OWNER: Ethan Conrad Properties Mr. Ethan Conrad 1300 National Drive, Suite 100 Sacramento, CA 95834	APPLICANT/DEVELOPER: Chick-Fil-A, Inc David Dorsey 15635 Alton Parkway Irvine, CA 92618
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PROJECT: FILE: LOCATION: APN: PLANNER:	The applicant is requesting the construction of a new 4,526 square foot Chick-Fil-A drive-through restaurant with outdoor seating, reconfigured parking area and landscaping along Sunrise Boulevard. DD8454 Northwest corner Sunrise Boulevard and Zinfandel Drive; 058-0261-027 Jessica Jordan, Senior Planner
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RECOMMENDATION

Adopt Resolution 34-2014.

RESULT OF RECOMMENDED ACTION

Adoption of Resolution 34-2014 would allow construction of a new 4,526 square foot drive-through Chick-Fil-A restaurant with outdoor seating, new parking configuration and landscaping within the existing Rivergate Shopping Center. This infill project would redesign a southern section of the existing Rivergate parking lot, north of the existing Chevron gas station.

BACKGROUND

The City Council reviewed the request for a Major Design Review to construct a new Chick-Fil-A restaurant and Conditional Use Permit to allow the drive-through portion of the establishment at their regular meeting on May 19, 2014. During the discussion, the Council voiced concerns about the proposed site layout and location of the drive-through component of the project. Specifically, the Council was concerned about the potential safety conflicts of vehicles within the drive-through lane confusing vehicles in the south bound lanes of Sunrise Boulevard. Additionally, the Council felt the site layout wasn't executed to the quality of design expected by the City. The City Council was highly complementary of the proposed architecture.

REQUIRED PERMITS AND REGULATORY BASIS

Drive-through establishments are allowed with a Conditional Use Permit in the Commercial Mixed-Use District (Sections 23.313 and 23.910 of the Zoning Code). Major Design Review (Section 23.141) is required to ensure compatibility and implementation of development standards. As part of the design review process, the site design was reviewed for consistency with landscape and parking standards and the proposed building architecture was reviewed for quality of design, use of variety of materials and colors, and for compatibility with the existing buildings on the project site.

ANALYSIS

In response to the Council's comments, the applicant considered five different site layout alternatives to address the concerns that were identified. The applicant was unable to significantly modify the site layout without adversely impacting the project's own operations or adversely impacting the existing circulation and parking pattern of the overall shopping center. As such, the applicant has provided the attached revised site plan that incorporates the following revisions:

1. Additional 3 foot stone wall along the eastern and northern project site boundaries, separating the drive through from Sunrise Boulevard and providing screening for drive through vehicle headlights;
2. Additional landscaping/hedges on the Sunrise Boulevard side of the new wall to soften the aesthetic of the wall and prevent graffiti; and
3. Additional trellis features over the drive through aisle on the eastern building elevation and over the pick-up window on the northern building elevation to provide more building presence to Sunrise Boulevard.

In addition to the revised plans shown below, the applicant has provided a letter of explanation for the Council's consideration (**Attachment 1**). The applicant believes the revised site plan and additional architectural details address the spirit of the comments raised during the May 19, 2014 City Council hearing if not the specific desire for a major revision to the site layout. The project remains in compliance with all applicable Code standards for a project of this type.

Figure 2: Revised Landscape Plan



Figure 3: Rendering of Proposed Trellis



ENVIRONMENTAL

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Chapter 3, Division 6 (State CEQA Guidelines) Sections 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning).

CEQA Guidelines Section 15183 (Public Resources Code §21083.3), provides that projects which are consistent with a Community Plan, General Plan or Zoning for which an EIR has been certified “shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site.” An EIR was certified by the City Council for the adoption of the City of Rancho Cordova General Plan (SCH 2005022137).

The project would develop the site consistent with the site’s General Plan land use designation of CMU-SBNPA (Commercial Mixed-Use/Sunrise Boulevard North Planning Area) and zoning designation of CMU (Commercial Mixed-Use). Furthermore, the project would be consistent with the goals and policies contained in the General Plan and would not increase the development densities analyzed in the General Plan EIR.

No potential new impacts related to the properties or project have been identified that would necessitate further environmental review beyond the impacts and issues already disclosed and analyzed in the General Plan EIR. No other special circumstances exist that would create a reasonable possibility that the proposed project will have a significant adverse effect on the environment. Therefore, the proposed project qualifies for the exemption under CEQA Guidelines Section 15183 and no further environmental review is required.

RECOMMENDED MOTIONS

Staff recommends that the City Council find the project to be in compliance with the California Environmental Quality Act (CEQA) as exempt pursuant to CEQA Guidelines Section 15183 and adopt Resolution No. 34-2014 the Design Review and Conditional Use Permit for Chick-Fil-A drive-through restaurant DD8454, subject to the findings, Project Plans (**Exhibit A**) and Conditions of Approval (**Exhibit B**)."

ATTACHMENTS

1. Letter from Applicant dated June 11, 2014
2. Resolution 34-2014, including Project Plans (**Exhibit A**) and subject to the Conditions of Approval (**Exhibit B**).



June 11, 2014

Jessica Jordan
Senior Planner
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Dear Ms. Jordan:

After hearing the City Council's concerns on May 19, 2014, visiting the (recommended) local drive-thru restaurants, and reviewing the Rancho Cordova Design Guidelines, we are prepared to present a revised site plan for discussion prior to the next Council Hearing scheduled for June 16, 2014.

The revised site plan is attached and the following features address the Council's concerns:

1. The pedestrian access has been separated from the drive-thru lane by both a stone wall and hedge to increase pedestrian safety and comfort. Pedestrians will be crossing at safest path.
2. A 3 ft. stone wall, softened with landscaping, will separate the drive-thru lane from Sunrise Blvd. The wall material will discourage graffiti and its placement will discourage pedestrians from making an unsafe crossing of the drive-thru lane.
3. A trellis has been added to give the building more of a presence along Sunrise Boulevard. The drive-thru will not be the first feature people notice when they see our restaurant.
4. Separating the drive-thru lane from the parking stalls provides customers with the safest path and direct access to front doors.
5. While our service windows and stacking lane faces Sunrise Boulevard, the service bays do not dominate the public street frontage. The incorporated trellises, wall, and landscape will protect this view (*Design Guidelines Chapter 3*).

.....

6. While our drive-thru aisle is located within the required building setback, Chapter 3 of the Design Guidelines states “the Design Review authority may grant exemption when the intent is met by unique development features or there are unique site characteristics or patterns that preclude such action”. We believe the incorporated trellis, wall, and landscaping are unique development features which mitigate this concern. In addition, the existing center circulation is a preexisting unique characteristic which requires a design that will not negatively impact Sunrise Blvd. An interior drive-thru aisle will negatively impact onsite circulation and Sunrise Blvd.
7. Our design meets all of the findings required in the Zoning Code that the Approving Authority needs to approve a conditional use permit for a drive-in and drive-thru sales and service use as read below (*Zoning Code Chapter 23.910.030*):
 - a. The design and location of our drive-thru will not contribute to increased congestion on public or private streets adjacent to the property. We have prepared a traffic study, see attached exhibit, which states our project does not decrease the level of service of any intersection nor does it negatively impact the residents across Sunrise. This has been accomplished with an onsite circulation design that diverts all traffic away from the Sunrise Boulevard driveway and allows safe travel for parking customers.
 - b. The design and location of the drive-thru will not impede access to or exit from the Rivergate Center nor impair normal circulation within the parking lot.
 - c. The design and location of the drive-thru will not create a nuisance for adjoining properties.
8. We meet all of the Zoning Code Design Standards required for a drive-thru restaurant (*Zoning Code Chapter 23.910.030*):
 - a. The drive thru aisle has a 12 foot minimum width on curves and an 11 foot minimum width on straight sections.
 - b. The drive-thru has more than 180 feet of reservoir space.
 - c. The drive-thru aisle entrance and exit are more than 25 feet from an intersection of public rights-of-way, measured at the closest intersecting curbs, and at least 25 feet from the curb-cut on an adjacent property.
 - d. The drive-thru aisle is separated from the site’s ingress and egress routes and does not impede access to parking spaces.
 - e. The landscaping of the drive-through aisles will be consistent with the requirements of RCMC 23.716.060(C) (*Screening of Drive-Through Aisles*).

- f. Pedestrian access shall be provided from Sunrise Boulevard to the primary entrance with a continuous, minimum four-foot-wide sidewalk. Where the pedestrian walkway crosses the drive-thru aisle it will have clear visibility and be delineated by textured and colored paving and shall be clearly signed to alert vehicles in the drive-through aisle.
- g. The traffic study submitted shows the drive-thru service does not increase congestion to Sunrise Boulevard or Zinfandel Drive.
- h. The drive-through windows will be visible from a public way to ensure that all activity can be viewed from Sunrise.

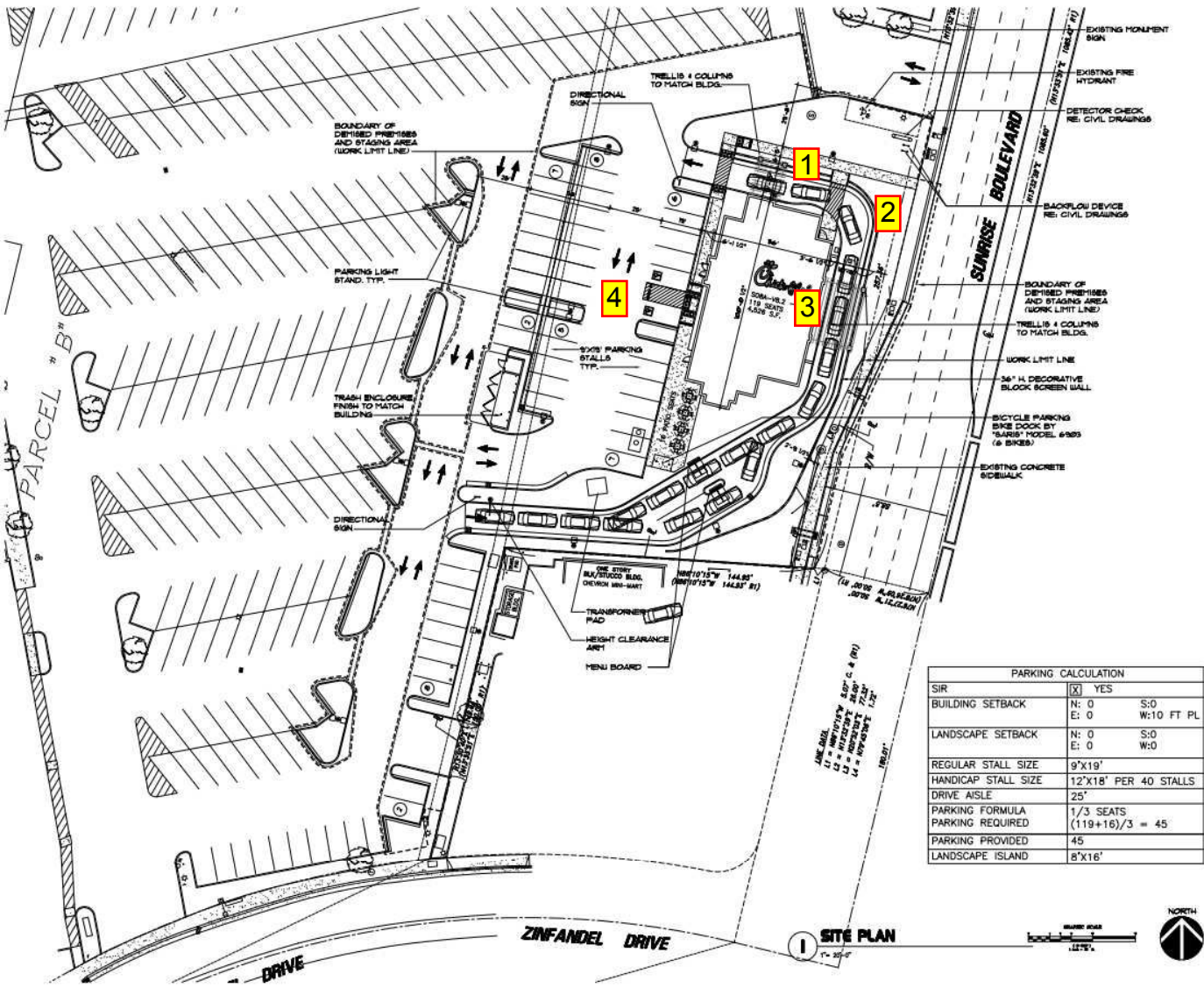
It is our desire to make this project a success for Chick-fil-A and the City of Rancho Cordova. If you have any questions or need any additional information, please do not hesitate contacting me at (404) 305-4834 or (562) 221-6060.

Sincerely,

A handwritten signature in black ink that reads "Jennifer M. Daw". The signature is written in a cursive, flowing style.

Jennifer M. Daw, Development Manager
Chick-fil-A, Inc.

Enc: Revised Site Plan



5200 Buffington Rd.
Atlanta, Georgia, 30349-2998

Revisions:
Mark Date By
△
△
△

Seal

C·R·H·O

Architect, Interior, Planning
180 South 7th Street, Suite 200
Tomb, California 92788
714 633-1824
Cell 651-1995

STORE
STORE
RIVERGATE CORDOVA

NWC SUNRISE &
ZINFANDEL
Cordova, California, CA

SHEET TITLE
PRELIMINARY
SITE PLAN

VERSION: 8.4
ISSUE DATE: 10-2013

Job No. :13-1394
Store :03446
Date :2-12-14
Drawn By :AJL
Checked By:BJL

Sheet
SP-1

ATTACHMENT 2

CITY OF RANCHO CORDOVA

RESOLUTION NO. 34-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO
CORDOVA APPROVING THE CHICK-FIL-A MAJOR DESIGN REVIEW
AND CONDITIONAL USE PERMIT - PROJECT NO. DD8454**

WHEREAS, Chick-Fil-A, Inc (hereinafter referred to as Applicant) filed an application with the City of Rancho Cordova to construct a new 4,526 square foot drive-through Chick-Fil-A restaurant located at the northwest corner of Zinfandel Drive and Sunrise Boulevard. (Assessor's Parcel Number: 058-0261-027-0000); and

WHEREAS, the City Council is the appropriate authority to hear and take action on this project; and

WHEREAS, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code Section 65090 and has duly considered all written and verbal testimony presented during the hearing.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that the Council approves the Chick-fil-A Major Design Review and Conditional Use Permit (**Exhibit A**), subject to the following findings and attached Conditions of Approval (**Exhibit B**):

- A. Finds the project site was adequately analyzed according to the California Environmental Quality Act (CEQA) Guidelines and is Exempt under Section 15153, Projects Consistent with a Community Plan, General Plan, or Zoning, as supported by the following:

CEQA Guidelines Section 15183 (Public Resources Code §21083.3), provides that projects which are consistent with a Community Plan, General Plan or Zoning for which an EIR has been certified "shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site." An EIR was certified by the City Council for the adoption of the City of Rancho Cordova General Plan (SCH 2005022137).

The proposed project will develop the property consistent with the site's General Plan land use designation of CMU-SBNPA (Commercial Mixed-Use/Sunrise Boulevard North Planning Area) and zoning designation of CMU (Commercial Mixed-Use). Furthermore, the project is consistent with the goals and policies contained in the General Plan and will not increase the development densities analyzed in the General Plan EIR.

No potential new impacts related to the project have been identified that would necessitate further environmental review beyond the impacts and issues already disclosed and analyzed in the General Plan EIR. No other special circumstances exist that would create a reasonable possibility that the proposed project will have a significant adverse effect on the environment.

- B. Approve the Major Design Review subject to the Conditions of Approval herein, and subject to the findings as defined by Zoning Code Section 23.141.050 and evidence as follows:

ATTACHMENT 2

1. Finding: The proposed project is consistent with the objectives of the General Plan, complies with applicable zoning regulations, Specific Plan provisions, and special planning area provisions, and is consistent with the applicable Rancho Cordova design guidelines.

Evidence: The proposed restaurant is consistent in design and intensity for the commercial mixed-use land use and zoning designation of the site. There is no specific plan for the area and the project has been designed in accordance with the City of Rancho Cordova's Design Guidelines. To ensure compliance with all standards, the project has been conditioned to guarantee these standards are achieved before any building permit can be issued.

2. Finding: The proposed architecture, site design, and landscape are suitable for the purposes of the building and the site and will enhance the character of the neighborhood and community.

Evidence: The proposed infill of the existing parking lot area will add landscaping and require reconfiguration of the parking area. The building and drive-through have been oriented close to Sunrise Boulevard to maximize the building's visibility and pedestrian access while decreasing the visibility of the large Rivergate parking lot. The building has been designed to reduce the massing by breaking up the building façade with tower features and the use of different materials and colors.

3. Finding: The architecture, including the character, scale, and quality of the design, relationship with the site and other buildings, building materials, screening of exterior appurtenances, exterior lighting and signing, and similar elements, establishes a clear design concept and is compatible with the character of existing or anticipated buildings on adjoining and nearby properties.

Evidence: The proposed restaurant building has been designed and conditioned to be consistent with the existing shopping center. The building's façade includes tower features that would reduce the massing by breaking up the walls into various planes. A variety of paint colors and building materials will also serve to make the building visually interesting. The overall size of the building is in keeping with the other freestanding commercial buildings in the center and the parking and landscape have been designed to fit with the center's new design theme. To ensure all lighting and equipment are in compliance, the project has been conditioned to guarantee all standards are achieved before any building permit can be issued. No signage was included with this application.

4. Finding: The proposed project will not create conflicts with vehicular, bicycle, or pedestrian transportation modes of circulation.

Evidence: The building and drive-through have been oriented close to Sunrise Boulevard to maximize the building's visibility and pedestrian access while decreasing the visibility of the large Rivergate parking lot. The project would improve pedestrian and bicycle access to Sunrise Boulevard and the project's circulation has been designed to minimize automobile conflicts around the drive-through aisle and parking area at the front entrance of the establishment.

- C. Approve the Conditional Use permit subject to the Conditions of Approval herein, and subject to the findings as defined by Zoning Code sections 23.143.030 and 23.910.030(D) and evidence as follows:

ATTACHMENT 2

1. Finding: The site size, dimensions, location, topography, and access are adequate for the needs of the proposed use, considering the proposed building mass, parking, traffic, noise, vibration, exhaust/ emissions, light, glare, erosion, odor, dust, visibility, safety, and aesthetic considerations.

Evidence: The proposed infill project would occupy the southeastern corner of the existing Rivergate shopping center parking lot. The project has been designed in accordance with all local regulations and has been conditioned to minimize any impacts from construction and/or operation of the new establishment.

2. Finding: The negative impacts of the proposed use on adjacent properties and on the public can be mitigated through application of other code standards or other reasonable conditions of approval.

Evidence: The project has been designed in accordance with all local and state regulations and conditioned to minimize any impacts from construction and/or operation of the new establishment.

3. Finding: All required public facilities have adequate capacity to serve the proposal.

Evidence: The proposed infill project would occupy the southeastern corner of the existing Rivergate shopping center parking lot. The project would have access to all existing utilities and has been designed to integrate into the existing shopping center.

4. Finding: The project meets the requirements of the zoning code including development standards, design guidelines, and special use provisions.

Evidence: The project has been designed to meet all of the applicable standards of the General Plan, Zoning Code, and Design Guidelines. To ensure compliance with all standards, the project has been conditioned to guarantee these standards are achieved before any building permit can be issued.

5. Finding: If structures and site plans are considered nonconforming, the elements of a project that are nonconforming have been brought into compliance with the zoning code, where feasible.

Evidence: The proposed infill project would occupy the southeastern corner of the existing Rivergate shopping center parking lot. This parking lot was designed and built in the late 1970's. Although the 675 parking stalls are more than the required parking amount for the center, it lacks the proper landscaping to comply with current City of Rancho Cordova landscaping requirements. The proposed Chick-Fil-A restaurant, accompanied with the overall Rivergate Shopping Center remodel, would provide adequate shade trees and landscaping for the parking area. In addition to landscaping, the plans would improve circulation throughout the center by shortening the parking lot drive aisles and adding new drive aisles to improve onsite circulation. The parking area would no longer be non-conforming.

6. Finding: The design and location of the facility and lane will not contribute to increased congestion on public or private streets adjacent to the subject property.

ATTACHMENT 2

Evidence: The building and drive-through have been oriented close to Sunrise Boulevard to maximize the building's visibility and pedestrian access while decreasing the visibility of the large Rivergate parking lot. The project would improve pedestrian and bicycle access to Sunrise Boulevard while the project's circulation has been designed to minimize automobile conflicts around the drive-through aisle and parking area at the front entrance of the establishment.

7. Finding: The design and location of the facility and lane will not impede access to or exit from the parking lot serving the facility nor impair normal circulation within the parking lot.

Evidence: The design of the project's drive-through lane has been oriented for the egress/ingress of automobile traffic directly from the new drive aisle surrounding the new parking area. This would reduce traffic conflicts that may arise from patrons trying to park and "dine-in" versus those wishing to use the drive-through service. The drive-through and parking lot area are located far enough away from the existing access to Zinfandel Drive and Sunrise Boulevard as to not impact motorists entering or leaving the center.

8. Finding: The design and location of the facility will not create a nuisance for adjoining properties.

Evidence: The infill project is located in the southeastern corner of the existing parking lot. The new circulation would not impact motorist traffic from the other commercial pads in the center nor would it impact the existing Chevron gas station to the south of the site. The project proposed new drive aisles and pedestrian access to improve the existing circulation at the northwest corner of Zinfandel Drive and Sunrise Boulevard.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of _____, 2014 by the following vote:

AYES:

NOES:

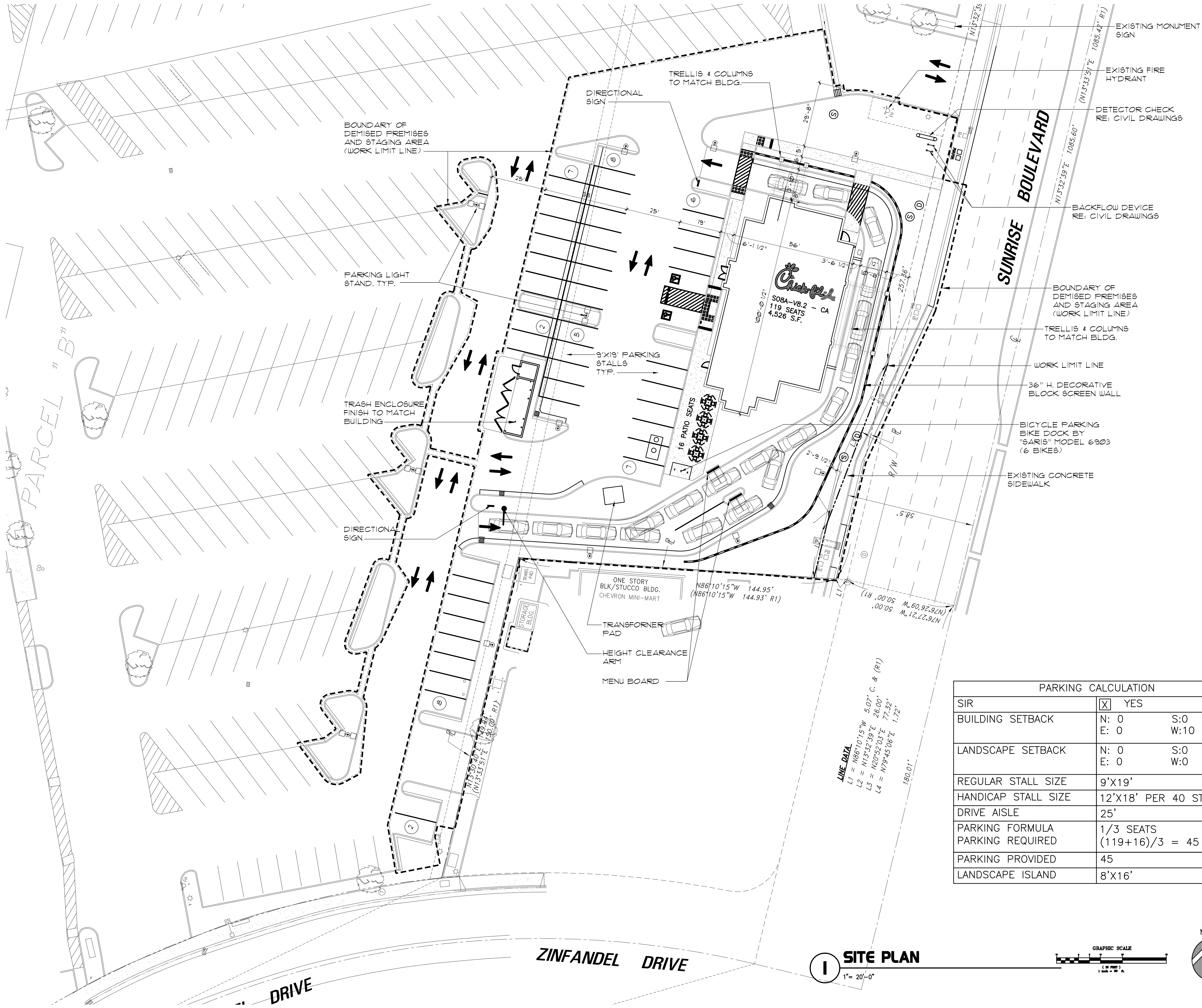
ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

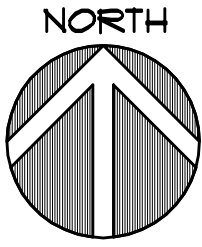
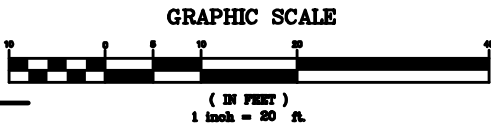
Mindy Cuppy, CMC, City Clerk

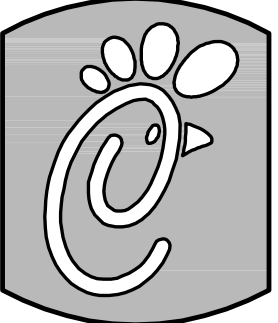


LINE DATA
L1 = N86°10'15"W 5.07' C. & (R1)
L2 = N13°32'39"E 26.00'
L3 = N20°52'03"E 77.32'
L4 = N79°45'06"E 1.72'

PARKING CALCULATION		
SIR	☒ YES	
BUILDING SETBACK	N: 0 E: 0	S:0 W:10 FT PL
LANDSCAPE SETBACK	N: 0 E: 0	S:0 W:0
REGULAR STALL SIZE	9'X19'	
HANDICAP STALL SIZE	12'X18' PER 40 STALLS	
DRIVE AISLE	25'	
PARKING FORMULA	1/3 SEATS	
PARKING REQUIRED	(119+16)/3 = 45	
PARKING PROVIDED	45	
LANDSCAPE ISLAND	8'X16'	

1 SITE PLAN
1"= 20'-0"





5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark	Date	By
△		
△		
△		

Seal

C · R · H · O

Architecture Interior Planning

195 South "C" Street 200
Tustin, California 92780

714 832-1834
FAX 832-1910

STORE
STORE
RIVERGATE CORDOVA

NWC SUNRISE &
ZINFANDEL
RANCHO CORDOVA, CA

SHEET TITLE
PRELIMINARY
SITE PLAN

VERSION: 8.4
ISSUE DATE: 10-2013

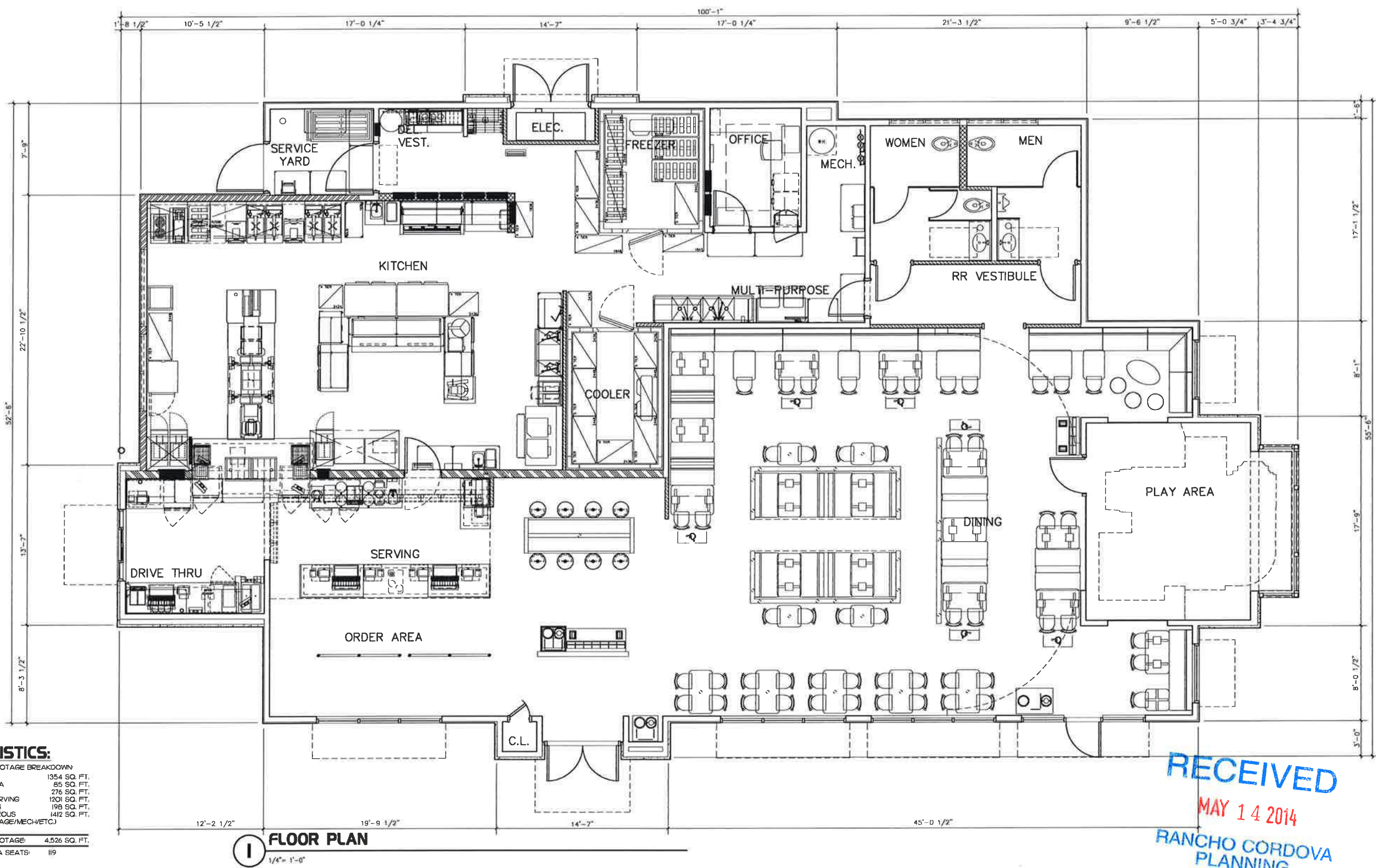
Job No. : 13-194
Store : 03446
Date : 2-12-14
Drawn By : A.L.
Checked By : R.H.

Sheet

SP-I 236

STATISTICS:

SQUARE FOOTAGE BREAKDOWN:	
DINING	1354 SQ. FT.
ORDER AREA	85 SQ. FT.
PLAY AREA	276 SQ. FT.
KITCHEN/SERVING	1201 SQ. FT.
RESTROOMS	198 SQ. FT.
MISCELLANEOUS	1412 SQ. FT.
(VEST/STORAGE/MECH/ETC.)	
SQUARE FOOTAGE	4,526 SQ. FT.
DINING AREA SEATS	119



1 FLOOR PLAN
1/4" = 1'-0"

LEGEND:

2X4 WOOD STUD WALL	
2X6 WOOD STUD WALL	
2X8 WOOD STUD WALL	
3 5/8" METAL STUDS	
RE: GENERAL NOTES, #6	
6" METAL STUDS	
RE: GENERAL NOTES, #6	
8" METAL STUDS	
RE: GENERAL NOTES, #6	
STONE VENEER	
COLUMN	
RE: STRUCTURAL	

5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

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185 South "C" Street 200
Tustin, California 92780
714 832-1834
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STORE
STORE
RIVERGATE CORDOVA

NWC SUNRISE &
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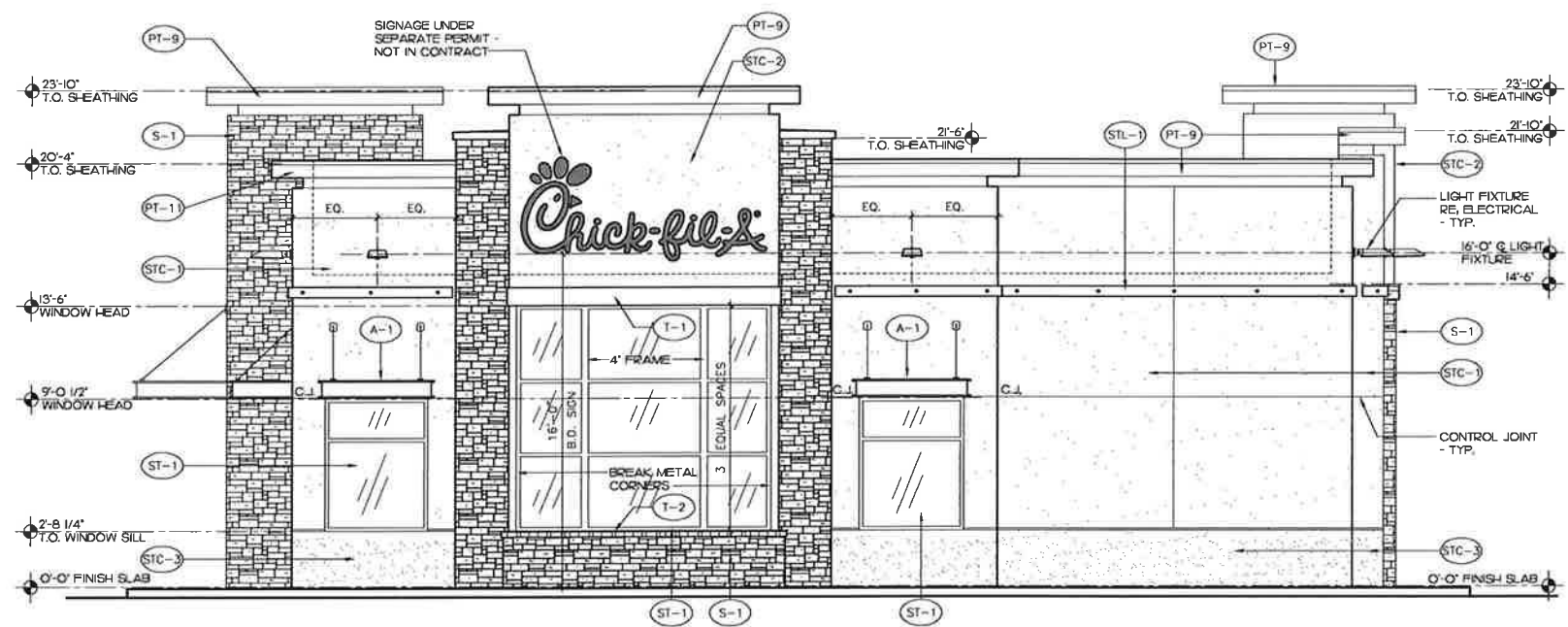
SHEET TITLE
FLOOR PLAN

VERSION: 8.4
ISSUE DATE: 10-2013

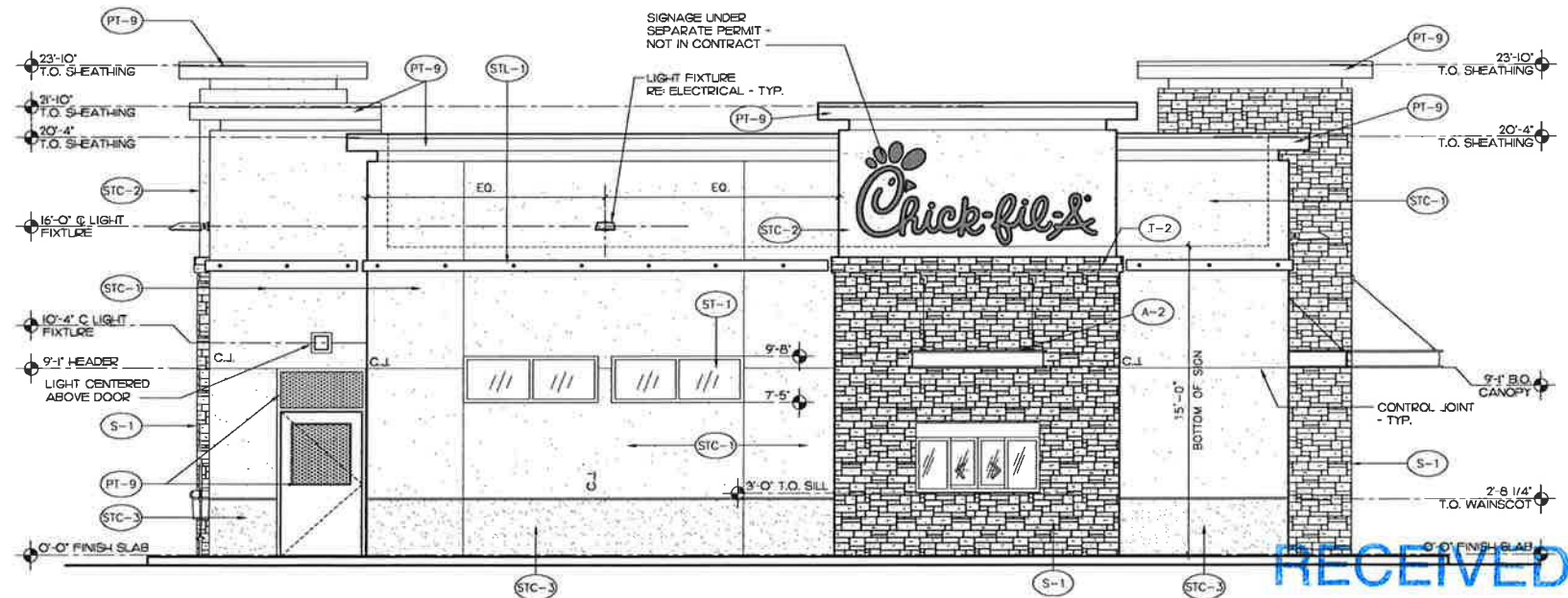
Job No. : 13-194
Store : 03446
Date : 2-12-14
Drawn By : A.L.
Checked By : R.H.
Sheet

A-1.1A

RECEIVED
MAY 14 2014
RANCHO CORDOVA
PLANNING



1 SOUTH ELEVATION
1/4" = 1'-0"



2 NORTH ELEVATION
1/4" = 1'-0"

EXTERIOR FINISHES - FOR STOREFRONT GLAZING - SEE GLASS SCHEDULE & INTERIOR ELEVATIONS			
STC-1	STUCCO #1 TO MATCH SHERWIN WILLIAMS #SW6121 "WHOLE WHEAT"	A-1	ALUMINUM AWNING - LOUVER BLADE COLOR - DARK BRONZE SIZE 5'-8" LENGTH (V.L.F.) x 3'-0" DEPTH
STC-2	STUCCO #2 TO MATCH SHERWIN WILLIAMS #SW6158 "SAWDUST"	A-2	ALUMINUM AWNING - COVERED COLOR - DARK BRONZE SIZE 6'-9" LENGTH (V.L.F.) x 4'-6" DEPTH
STC-3	STUCCO #3 TO MATCH SHERWIN WILLIAMS #SW2803 "ROCKWOOD TERRA COTTA"	A-3	ALUMINUM AWNING - LOUVER BLADE COLOR - DARK BRONZE SIZE 11'-3" LENGTH (V.L.F.) x 3'-0" DEPTH
ST-1	STOREFRONT YKK - YES 45 COLOR - DARK BRONZE (MATTE)	A-4	ALUMINUM AWNING - COVERED COLOR - DARK BRONZE SIZE 11'-3" LENGTH (V.L.F.) x 3'-0" DEPTH
PT-9	PAINT #9 SHERWIN WILLIAMS - SHER-CRYL HIGH PERFORMANCE ACRYLIC #B66-350 COLOR - DARK BRONZE (SEMI-GLOSS)	A-5	ALUMINUM AWNING - COVERED COLOR - DARK BRONZE SIZE 8'-0" LENGTH (V.L.F.) x 4'-6" DEPTH
PT-10	PAINT #10 SHERWIN WILLIAMS - #SW6158 "SAWDUST", FLAT FINISH	S-1	STONE VENEER ELDORADO STONE - MOUNTAIN LEDGE "SIERRA"
PT-11	PAINT #11 SHERWIN WILLIAMS - #SW6121 "WHOLE WHEAT", FLAT FINISH	STL-1	STEEL TRIM PAINTED
PT-1	PAINT #12 SHERWIN WILLIAMS - #SW 6373 "HARVESTER" FLAT FINISH	PT-12	NOTE: ALTERNATE COLOR FOR ALL AWNINGS - REGAL RED (COLOR TO MATCH MP-1).

RECEIVED
MAY 14 2014
RANCHO CORDOVA
PLANNING

5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:
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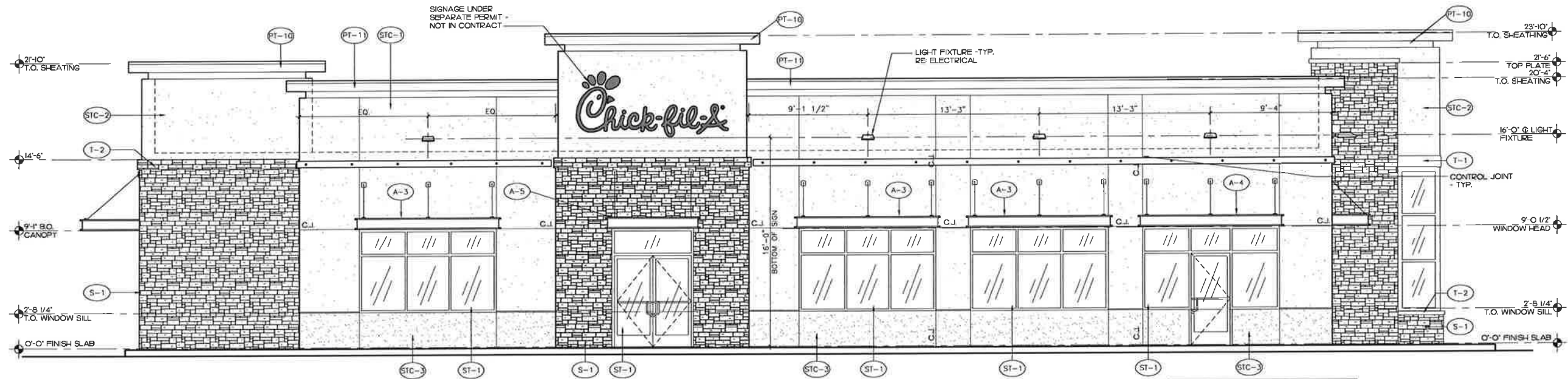
NWC SUNRISE &
ZINFANDEL
RANCHO CORDOVA, CA

SHEET TITLE
EXTERIOR
ELEVATIONS

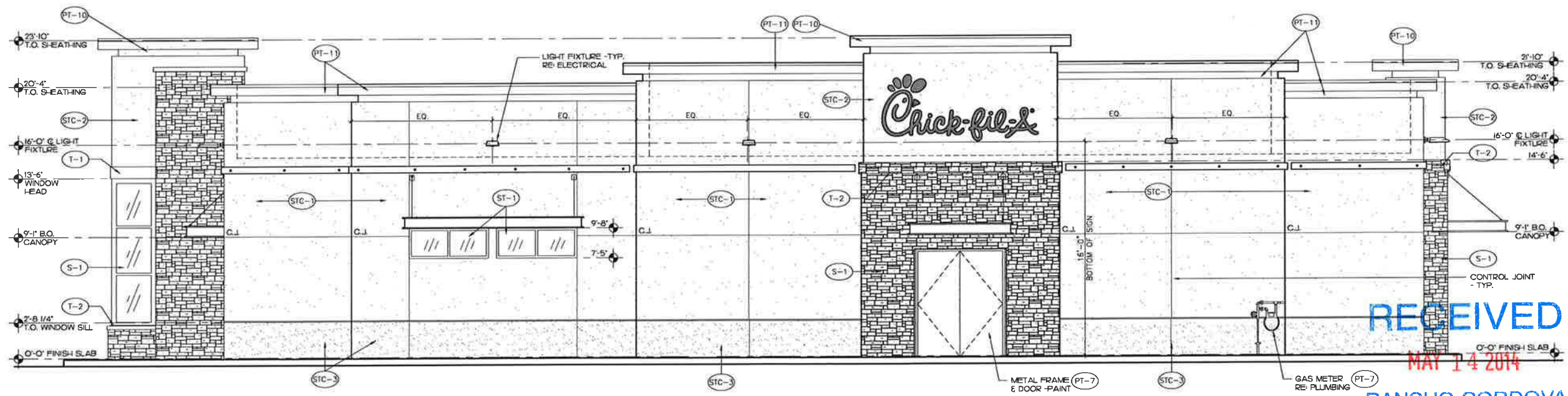
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Drawn By : A.L.
Checked By: R.H.

Sheet
A-2.1



1 WEST ELEVATION
1/4" = 1'-0"



2 EAST ELEVATION
1/4" = 1'-0"

RECEIVED
MAY 14 2014
RANCHO CORDOVA
PLANNING



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NWC SUNRISE &
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A-2.2



5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark	Date	By
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Mark	Date	By
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Mark	Date	By
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Architecture Interior Planning

195 South "C" Street 200

Tustin, California 92780

714 832-1834

FAX 832-1910

STORE
STORE
RIVERGATE CORDOVA

NWC SUNRISE &
ZINFANDEL
RANCHO CORDOVA, CA

SHEET TITLE
REFUSE
ENCLOSURE

VERSION: 8.4
ISSUE DATE: 10-2011

Job No. 13-19

Store : 03446

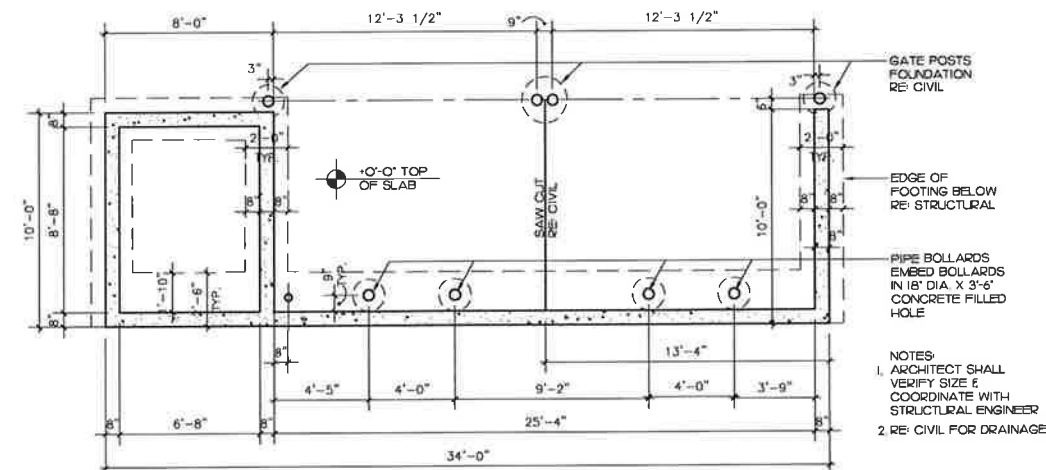
Date : 2-12-

Drawn By :

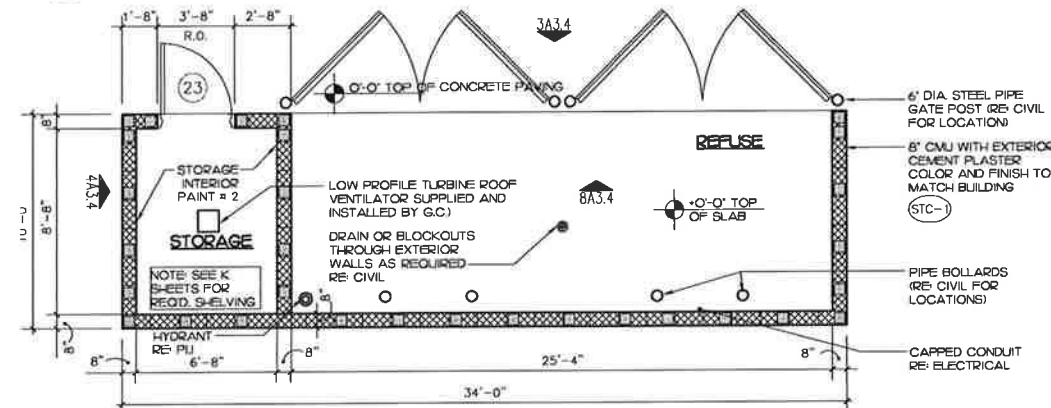
Checked By:

Shee

A-3.4



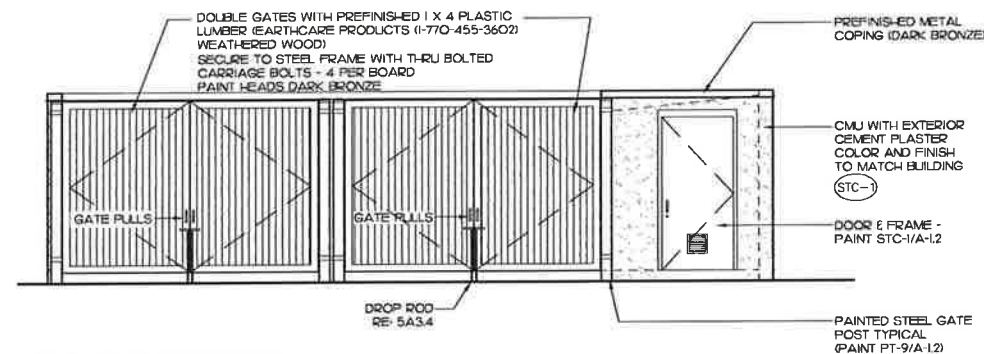
FOUNDATION PLAN

$$1/4^2 = 1^2 - 0$$


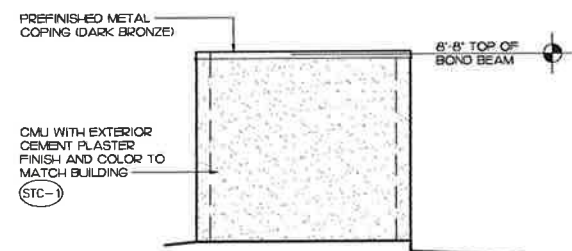
FLOOR PLAN

$$1/4^* = 1^* - 0$$

NOTE:
ALL CMU WALLS - PAINT # 7 (UNO) -
(MATCH BRICK IF NOT PROTOTYPICAL)



FRONT ELEVATION

$$1/A^2 = 1^2 - 0$$


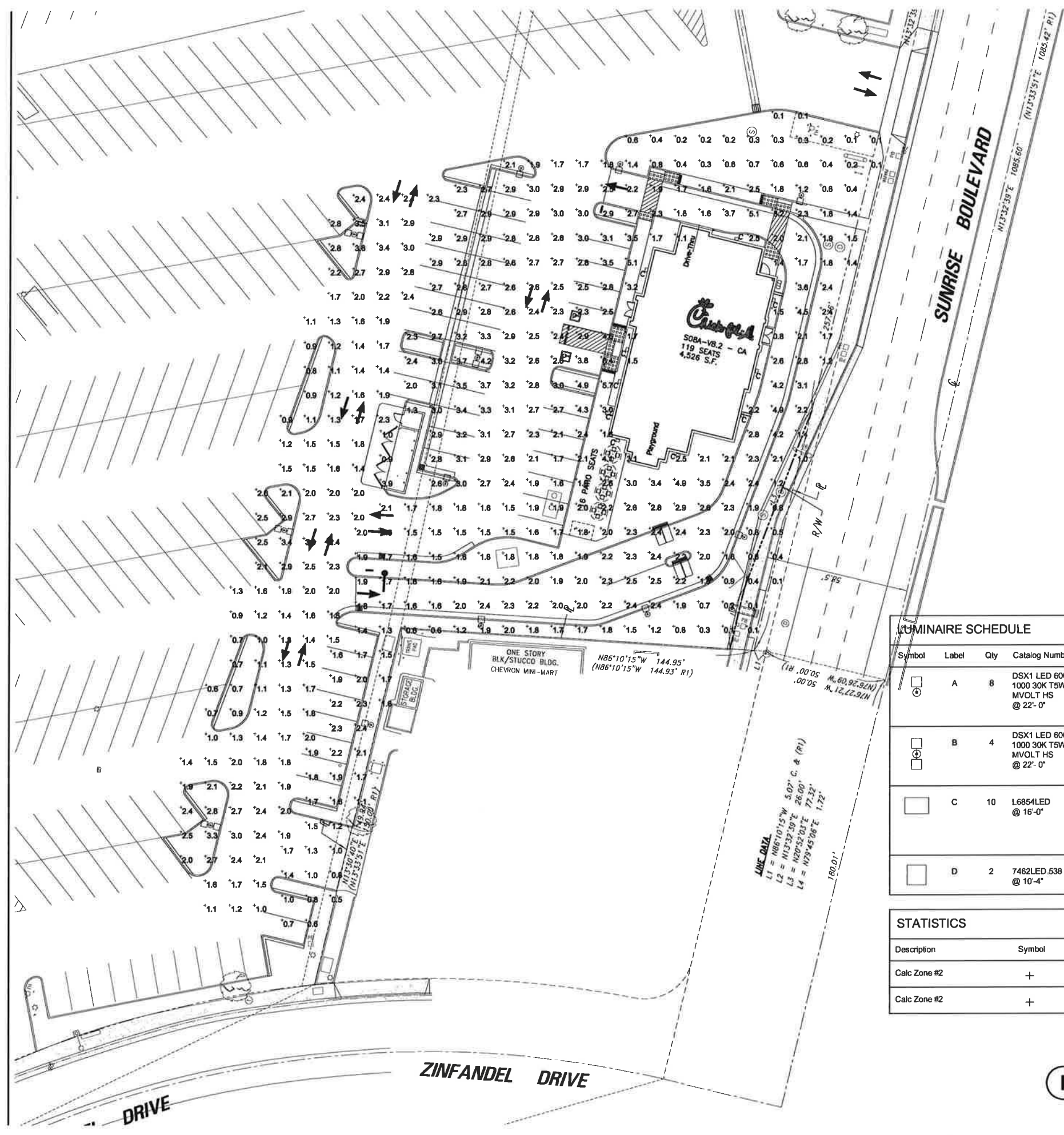
SIDE ELEVATION

$$1/4'' = 1' - 0$$

RECEIVED

MAY 14 2014

RANCHO CORDOVA PLANNING



LUMINAIRE SCHEDULE									
Symbol	Label	Qty	Catalog Number	Description	Lamp	File	Lumens	LLF	Watts
	A	8	DSX1 LED 60C 1000 30K T5W MVOLT HS @ 22'-0"	DSX1 LED WITH (2) 30 LED LIGHT ENGINES, TYPE T5W OPTIC, 3000K, @ 1000mA WITH HOUSE SIDE SHIELD	LED	DSX1_LED_60 C_1000_30K_T 5W_MVOLT_H S.ies	Absolute	0.86	209
	B	4	DSX1 LED 60C 1000 30K T5W MVOLT HS @ 22'-0"	DSX1 LED WITH (2) 30 LED LIGHT ENGINES, TYPE T5W OPTIC, 3000K, @ 1000mA WITH HOUSE SIDE SHIELD	LED	DSX1_LED_60 C_1000_30K_T 5W_MVOLT_H S.ies	Absolute	0.86	418
	C	10	L6854LED @ 16'-0"	Cast aluminum housing, clear patterned glass upper lens ab ove formed semi-specular aluminum reflector, clear glass enclosure	36 white LEDs	6854LED (1).ies	Absolute	0.95	42.63
	D	2	7462LED.538 @ 10'-4"	7-1/2"L. X 6"W. X 3-1/4"H. LED FIXTURE FROSTED LENS		7462LED_538.I ES	Absolute	0.95	13.48

STATISTICS						
Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min
Calc Zone #2	+	2.1 fc	6.4 fc	0.1 fc	64.0:1	21:0.1
Calc Zone #2	+	1.9 fc	3.8 fc	0.6 fc	6.3:1	3.2:1



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RIVERGATE CORDOVA

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RANCHO CORDOVA, CA

SHEET TITLE
PHOTOMETRIC
SITE PLAN

VERSION: 8.4
ISSUE DATE: 10-2013

Job No. : 13-194
Store : 03446
Date : 2-12-14
Drawn By : A.L.
Checked By : R.H.

Sheet

PH-1



NORTH ELEVATION



WEST ELEVATION



SOUTH ELEVATION



EAST ELEVATION



PRELIMINARY ELEVATIONS
Rancho Cordova, California

File Name: 13-194 Elevations

2-14-14
Updated: 5-13-14

Note:
All roof top mechanical equipment shall be located in
equipment well and screened from view by parapet walls.

COLOR AND MATERIAL LEGEND

- 101 Paint - Sherwin Williams - #SW6121 "Whole Wheat"
- 102 Paint - Sherwin Williams - #SW6158 "Sawdust"
- 103 Paint - Sherwin Williams - #SW2803 "Rookwood Terra Cotta"
- 104 Paint - Sherwin Williams - #SW6373 "Harvester"
- 105 Paint - Sherwin Williams - #B66-350 "Dark Bronze"
- 106 Stone Veneer - Eldorado Stone - Mountain Ledge "Sierra"
- 107 Aluminum Canopy - Color "Dark Bronze"



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MAY 14 2014

RANCHO CORDOVA
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SOUTHWEST VIEW FROM SUNRISE AT DRIVE THRU



PRELIMINARY RENDERINGS
Rancho Cordova, California

06-12-14

NORTHWEST VIEW FROM SUNRISE

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PRELIMINARY RENDERINGS
Rancho Cordova, California

06-12-14

SOUTH VIEW AT DRIVE THRU

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PRELIMINARY RENDERINGS
Rancho Cordova, California

06-12-14

SOUTHWEST VIEW FROM SUNRISE

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PLANTING LEGEND

SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	QTY.	REMARKS	WUCOLS
TREES						
	EXISTING TREES TO REMAIN	VARIES	EXT'G	2	PROTECT IN PLACE	
	ARBUTUS UNEDO 'COMPACTA'	MARINE ARBUTUS	24" BOX	1	STANDARD	LOW
	ARBUTUS MARINA	MARINE ARBUTUS	24" BOX	17	STANDARD	LOW
	LAGERSTROEMIA INDICA 'CENTENNIAL SPIRIT'	CRAPE MYRTLE	24" BOX	1	STANDARD	LOW
	PINUS HALEPENSIS	ALEPPO PINE	24" BOX	5	STANDARD	LOW
	PISTACIA CHINENSIS 'KEITH DAVEY'	CHINESE PISTACHE	24" BOX	8	STANDARD	LOW
	PYRUS CALLERYANA 'REDSPIRE'	EVERGREEN PEAR	24" BOX	2	STANDARD	LOW
SHRUBS						
	CEANOTHUS G. HORIZONTALIS	MOUNTAIN LILAC	5 GAL	166	3' OC	LOW
	CISTUS 'BRILLANCY'	ROCKROSE	5 GAL	35	42" OC	LOW
	DIETES BICOLOR	FORTNIGHT LILY	5 GAL	161	3' OC	LOW
	DIETES VEGETA	FORTNIGHT LILY	5 GAL	37	3' OC	LOW
	EURYOPS PECTINATUS	SHRUB DAISY	5 GAL	13	42" OC	LOW
	PHORMIUM 'TINY TIGER'	NEW ZEALAND FLAX	5 GAL	44	2' OC	LOW
	RHAPHIOLEPIS INDICA 'MAJESTIC BEAUTY'	INDIA HAWTHORN	15 GAL	8	4' OC	LOW
	RHAPHIOLEPIS UMBELLATA	YEDDA HAWTHORN	15 GAL	48	4' OC	LOW
	SPIRAEA X BUMALDA 'ANTHONY WATERER'	SPIREA	5 GAL	23	42" OC	LOW
	STRELITZIA REGINAE	BIRD OF PARADISE	5 GAL	208	30" OC	LOW
GROUND COVERS						
	FESTUCA MAIREI	ATLAS FESCUE	1 GAL	225 S.F.	2' OC	LOW
	FESTUCA OVINA 'GLAUCIA'	BLUE FESCUE	1 GAL	1,290 S.F.	16" OC	LOW
	LANTANA MONTEVIDENSIS 'MONSWEE'	LAVENDER SWIRL LANTANA	1 GAL	100 S.F.	42" OC	LOW
	OSTERSPERMUM 'LAVENDER BLUE'	AFRICAN DAISY	FLATS	2,845 S.F.	2' OC	LOW
	ROSMARINUS OFFICINALIS 'HUNTINGTON CARPET'	ROSEMARY	1 GAL	2,725 S.F.	30" OC	LOW
VINES						
	MACFADYENA UNGUIS-CATI	CAT'S CLAW	5 GAL	3	TAKE OFF STAKE STAKE AND ATTACH TO WALL	LOW

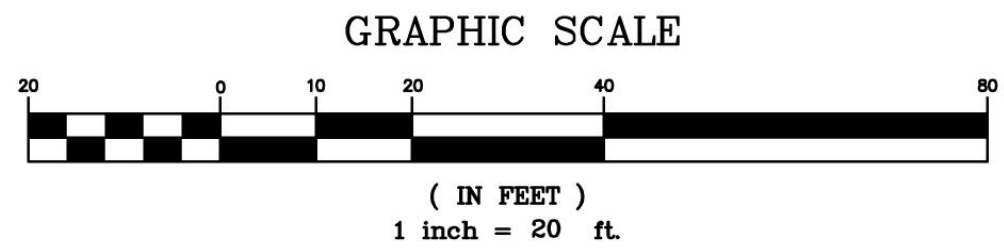
PLANTING NOTES

- CONTRACTOR IS TO REVIEW PLANS, VERIFY SITE CONDITIONS AND PLANT QUANTITIES PRIOR TO INSTALLATION. CONFLICTS BETWEEN THE SITE AND THESE PLANS OR WITHIN THESE PLANS SHALL BE BROUGHT TO THE ATTENTION OF THE OWNER'S AUTHORIZED REPRESENTATIVE PRIOR TO LANDSCAPE INSTALLATION. ANY DEVIATIONS FROM THE PLANS OR SPECIFICATIONS IS TO HAVE WRITTEN APPROVAL.
- ALL PLANT MATERIAL SHALL BE IN ACCORDANCE WITH ANSI Z60.1 "AMERICAN STANDARD FOR NURSERY STOCK."
- PROVIDE ROOT BARRIERS FOR ALL TREES PLANTED WITHIN 10' OF HARDSCAPE. (23.716.050.B.3) ROOT BARRIER TO BE INSTALLED WITHIN 6" OF CURB, WALK, OR PAVING WHEN ROOT BARRIER IS REQUIRED. 24" X 20" LONG CENTERED ON TREE, 23" BELOW GRADE AND 1" ABOVE.
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- CONNECT TO EXISTING CONDITIONS.
- ALL LANDSCAPE AND IRRIGATION SHALL MEET CURRENT CITY STANDARDS AS LISTED IN GUIDELINES OR AS OBTAINED FROM CITY.
- PROVIDE 50% SHADE COVERAGE OF PARKING STALLS AT 15 YEARS. REPLACE TREES AS REQUIRED. TO BE SUBMITTED WITH CONSTRUCTION DOCUMENTS.
- FINISH GRADE TO BE 2" BELOW TOP OF CURB OR SIDEWALK FOR SHRUB AND GROUND COVER AREAS.
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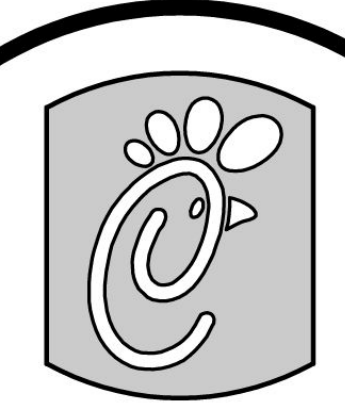


LANDSCAPE CALCULATIONS

CFA SHRUB AREA:	10,969 SF
CFA TURF AREA:	0 SF
CFA TOTAL LANDSCAPE AREA:	10,969 SF
NEW CENTER SHRUB AREA:	1,705 SF
NEW CENTER TURF AREA:	0 SF
TOTAL NEW CENTER LAND. AREA:	1,705 SF
EXISTING CENTER PLANTING AREA:	11,979 SF
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PRELIMINARY PLANTING PLAN



5200 Buffington Rd.
Atlanta Georgia,
30349-2998

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FAX 832-1910

HourianAssociates
Landscape Architecture
107 AVENIDA MIRAMAR, SUITE D
SAN CLEMENTE, CA 92672
TEL 949-489-5623
FAX 949-489-5632
ALIC 14813

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RIVERGATE CORDOVA

NWC SUNRISE &
ZINFANDEL
RANCHO CORDOVA, CA

SHEET TITLE
PRELIMINARY
PLANTING PLAN

VERSION: 8.4
ISSUE DATE: 10-2013

Job No. : 13-194
Store : 03446
Date : 6-11-14
Drawn By : RHC
Checked By: JGH

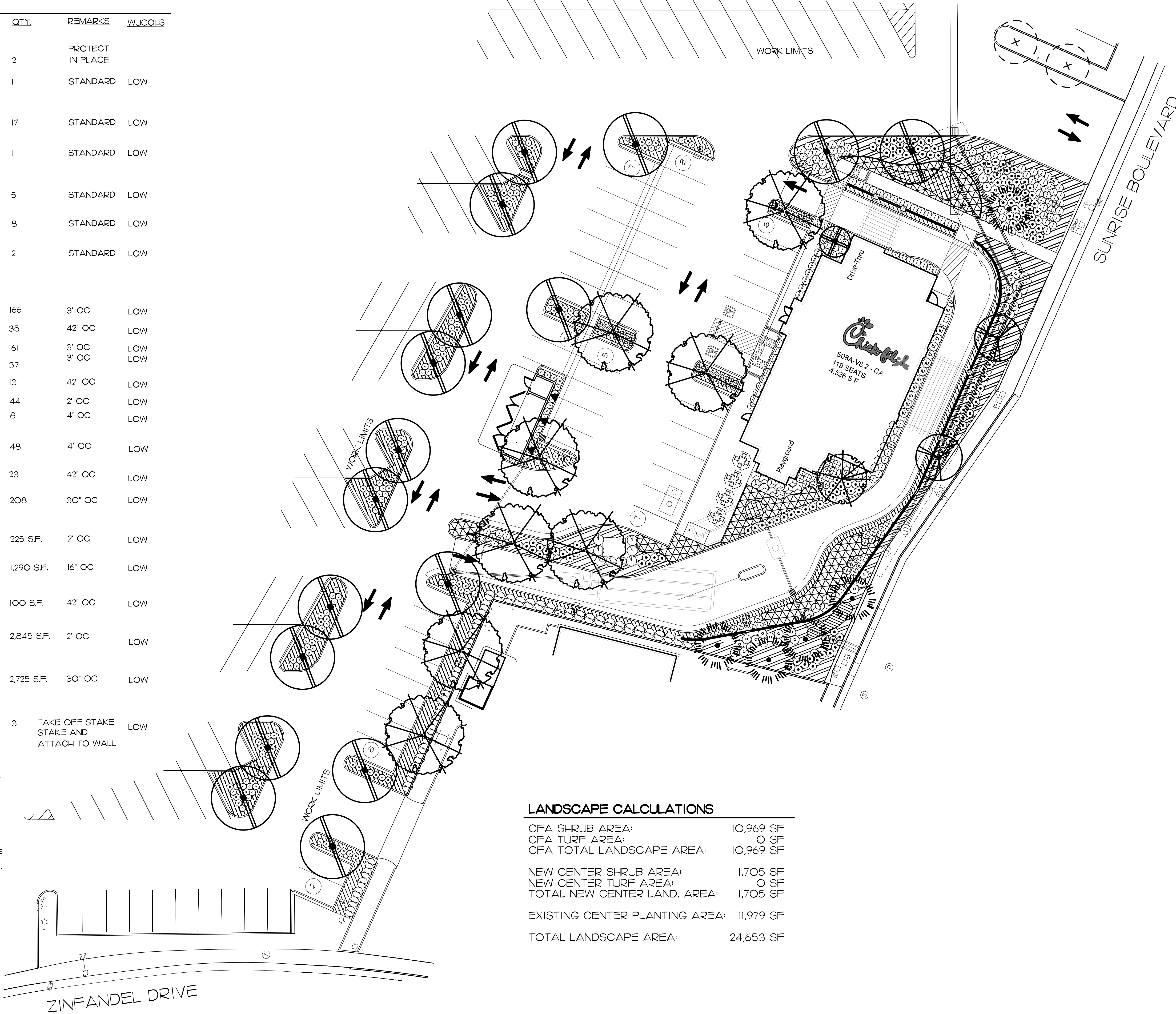
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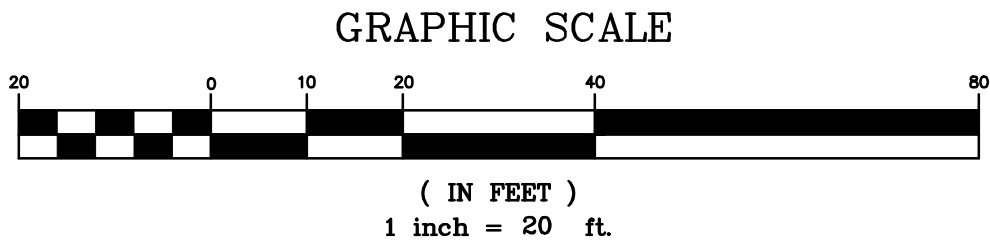
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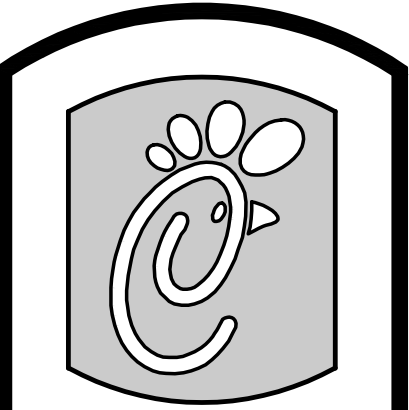


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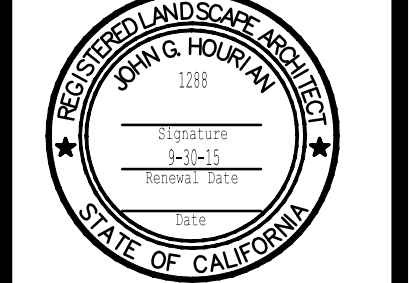
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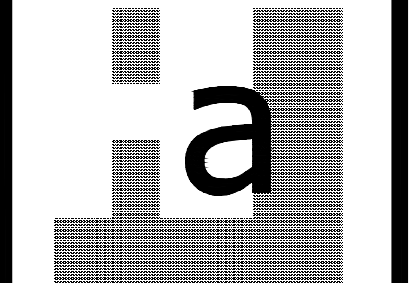
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Hourian Associates
Landscape Architecture
107 AVENIDA MIRAMAR, SUITE D
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Drawn By : RHC

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Sheet

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREON IS SITUATED IN THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

ALL THAT PORTION OF PARCEL "B" AS SHOWN ON THAT PARCEL MAP ENTITLED "PORTION OF PARCEL "K" AS SHOWN ON RECORD OF SURVEY IN BOOK 22 OF SURVEYS, PAGE 16", FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 26, OF PARCEL MAPS, PAGE 29, LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE EASTERLY BOUNDARY LINE OF SAID PARCEL "B", FROM WHICH THE MOST EASTERLY CORNER OF SAID PARCEL "B" BEARS THE FOLLOWING TWO COURSES: (1) NORTH 13° 33' 51" EAST 69.74 FEET; (2) NORTH 08° 47' 01" EAST 70.00 FEET; THENCE FROM SAID POINT OF BEGINNING SOUTH 79° 46' 54" WEST 258.54 FEET; THENCE NORTH 10° 13' 06" WEST 37.67 FEET; THENCE SOUTH 79° 46' 54" WEST 600.72 FEET TO A POINT ON THE WESTERLY LINE OF SAID PARCEL "B", SAID POINT BEING LOCATED SOUTH 10° 41' 45" EAST 296.01 FEET FROM THE NORTHWEST CORNER OF SAID PARCEL "B", BEING THE LAND,

- EXCEPTING THEREFROM ALL OF THE BUILDINGS AND OTHER IMPROVEMENTS ERECTED AND SITUATE ON THE GROUND AS CONVEYED BY DEED FROM ROLAND M. JERMYN, JR., AS TRUSTEE OF SINNET INDUSTRIES, INC. EMPLOYEE BENEFIT PLAN TRUST TO SUNRISE ASSOCIATES, A PENNSYLVANIA LIMITED PARTNERSHIP, DATED SEPTEMBER 25, 1980 AND RECORDED OCTOBER 09, 1980 IN BOOK 8010-09, PAGE 788.

PARCEL 2:

ALL THE BUILDINGS AND OTHER IMPROVEMENTS ERECTED AND SITUATE ON THE GROUND AS DESCRIBED BELOW (BUT NOT THE GROUND UPON WHICH SUCH BUILDINGS AND OTHER IMPROVEMENTS ARE SITUATE):

ALL THAT PORTION OF PARCEL "B" AS SHOWN ON THAT PARCEL MAP ENTITLED "PORTION OF PARCEL "K" AS SHOWN ON RECORD OF SURVEY IN BOOK 22 OF SURVEYS, PAGE 16", FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 26, OF PARCEL MAPS, PAGE 29, LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT ON THE EASTERLY BOUNDARY LINE OF SAID PARCEL "B", FROM WHICH THE MOST EASTERLY CORNER OF SAID PARCEL "B" BEARS THE FOLLOWING TWO COURSES: (1) NORTH 13° 33' 51" EAST 69.74 FEET; (2) NORTH 08° 47' 01" EAST 70.00 FEET; THENCE FROM SAID POINT OF BEGINNING SOUTH 79° 46' 54" WEST 258.54 FEET; THENCE NORTH 10° 10' 06" WEST 37.67 FEET; THENCE SOUTH 79° 46' 54" WEST 600.72 FEET TO A POINT ON THE WESTERLY LINE OF SAID PARCEL "B", SAID POINT BEING LOCATED SOUTH 10° 41' 45" EAST 296.01 FEET FROM THE NORTHWEST CORNER OF SAID PARCEL "B" AS CONVEYED BY DEED FROM ROLAND M. JERMYN, JR. AS TRUSTEE OF SINNET INDUSTRIES, INC. EMPLOYEE BENEFIT PLAN TRUST TO SUNRISE ASSOCIATES, A PENNSYLVANIA LIMITED PARTNERSHIP DATED SEPTEMBER 25, 1980 AND RECORDED OCTOBER 09, 1980 IN BOOK 8010-09, PAGE 788, WHICH CONSTITUTE LAND,

- EXCEPTING ANY BUILDINGS AND IMPROVEMENTS NOT IN EXISTENCE ON THE DATE OF RECORDING OF THE DEED ABOVE REFERRED TO,

APN: 058-0261-027-0000

LEGAL DESCRIPTION NOTE:

THE LEGAL DESCRIPTIONS SHOWN HEREON WERE TAKEN FROM THE SUBJECT TITLE REPORT AND INCLUDES PROPERTY BEYOND THE SCOPE OF WORK LIMITS OF THIS SURVEY. THE CLIENT SPECIFIED LIMITS OF SURVEY IS AS SHOWN ON THIS SURVEY.

- THE LOCATION OF THE BUILDINGS REFERENCED IN THE EXCEPTIONS TO THE LEGAL DESCRIPTIONS CAN NOT BE DETERMINED FROM THE RECORD.

EASEMENT NOTES

REFER TO TITLE REPORT FOR ADDITIONAL INFORMATION AND DETAILS:

- AN EASEMENT FOR ROAD AND INCIDENTAL PURPOSES, RECORDED JUNE 02, 1976 IN BOOK 7606-02, PAGE 744 OF OFFICIAL RECORDS.

IN FAVOR OF: THE COUNTY OF SACRAMENTO
AFFECTS: PARCEL 3

NOTE: EASEMENT FALLS WITHIN SUNRISE BOULEVARD AND COLOMA ROAD.

- AN EASEMENT FOR WATER PIPELINES AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 18, 1976 IN BOOK 7611-18, PAGE 887 OF OFFICIAL RECORDS.

IN FAVOR OF: SOUTHERN CALIFORNIA WATER COMPANY
AFFECTS: PARCELS 1 THROUGH 3

THE LOCATION OF THE EASEMENT CANNOT BE DETERMINED FROM RECORD INFORMATION.

NOTE: SAID EASEMENT PLOTTED HEREON IS SHOWN IN THE APPROXIMATE LOCATION PER AN UNSIGNED ALTA SURVEY BY OTHERS.

- AN EASEMENT FOR ELECTRIC FACILITIES AND INCIDENTAL PURPOSES, RECORDED FEBRUARY 25, 1977 IN BOOK 7702-25, PAGE 944 OF OFFICIAL RECORDS.

IN FAVOR OF: SACRAMENTO MUNICIPAL UTILITY DISTRICT
AFFECTS: PARCELS 1 THROUGH 2

NOTE: SAID EASEMENT AFFECTS THE WESTERLY PORTION OF THE PROPOSED CHICK-FIL-A DEVELOPMENT.

- AN EASEMENT FOR PUBLIC HIGHWAY OR ROAD AND INCIDENTAL PURPOSES, RECORDED DECEMBER 19, 1991 IN BOOK 9112-19, PAGE 934 OF OFFICIAL RECORDS.

IN FAVOR OF: COUNTY OF SACRAMENTO
AFFECTS: PARCELS 1 AND 2

NOTE: SAID EASEMENT DOES NOT ADVERSELY BURDEN THE PROPOSED CHICK-FIL-A DEVELOPMENT.

ITEMS NOT LISTED IN SUBJECT TITLE REPORT BUT PLOTTED HEREON.

- RIGHT OF WAY PER DEED RECORDED IN BOOK 901115, PAGE 1111 O.R.
- WATER EASEMENT RECORDED IN BOOK 770424, PAGE 925 O.R.
- NOTE: SAID EASEMENT PLOTTED HEREON IS SHOWN IN THE APPROXIMATE LOCATION PER AN UNSIGNED ALTA SURVEY BY OTHERS.

BENCHMARK

SACRAMENTO COUNTY BENCHMARK NO. 19-46
ELEVATION = 107.46 FEET (NGVD29)

7/8" METAL DISC & RAMSET STAMPED "CO. B.M. 19-46" SET IN TOP OF VERTICAL CURB ABOVE D.I. @ THE EAST END OF CURB RETURN @ THE SOUTHEAST CORNER OF SUNRISE BLVD. & GOLD EXPRESS DR.

BASIS OF BEARINGS

THE BEARING OF NORTH 45° 26' 08" WEST ALONG THE WESTERLY PROPERTY LINE OF PARCEL "B" AS SHOWN ON A PARCEL MAP AS FILED IN BOOK 26, PAGE 29 OF PARCEL MAPS, RECORDS OF SACRAMENTO COUNTY, STATE OF CALIFORNIA, WAS USED AS THE BASIS OF BEARINGS FOR THIS SURVEY.

SITE AREA

PARCEL "B" OF PARCEL MAP FILED IN BOOK 26 PAGE 29 (R1) CONTAINS APPROXIMATELY: 625,690 SQ. FT. OR 14.364 ACRES (NET PARCEL "B" PER R1)

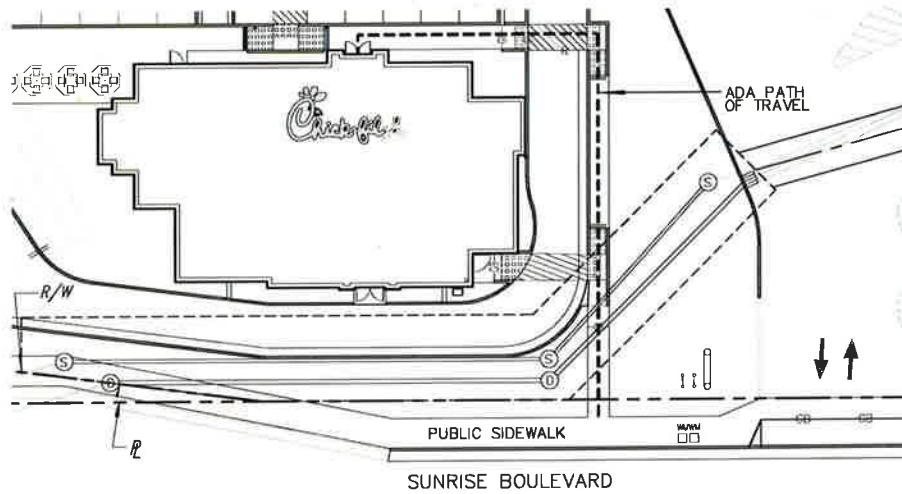
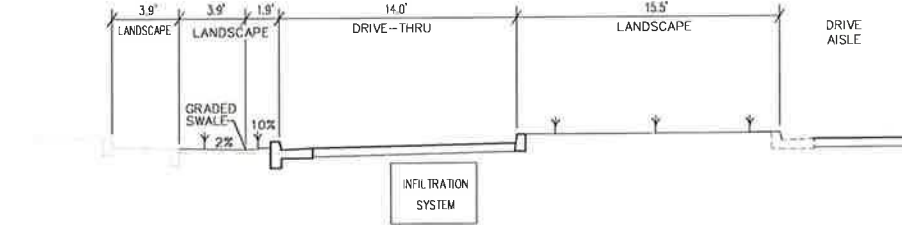
624,973 SQ. FT. OR 14.347 ACRES (EXCLUDES EASEMENT NOTE EXCEPTION #14 HEREON)

UTILITY PROVIDERS

SEWER.....SACRAMENTO AREA SEWER DISTRICT.....916-876-6140
STORM DRAIN.....SACRAMENTO COUNTY DWR.....916-874-6851
WATER.....GOLDEN STATE WATER DISTRICT.....805-348-7407
GAS.....PACIFIC GAS AND ELECTRIC CO.....916-386-5429
ELECTRIC.....(SMUD) SACRAMENTO MUNICIPAL UTILITY DISTRICT.....916-732-6573
PHONE.....AT&T.....408-635-8767
+ CABLE.....

+ AGENCY RECORD INFORMATION NOT AVAILABLE AT THE TIME OF THIS SURVEY.

CONCEPTUAL GRADING/UTILITY PLANS FOR CHICK-FIL-A RESTAURANT NO. 3446 N.W.C. SUNRISE DRIVE AND ZINFANDEL DRIVE RANCHO CORDOVA, CA



PROPOSED 20' WIDE SEWER EASEMENT

1"=20'

THIS PLAN IS:

PRELIMINARY

(NOT FOR CONSTRUCTION)

NOTICE TO CONTRACTOR

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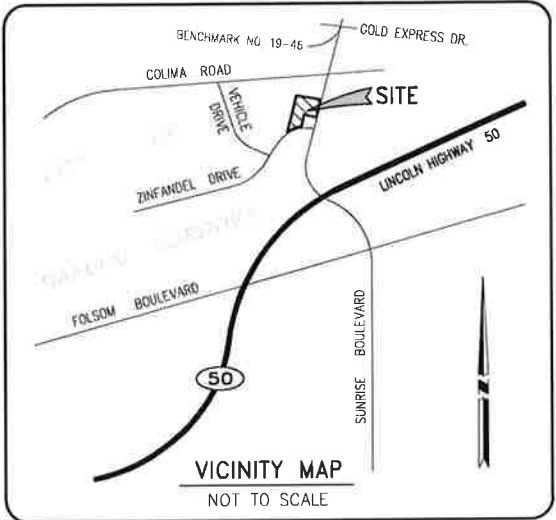
IMPORTANT NOTES

Section 4216/4217 of the Government Code requires a Dig Alert Identification Number be issued before a "Permit to Excavate" will be valid. For your Dig Alert I.D. Number call Underground Service Alert TOLL FREE 1-800-422-4133 Two working days before you dig.

EARTHWORK QUANTITIES

350 CUBIC YARDS CUT
800 CUBIC YARDS FILL
0 CUBIC YARDS EXPORT
0 CUBIC YARDS OVEREXCAVATION

RAW QUANTITIES ONLY, NOT INCLUDING REMOVAL OF EXISTING PAVEMENT. NO ALLOWANCE MADE FOR STRIPPING SHRINKAGE, LOSS, ETC. QUANTITIES ARE FOR CITY FEES PURPOSES ONLY-NOT FOR BIDDING CONTRACTOR TO PERFORM INDEPENDENT EARTHWORK CALCULATIONS.



SHEET #

TITLE

- 1 — TITLE SHEET
- 2 — CONCEPTUAL GRADING PLAN
- 3 — CONCEPTUAL CONSTRUCTION NOTES
- 4 — CULTREC RECHARGER SYSTEM DETAILS
- 5 — CONCEPTUAL UTILITY PLAN

- * 1 — ALTA SURVEY (TITLE SHEET)
- * 2 — ALTA SURVEY (BOUNDARY)
- * 3 — ALTA SURVEY (SURVEY)

* FOR REFERENCE ONLY

DEVELOPER

CHICK-FIL-A

5200 BUFFINGTON ROAD
ATLANTA, GEORGIA 30349

ARCHITECT

CRHO ARCHITECTS

195 SOUTH "C" STREET, SUITE 200
TUSTIN, CA 92780
(714) 832-1834 FAX (714) 832-1910

SOILS ENGINEER

THESE PLANS HAVE BEEN DESIGNED IN ACCORDANCE WITH THE GEOTECHNICAL RECOMMENDATIONS MADE BY:
GILES ENGINEERING ASSOCIATES, INC.

1965 NORTH MAIN STREET

ORANGE, CA 92665

PH (714) 279-0817 FAX (714) 279-9687

PROJECT No. 2G-1311003

REPORT DATE: DECEMBER 9, 2013

CONTRACTOR SHALL OBTAIN A COPY OF THIS REPORT AND ALL ADDENDUM AND FOLLOW THE RECOMMENDATIONS THEREIN. NOTIFY TRUXAW AND ASSOCIATES OF ANY DISCREPANCIES OR FIELD CHANGES PRIOR TO CONSTRUCTION.

SIGNATURE - SOILS ENGINEER

DATE

SOURCE OF BOUNDARY & EASEMENT INFORMATION.

THE TOPOGRAPHIC INFORMATION SHOWN ON THESE PLANS WERE TAKEN FROM THE PLAN REFERENCED BELOW.

DATE OF SURVEY: OCTOBER 30, 2013

ALTA SURVEY BY: TRUXAW AND ASSOCIATES, INC.
265 S. ANITA DR., SUITE 111
ORANGE, CA 92668
(714) 935-0265
JOB # CFA13068

EXHIBIT A



5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark Date By

△

Mark Date By

△

Mark Date By

△

Seal



Prepared by:



JOSEPH C. TRUXAW
& ASSOCIATES, INC.

Civil Engineers and
Land Surveyors

265 S. ANITA DRIVE, SUITE 111
ORANGE, CA 92668
(714) 935-0265
(714) 935-0106 (TAX)

STORE
RIVERGATE CORDOVA

NWC SUNRISE &
ZINFANDEL
RANCHO CORDOVA, CA

SHEET TITLE

CONCEPTUAL
GRADING
PLAN

VERSION: S12
ISSUE DATE: 10-2011

Job No. : CFA13068

Store : #3446

Date : 5-13-14

Drawn By : JPH

Checked By: SMH

Sheet

1 of 5



Chick-fil-e

5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark Date By
△

Mark Date By
△

Mark Date By
△

Seal



Prepared by:



JOSEPH C. TRIDAW
& ASSOCIATES, INC.

Civil Engineers and
Land Surveyors

365 S. ANITA DRIVE, SUITE 111
ORANGE, CA 92668
(714) 835-0265
(714) 835-0106 (FAX)

STORE
RIVERGATE CORDOVA

NWC SUNRISE &
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RANCHO CORDOVA, CA

SHEET TITLE
CONCEPTUAL
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PLAN

VERSION: S12
ISSUE DATE: 10-2011

Job No. : CFA13068

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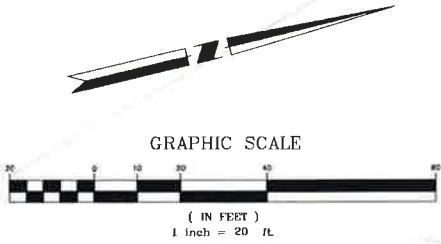
Date : 5-13-14

Drawn By : JPH

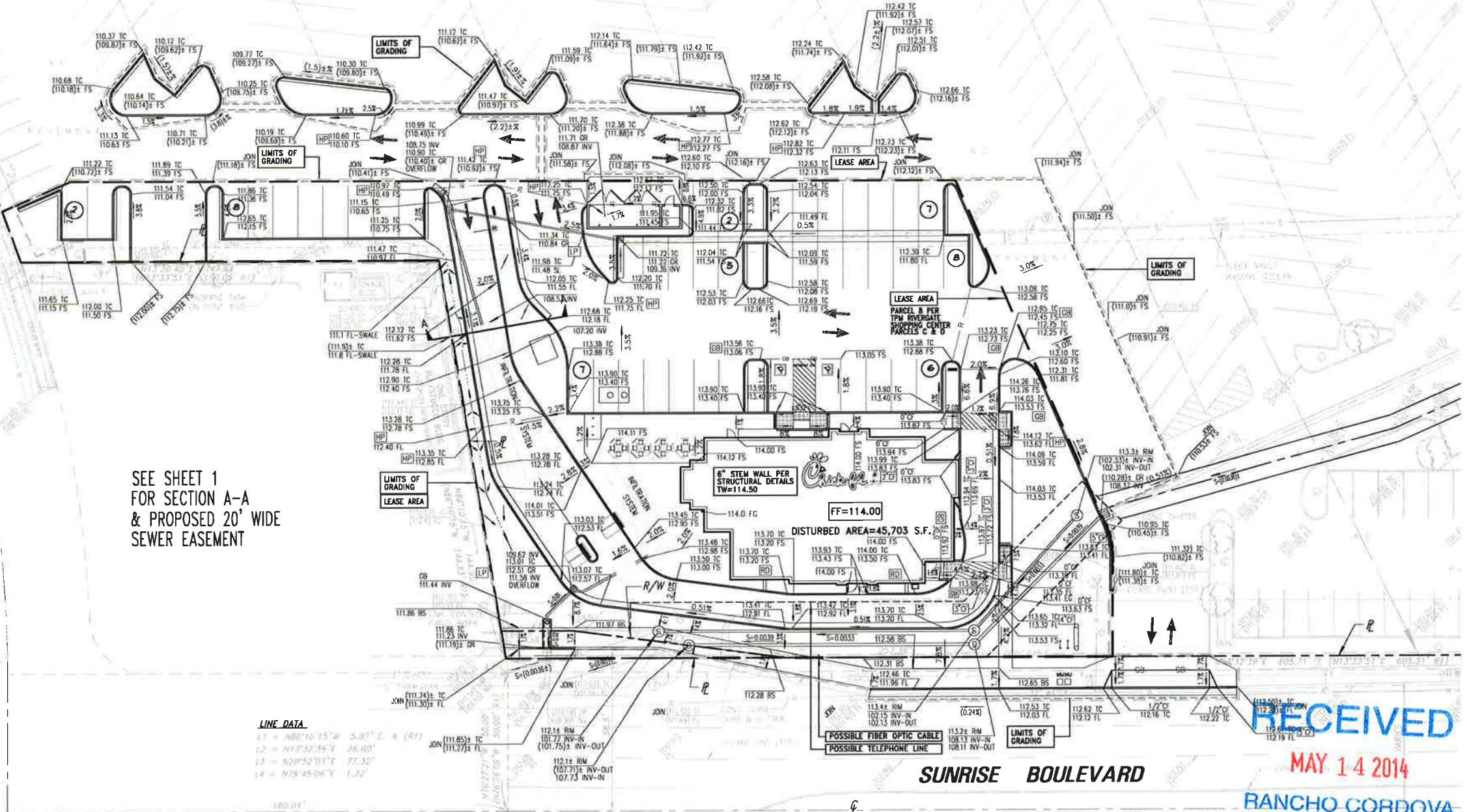
Checked By: SMH

Sheet

2 of 5



ZINFANDEL DRIVE



SEE SHEET 1
FOR SECTION A-A
& PROPOSED 20' WIDE
SEWER EASEMENT

NOTICE TO CONTRACTOR
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VERTICAL AND HORIZONTAL LOCATION AND SIZE OF ALL
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For your Dig Alert I.D. Number call
Underground Service Alert
TOLL FREE 1-800-422-4133
Two working days before you dig.

THIS PLAN IS:
PRELIMINARY
(NOT FOR CONSTRUCTION)

LINE DATA

- 1 = 408°10'15"W 5.07' E & (RT)
- 2 = N15°32'35"E 26.00'
- 3 = N20°52'03"E 77.32'
- 4 = N79°45'06"E 1.22'

6" STEM WALL PER
STRUCTURAL DETAILS
TW=114.50

DISTURBED AREA=45,703 S.F.

FF=114.00

SUNRISE BOULEVARD

RECEIVED

MAY 14 2014

RANCHO CORDOVA
PLANNING



Chick-fil-A

5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark Date By



Mark Date By



Mark Date By



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Prepared by:



JOSEPH C. TRIDKAV
& ASSOCIATES, INC.

Civil Engineers and
Land Surveyors
365 S. ANITA DRIVE, SUITE 111
ORANGE, CA 92668
(714) 935-0265
(714) 935-0106 (TAX)

STORE
RIVERGATE CORDOVA

NWC SUNRISE &
ZINFANDEL
RANCHO CORDOVA, CA

SHEET TITLE
CONCEPTUAL
CONSTRUCTION
NOTES

VERSION: S12
ISSUE DATE: 10-2011

Job No. : 05A13068

Store : #3446

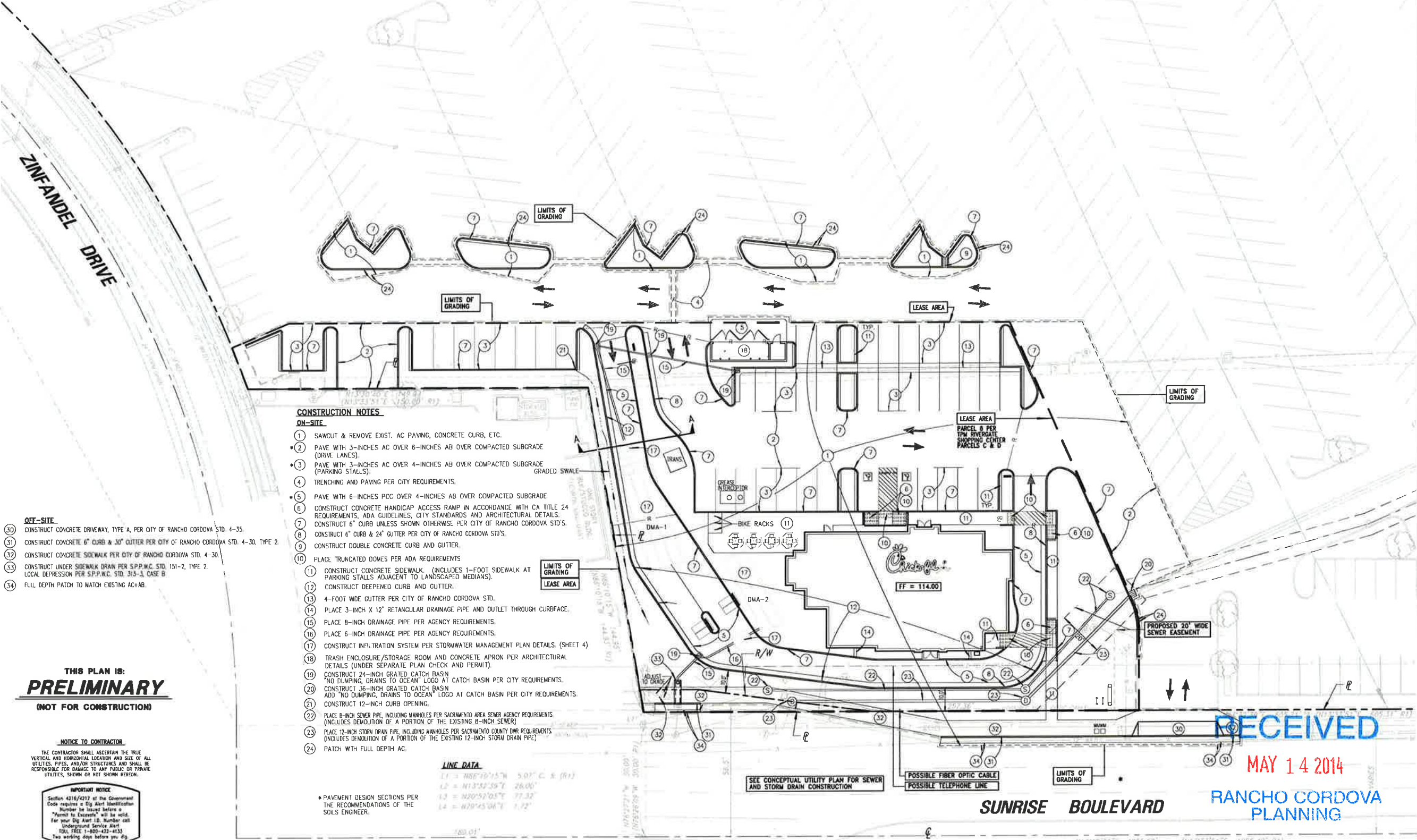
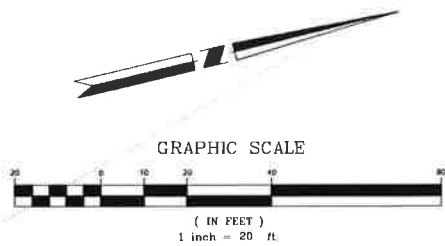
Date : 5-13-14

Drawn By : JPH

Checked By: SMH

Sheet

3 of 5



CONSTRUCTION NOTES

ON-SITE

- 1 SAWCUT & REMOVE EXIST. AC PAVING, CONCRETE CURB, ETC.
- 2 PAVE WITH 3-INCHES AC OVER 6-INCHES AB OVER COMPACTED SUBGRADE (DRIVE LANES)
- 3 PAVE WITH 3-INCHES AC OVER 4-INCHES AB OVER COMPACTED SUBGRADE (PARKING STALLS)
- 4 TRENCHING AND PAVING PER CITY REQUIREMENTS.
- 5 PAVE WITH 6-INCHES PCC OVER 4-INCHES AB OVER COMPACTED SUBGRADE
- 6 CONSTRUCT CONCRETE HANDICAP ACCESS RAMP IN ACCORDANCE WITH CA TITLE 24 REQUIREMENTS, ADA GUIDELINES, CITY STANDARDS AND ARCHITECTURAL DETAILS.
- 7 CONSTRUCT 6" CURB UNLESS SHOWN OTHERWISE PER CITY OF RANCHO CORDOVA STD'S.
- 8 CONSTRUCT 6" CURB & 24" GUTTER PER CITY OF RANCHO CORDOVA STD'S.
- 9 CONSTRUCT DOUBLE CONCRETE CURB AND GUTTER.
- 10 PLACE TRUNCATED DOWNS PER ADA REQUIREMENTS
- 11 CONSTRUCT CONCRETE SIDEWALK. (INCLUDES 1-FOOT SIDEWALK AT PARKING STALLS ADJACENT TO LANDSCAPED MEDIANS).
- 12 CONSTRUCT DEEPEDED CURB AND GUTTER.
- 13 4-FOOT WIDE GUTTER PER CITY OF RANCHO CORDOVA STD.
- 14 PLACE 3-INCH X 12" RECTANGULAR DRAINAGE PIPE AND OUTLET THROUGH CURBSURF.
- 15 PLACE 8-INCH DRAINAGE PIPE PER AGENCY REQUIREMENTS.
- 16 PLACE 6-INCH DRAINAGE PIPE PER AGENCY REQUIREMENTS.
- 17 CONSTRUCT INFILTRATION SYSTEM PER STORMWATER MANAGEMENT PLAN DETAILS (SHEET 4)
- 18 TRASH ENCLOSURE/STORAGE ROOM AND CONCRETE APRON PER ARCHITECTURAL DETAILS (UNDER SEPARATE PLAN CHECK AND PERMIT).
- 19 CONSTRUCT 24-INCH GRATED CATCH BASIN "NO DUMPING, DRAINS TO OCEAN" LOGO AT CATCH BASIN PER CITY REQUIREMENTS.
- 20 CONSTRUCT 36-INCH GRATED CATCH BASIN "NO DUMPING, DRAINS TO OCEAN" LOGO AT CATCH BASIN PER CITY REQUIREMENTS.
- 21 CONSTRUCT 12-INCH CURB OPENING.
- 22 PLACE 8-INCH SEWER PIPE, INCLUDING MANHOLES PER SACRAMENTO AREA SEWER AGENCY REQUIREMENTS (INCLUDES DEMOLITION OF A PORTION OF THE EXISTING 8-INCH SEWER)
- 23 PLACE 12-INCH STORM DRAIN PIPE, INCLUDING MANHOLES PER SACRAMENTO COUNTY DWR REQUIREMENTS (INCLUDES DEMOLITION OF A PORTION OF THE EXISTING 12-INCH STORM DRAIN PIPE)
- 24 PATCH WITH FULL DEPTH AC.

LINE DATA

- 11 = N08°10'15"W 50.27' C & R (1)
- 12 = N13°52'39"E 26.00'
- 13 = N20°52'05"E 77.32'
- 14 = N79°45'06"E 1.72'

PAVEMENT DESIGN SECTIONS PER THE RECOMMENDATIONS OF THE SOILS ENGINEER.

OFF-SITE

- 30 CONSTRUCT CONCRETE DRIVEWAY, TYPE A, PER CITY OF RANCHO CORDOVA STD. 4-35.
- 31 CONSTRUCT CONCRETE 6" CURB & 30" GUTTER PER CITY OF RANCHO CORDOVA STD. 4-30, TYPE 2.
- 32 CONSTRUCT CONCRETE SIDEWALK PER CITY OF RANCHO CORDOVA STD. 4-30.
- 33 CONSTRUCT UNDER SIDEWALK DRAIN PER S.P.P.W.C. STD. 151-2, TYPE 2.
- 34 LOCAL DEPRESSION PER S.P.P.W.C. STD. 313-3, CASE B.
- 35 FULL DEPTH PATCH TO MATCH EXISTING AC+AB.

THIS PLAN IS:
PRELIMINARY
(NOT FOR CONSTRUCTION)

NOTICE TO CONTRACTOR

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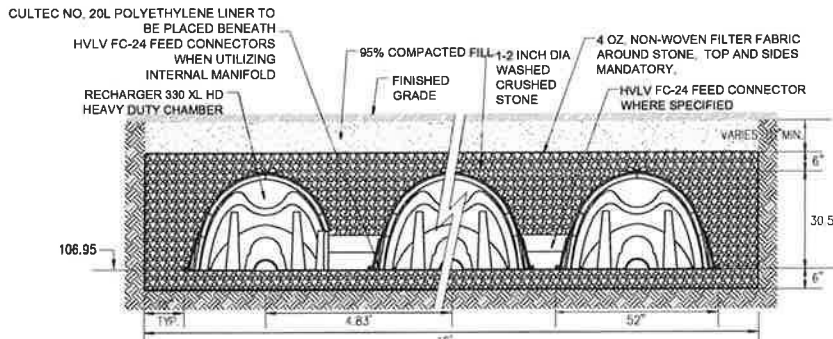
MAY 14 2014

RANCHO CORDOVA
PLANNING

SUNRISE BOULEVARD

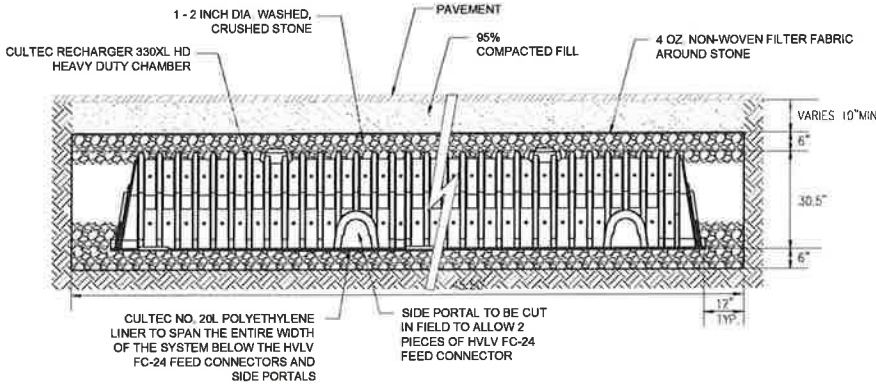
CULTEC RECHARGERS SYSTEM "DMA-1"

$V_{10} = 1,616 \text{ cf}$

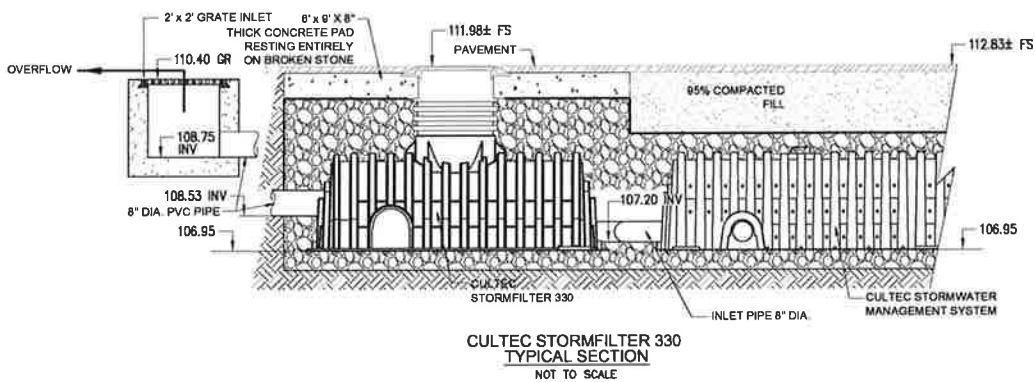


GENERAL NOTES
RECHARGER 330XL HD BY CULTEC, INC. OF BROOKFIELD, CT. STORAGE PROVIDED = 11.32 CF/FT PER DESIGN UNIT. REFER TO CULTEC, INC.'S CURRENT RECOMMENDED INSTALLATION GUIDELINES.
USE RECHARGER 330XL HD HEAVY DUTY FOR TRAFFIC AND/OR H-25 APPLICATIONS.

ALL RECHARGER 330XL HD HEAVY DUTY UNITS ARE MARKED WITH A COLOR STRIPE FORMED INTO THE PART ALONG THE LENGTH OF THE CHAMBER.
ALL RECHARGER 330XL HD CHAMBERS MUST BE INSTALLED IN ACCORDANCE WITH ALL APPLICABLE LOCAL, STATE AND FEDERAL REGULATIONS.

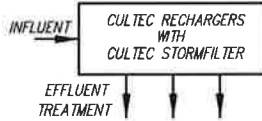


CULTEC RECHARGERS
TYPICAL SECTION
NOT TO SCALE



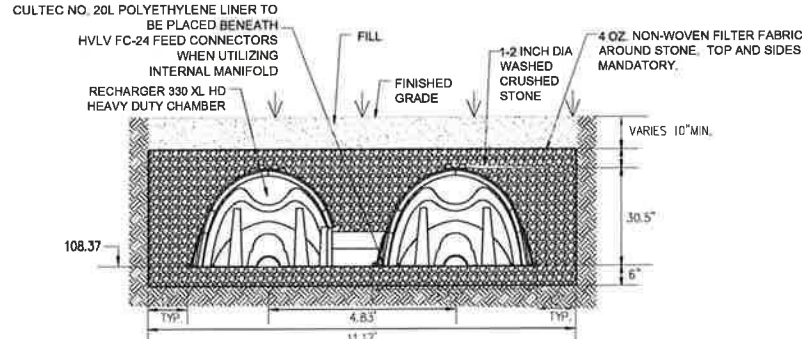
THIS PLAN IS:
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TREATMENT TRAIN
SYSTEMS A AND B



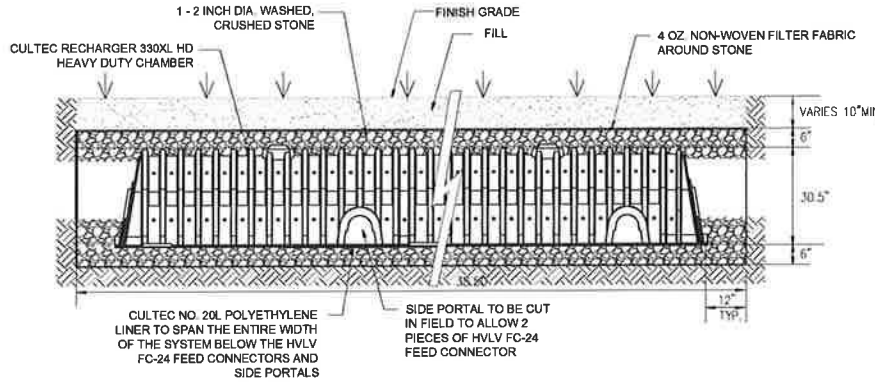
CULTEC RECHARGERS SYSTEM "DMA-2"

$V_{10} = 936 \text{ cf}$

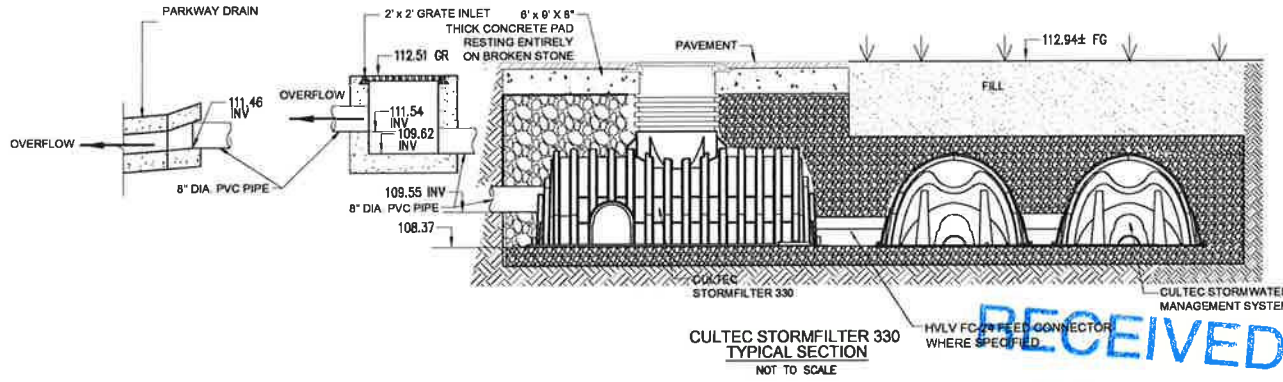


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CULTEC RECHARGERS
TYPICAL SECTION
NOT TO SCALE



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MAY 14 2014
RANCHO CORDOVA



Cultec

5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark Date By



Mark Date By



Mark Date By



Seal



Prepared by:



**JOSEPH C. TRUXAW
& ASSOCIATES, INC.**

Civil Engineers and
Land Surveyors

265 S. ANITA DRIVE, SUITE 111
ORANGE, CA 92668
(714) 835-0265
(714) 835-0106 (FAX)

STORE
RIVERGATE CORDOVA

NWC SUNRISE &
ZINFANDEL
RANCHO CORDOVA, CA

SHEET TITLE
CULTEC
RECHARGER
SYSTEM DETAILS

VERSION: S12
ISSUE DATE: 10-2011

Job No. : 07A13068

Store : #3446

Date : 5-13-14

Drawn By : JPH

Checked By : SMH

Sheet

4 of 5



Chick-fil-A

5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark Date By

△

Mark Date By

△

Mark Date By

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Prepared by:



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Land Surveyors
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ORANGE, CA 92668
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STORE
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NWC SUNRISE &
ZINFANDEL
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SHEET TITLE
CONCEPTUAL
UTILITY
PLAN

VERSION: S12
ISSUE DATE: 10-2011

Job No. : CFA13068

Store : #3446

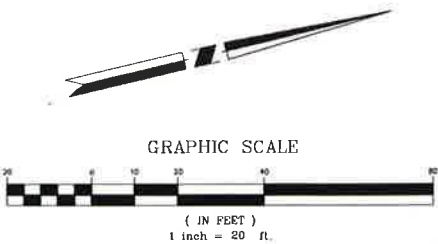
Date : 5-13-14

Drawn By : JPH

Checked By: SMH

Sheet

5 of 5



* SLOPE PER CITRIS
ASSESSMENT DISTRICT
MAP842-C-B 4

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PRELIMINARY
(NOT FOR CONSTRUCTION)

LINE DATA

L1 = N86°10'15" W 5.07' C & (R1)
L2 = N13°52'19" E 29.00'
L3 = N70°52'03" E 77.32'
L4 = N79°45'06" E 1.72'

RECEIVED
MAY 14 2014
RANCHO CORDOVA
PLANNING

SUNRISE BOULEVARD

EASEMENT NOTES

- REFER TO TITLE REPORT FOR ADDITIONAL INFORMATION AND DETAILS:
- ITEM THAT DEALS WITH TAXES.
 - ANY UNPAID AMOUNTS FOR DELINQUENT UTILITIES OWED TO, OR RESULTANT LIENS IN FAVOR OF THE CITY OF ELK GROVE, CITY OF FOLSOM, CITY OF GALT, CITY OF SACRAMENTO, OR COUNTY OF SACRAMENTO. AMOUNTS MAY BE ASCERTAINED BY CONTACTING THE CITY OF ELK GROVE AT (916) 478-3642, THE CITY OF FOLSOM AT (916) 355-7200, THE CITY OF GALT AT (209) 745-2961, THE CITY OF SACRAMENTO AT (916) 264-5454 OR THE COUNTY OF SACRAMENTO AT (916) 875-5555.
 - THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO CHAPTER 3.5 COMMENCING WITH SECTION 75 OF THE CALIFORNIA REVENUE AND TAXATION CODE.
 - RIGHTS OF THE PUBLIC IN AND TO THAT PORTION OF THE LAND LYING WITHIN ZINFANDEL DRIVE AND SUNRISE BOULEVARD.
 - AN EASEMENT FOR ROAD AND INCIDENTAL PURPOSES, RECORDED JUNE 02, 1976 IN BOOK 7606-02, PAGE 744 OF OFFICIAL RECORDS.

IN FAVOR OF: THE COUNTY OF SACRAMENTO
AFFECTS: AS DESCRIBED THEREIN

NOTE: EASEMENT FALLS WITHIN SUNRISE BOULEVARD AND COLOMA ROAD.
 - AN EASEMENT FOR WATER PIPELINES AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 18, 1976 IN BOOK 7611-18, PAGE 887 OF OFFICIAL RECORDS.

IN FAVOR OF: SOUTHERN CALIFORNIA WATER COMPANY
AFFECTS: AS DESCRIBED THEREIN

THE LOCATION OF THE EASEMENT CANNOT BE DETERMINED FROM RECORD INFORMATION.

NOTE: SAID EASEMENT PLOTTED HEREON IS SHOWN IN THE APPROXIMATE LOCATION PER EXISTING FIRE HYDRANT LOCATIONS AND AN UNSIGNED ALTA SURVEY BY OTHERS, ALTERNATE POSITIONS MAYBE POSSIBLE.
 - AN EASEMENT FOR ELECTRIC FACILITIES AND INCIDENTAL PURPOSES, RECORDED FEBRUARY 25, 1977 IN BOOK 7702-25, PAGE 944 OF OFFICIAL RECORDS.

IN FAVOR OF: SACRAMENTO MUNICIPAL UTILITY DISTRICT
AFFECTS: AS DESCRIBED THEREIN

NOTE: SAID EASEMENT AFFECTS THE WESTERLY PORTION OF THE PROPOSED CHICK-FIL-A DEVELOPMENT.
 - THE TERMS, PROVISIONS AND EASEMENT(S) CONTAINED IN THE DOCUMENT ENTITLED "DECLARATION OF EASEMENT AND AGREEMENT AFFECTING REAL PROPERTY" RECORDED SEPTEMBER 25, 1980 IN BOOK 8009-25, PAGE 1229 OF OFFICIAL RECORDS.

NOTE: SAID DOCUMENT AMONG OTHER ITEMS INCLUDES RECIPROCAL NONEXCLUSIVE EASEMENTS FOR INGRESS AND EGRESS, PARKING, UTILITIES AND OTHER INCIDENTAL ITEMS. SAID EASEMENT IS BLANKET IN NATURE AND NOT PLOTTED HEREON. REFER TO SAID DOCUMENT FOR FULL PARTICULARS.
 - AN EASEMENT FOR PUBLIC HIGHWAY OR ROAD AND INCIDENTAL PURPOSES, RECORDED DECEMBER 19, 1991 IN BOOK 9112-19, PAGE 934 OF OFFICIAL RECORDS.

IN FAVOR OF: COUNTY OF SACRAMENTO
AFFECTS: AS DESCRIBED THEREIN

NOTE: SAID EASEMENT IS LOCATED AT THE SOUTHEAST CORNER OF THE LEASE AREA DEVELOPMENT.
 - A DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING TO SECURE AN ORIGINAL INDEBTEDNESS OF \$22,060,000.00 RECORDED APRIL 08, 2014 IN BOOK 20140408, PAGE 0449 OF OFFICIAL RECORDS.

DATED: MARCH 28, 2014
TRUSTOR: CONRAD RIVERGATE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
TRUSTEE: FIRST AMERICAN TITLE INSURANCE COMPANY
BENEFICIARY: CTBC BANK CORP (USA), A CALIFORNIA BANKING CORPORATION, AS AGENT FOR THE DEFINED LENDERS

A ABSOLUTE ASSIGNMENT OF LEASES, LEASE GUARANTIES, RENTS, ISSUES AND PROFITS, BY AND BETWEEN CONRAD RIVERGATE, LLC, A CALIFORNIA LIMITED COMPANY AND CTBC BANK CORP (USA), A CALIFORNIA BANKING CORPORATION, AS AGENT FOR THE DEFINED LENDERS, RECORDED APRIL 8, 2014 IN BOOK 20140408, PAGE 0450 OF OFFICIAL RECORDS.

AFFECTS: AS DESCRIBED THEREIN
 - AN EASEMENT FOR SEWER AND INCIDENTAL PURPOSES, RECORDED MARCH 17, 2014 AS BOOK 20140317, PAGE 522 OF OFFICIAL RECORDS.

IN FAVOR OF: SACRAMENTO AREA SEWER DISTRICT
AFFECTS: AS DESCRIBED THEREIN
- SAID LEGAL DESCRIPTION IS AMBIGUOUS AS TO THE REFERENCE TO PARCEL B (R1) "FEE" OR "NET" PARCEL LINES, ALTERNATE LOCATIONS MAY BE POSSIBLE.
- ITEMS NOT LISTED IN SUBJECT TITLE REPORT BUT PLOTTED HEREON.
- RIGHT OF WAY PER DEED RECORDED IN BOOK 901115, PAGE 1111 O.R.
 - WATER EASEMENT RECORDED IN BOOK 770424, PAGE 925 O.R.

NOTE: SAID EASEMENT PLOTTED HEREON IS SHOWN IN THE APPROXIMATE LOCATION PER EXISTING FIRE HYDRANT LOCATIONS AND AN UNSIGNED ALTA SURVEY BY OTHERS, ALTERNATE POSITIONS MAYBE POSSIBLE.

TITLE REPORT

THIS SURVEY AND EASEMENTS SHOWN HEREON ARE BASED ON INFORMATION CONTAINED IN THE PRELIMINARY TITLE REPORT PREPARED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY
4380 LA JOLLA VILLAGE DRIVE, SUITE 110
SAN DIEGO, CA 92122
(858) 410-2155

POLICY/TITLE NUMBER: NCS-634451-SD
COMMITMENT DATE: APRIL 8, 2014
UPDATED AND AMENDED: APRIL 14, 2014
TITLE OFFICER: FRANK SKIP SANTY / TRIXY BROWN

LEASE AREA LEGAL DESCRIPTION (PER TITLE REPORT)

THE LAND REFERRED TO HEREON IS SITUATED IN THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL "B" OF PARCEL MAP, IN THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA FILED IN BOOK 26, PAGE 29 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF SUNRISE BOULEVARD AND ZINFANDEL DRIVE AS SHOWN ON SAID PARCEL MAP; THENCE, ALONG SAID CENTERLINE OF SUNRISE BOULEVARD NORTH 13°32'29" EAST 180.01 FEET; THENCE, NORTH 76°27'21" WEST 50.00 FEET; THENCE, NORTH 86°10'15" WEST 5.07 FEET TO THE ANGLE POINT IN THE FEE TITLE LINE OF PARCEL "B" AS SHOWN ON SAID PARCEL MAP AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE, ALONG THE SOUTHERLY LINE OF SAID PARCEL "B" NORTH 86°10'15" WEST 144.95 FEET TO THE EASTERLY LINE OF SAID PARCEL "B"; THENCE, ALONG SAID EASTERLY LINE SOUTH 13°30'40" WEST 133.37 FEET; THENCE, NORTH 76°29'20" WEST 27.82 FEET; THENCE, NORTH 13°32'39" EAST 319.27 FEET; THENCE, SOUTH 79°50'02" WEST 140.60 FEET; THENCE, SOUTH 76°22'14" EAST 41.88 FEET TO THE WESTERLY LINE OF RIGHT-OF-WAY DEED TO COUNTY OF SACRAMENTO RECORDED JUNE 23, 1976 IN BOOK 760202, OFFICIAL RECORDS; THENCE, ALONG SAID WESTERLY LINE SOUTH 13°32'39" WEST 217.90 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THE MUTUAL NON-EXCLUSIVE RIGHTS OVER COMMON AREA AS SET FORTH IN SECTION 6 OF THE SHORT FORM LEASE RECORDED _____, 2014, IN BOOK _____, PAGE _____ OF OFFICIAL RECORDS, WHICH INCLUDE, BUT ARE NOT LIMITED TO VEHICULAR AND PEDESTRIAN ACCESS AND PARKING, UTILITY FACILITIES AND A TEMPORARY CONSTRUCTION LICENSE AS SET FORTH THEREIN.

APN: PORTION 058-0261-027-0000

FLOOD ZONE

COMMUNITY NUMBER: 060772 0207H, EFFECTIVE DATE: AUGUST 16, 2012
ZONE X (UNSHADED)
PROPERTY NOT IN A SPECIAL FLOOD HAZARD AREA, AREA DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.
INFORMATION OBTAINED FROM CERTIFIED FLOOD SYSTEMS, INC. ON 11/7/2013

BENCHMARK

SACRAMENTO COUNTY BENCHMARK NO. 19-46
ELEVATION = 107.46 FEET (NGVD29)

7/8" METAL DISC & RAMSET STAMPED "CO. B.M. 19-46" SET IN TOP OF VERTICAL CURB ABOVE D.J. @ THE EAST END OF CURB RETURN @ THE SOUTHEAST CORNER OF SUNRISE BLVD. & GOLD EXPRESS DR.

BASIS OF BEARINGS

THE BEARING OF NORTH 45° 26' 08" WEST ALONG THE WESTERLY PROPERTY LINE OF PARCEL "B" AS SHOWN ON A PARCEL MAP AS FILED IN BOOK 26, PAGE 29 OF PARCEL MAPS, RECORDS OF SACRAMENTO COUNTY, STATE OF CALIFORNIA, WAS USED AS THE BASIS OF BEARINGS FOR THIS SURVEY.

RECORD DATA

(DE) = DEED DATA AS LISTED IN GRANT DEED RECORDED IN BOOK 20111118, PAGE 30 ON NOVEMBER 18, 2011.

(R1) = RECORD DATA PER PARCEL MAP FILED IN BOOK 26, PAGE 29

SITE AREA

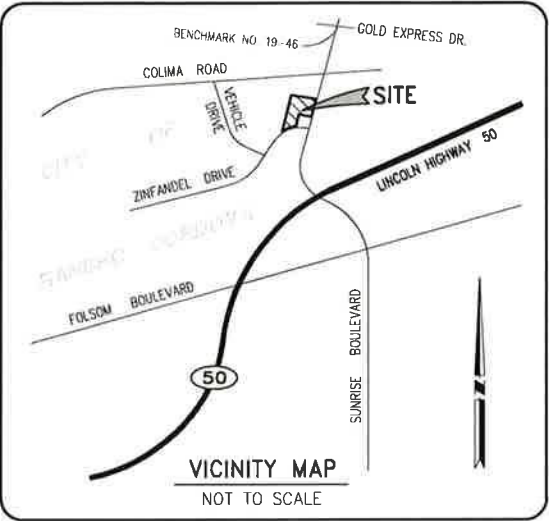
SUBJECT SITE CONTAINS APPROXIMATELY:
39,678 SQUARE FEET OR 0.911 ACRE.

UTILITY PROVIDERS

SEWER: SACRAMENTO AREA SEWER DISTRICT 916-876-6140
STORM DRAIN: SACRAMENTO COUNTY DWR 916-874-6851
WATER: GOLDEN STATE WATER DISTRICT 805-349-7407
GAS: PACIFIC GAS AND ELECTRIC CO. 916-386-5429
ELECTRIC: (SMUD) SACRAMENTO MUNICIPAL UTILITY DISTRICT 916-732-6573
PHONE: AT&T 408-635-8767
+ CABLE
+ AGENCY RECORD INFORMATION NOT AVAILABLE AT THE TIME OF THIS SURVEY.

UTILITY NOTES

- RECORD DRAWINGS DO NOT INDICATE NATURAL GAS LINES NEAR THE PROPOSED CHICK-FIL-A DEVELOPMENT. CURRENT GAS COMPANY BASE MAP SHOWS GAS SERVICE IN COLOMA ROAD AND ZINFANDEL DRIVE.
- TELEPHONE, FIBER OPTIC AND STORM DRAIN UTILITIES EXIST THROUGH THE SITE WITHOUT THE APPARENT PRESENCE OF EASEMENTS.



SURVEYOR'S NOTES

- IT IS NOT WITHIN THE PURVIEW OF THIS SURVEYOR TO MAKE DETERMINATIONS OF OWNERSHIP. AS TO "ENCROACHMENTS" SPECIFICALLY, NO INFERENCE TO SUCH DETERMINATION IS INTENDED OR IMPLIED.
- LOCATIONS OF UNDERGROUND UTILITIES / STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES / STRUCTURES MAY EXIST. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES / STRUCTURES. THE LOCATIONS OF UNDERGROUND FEATURES SHOWN HEREON ARE PLOTTED FROM AVAILABLE RECORD INFORMATION AND VISIBLE SURFACE INDICATIONS. BEFORE ANY EXCAVATIONS ARE PERFORMED, UTILITY SURVEYORS SHOULD BE CONTACTED FOR VERIFICATION OF UTILITY TYPE AND FIELD LOCATIONS.
- THE "SUBJECT SITE" IS A PART OF A RETAIL SHOPPING CENTER AND IS SUBJECT TO VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS. IT MAY BE SUBJECT TO CROSS LOT DRAINAGE AND OTHER CONDITIONS NORMAL TO "COMMON AREA" COVENANTS.
- VEHICULAR ACCESS TO THE "SUBJECT SITE" IS CURRENTLY FROM DRIVE ENTRANCES ALONG SUNRISE BOULEVARD, ZINFANDEL DRIVE AND ACROSS ADJACENT PARCELS.

SURVEY CERTIFICATION

TO: CHICK-FIL-A, INC. AND FIRST AMERICAN TITLE INSURANCE COMPANY,

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 3, 4, 5, 8, 9 & 11(b) OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON OCTOBER 30, 2013.

THIS CERTIFICATION IS SUBMITTED PURSUANT TO SECTION 8770.6 OF THE PROFESSIONAL LAND SURVEYORS ACT, BUSINESS AND PROFESSIONS CODE, STATE OF CALIFORNIA.

STEPHEN M. HAGER DATE
REGISTERED LAND SURVEYOR NO. 6161



EXHIBIT A



5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark Date By
1 4/23/14 SDS

UPDATE PER REVISED
TITLE REPORT.

Mark Date By
1

Mark Date By
1

Seal



JOSEPH C. TRUXAW
& ASSOCIATES, INC.

Civil Engineers and
Land Surveyors

265 S. ANITA DRIVE, SUITE 111
ORANGE, CA 92668
(714) 935-0265
(714) 935-0106 (FAX)

STORE
RIVERGATE CORDOVA,
SUNRISE BLVD.
N/O ZINFANDEL DR.
RANCHO CORDOVA,
CALIFORNIA

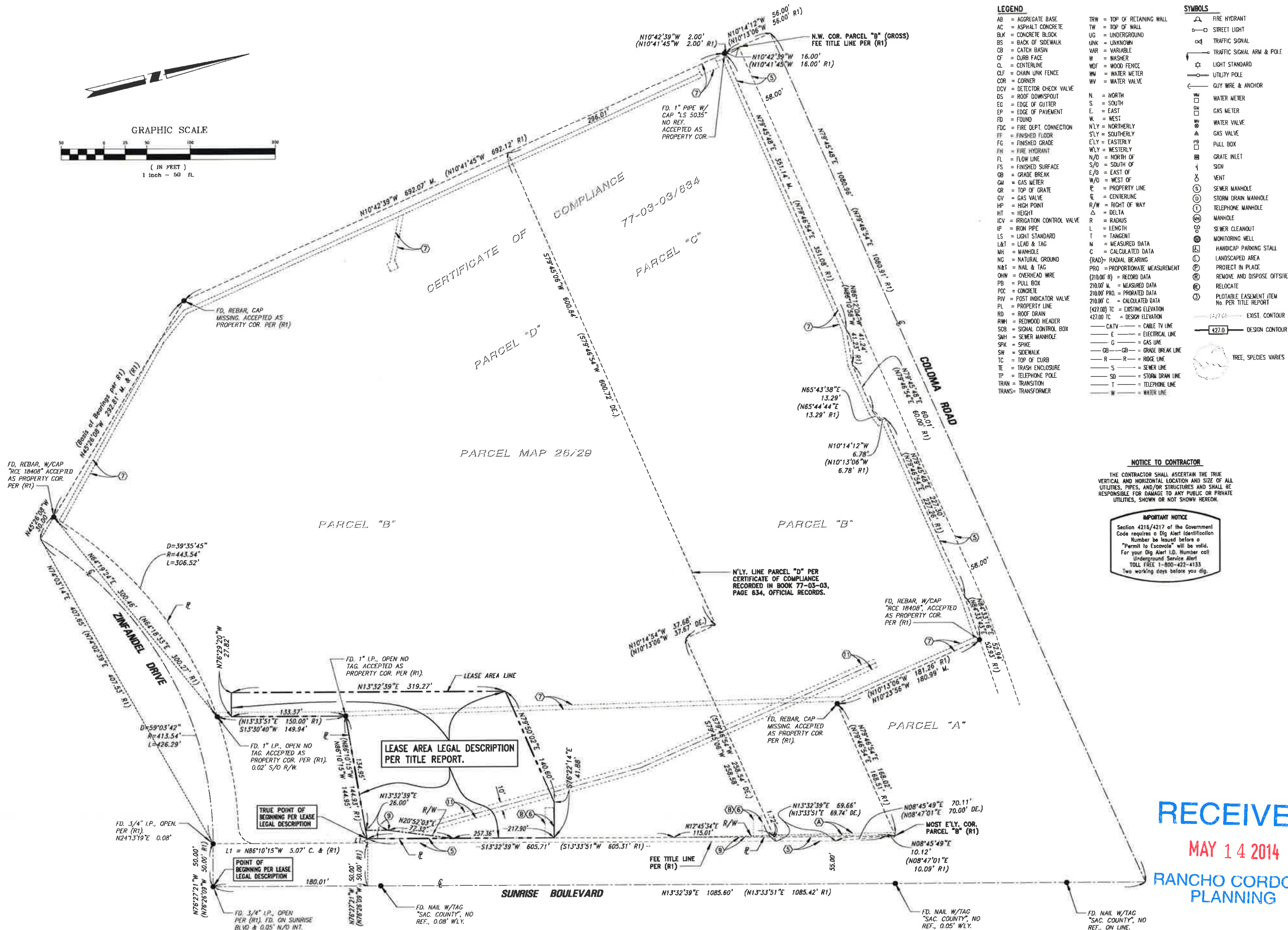
SHEET TITLE
ALTA/ACSM LAND
TITLE SURVEY

VERSION:
ISSUE DATE:

Job No. : CFA13068
Store : #3446
Date : 1/28/14
Drawn By : SDS
Checked By: SMH

Sheet

1 of 3



AGENDA ITEM 10.1

RECEIVED
MAY 14 2014
RANCHO CORDOVA
PLANNING



5200 Buffington Rd.
Atlanta Georgia,
30349-2998

Revisions:

Mark	Date	By
1	4/23/14	SDS

UPDATE PER REVISION

TITLE REPORT.

Mark	Date	By
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Mark	Date	By
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Seal



Prepared by:



**JOSEPH C. TRUXAW
& ASSOCIATES, INC.**

Civil Engineers and
Land Surveyors

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STORE
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SUNRISE BLVD.
N/O ZINFANDEL DR.
RANCHO CORDOVA,
CALIFORNIA

SHEET TITLE
ALTA/ACSM LAND
TITLE SURVEY

VERSION:

ISSUE DATE:

Job No. : CFA1306B

Store : #3446

Date : 1/28/14

Drawn By : SDS

Checked By : SMH

Sheet

3 of 3

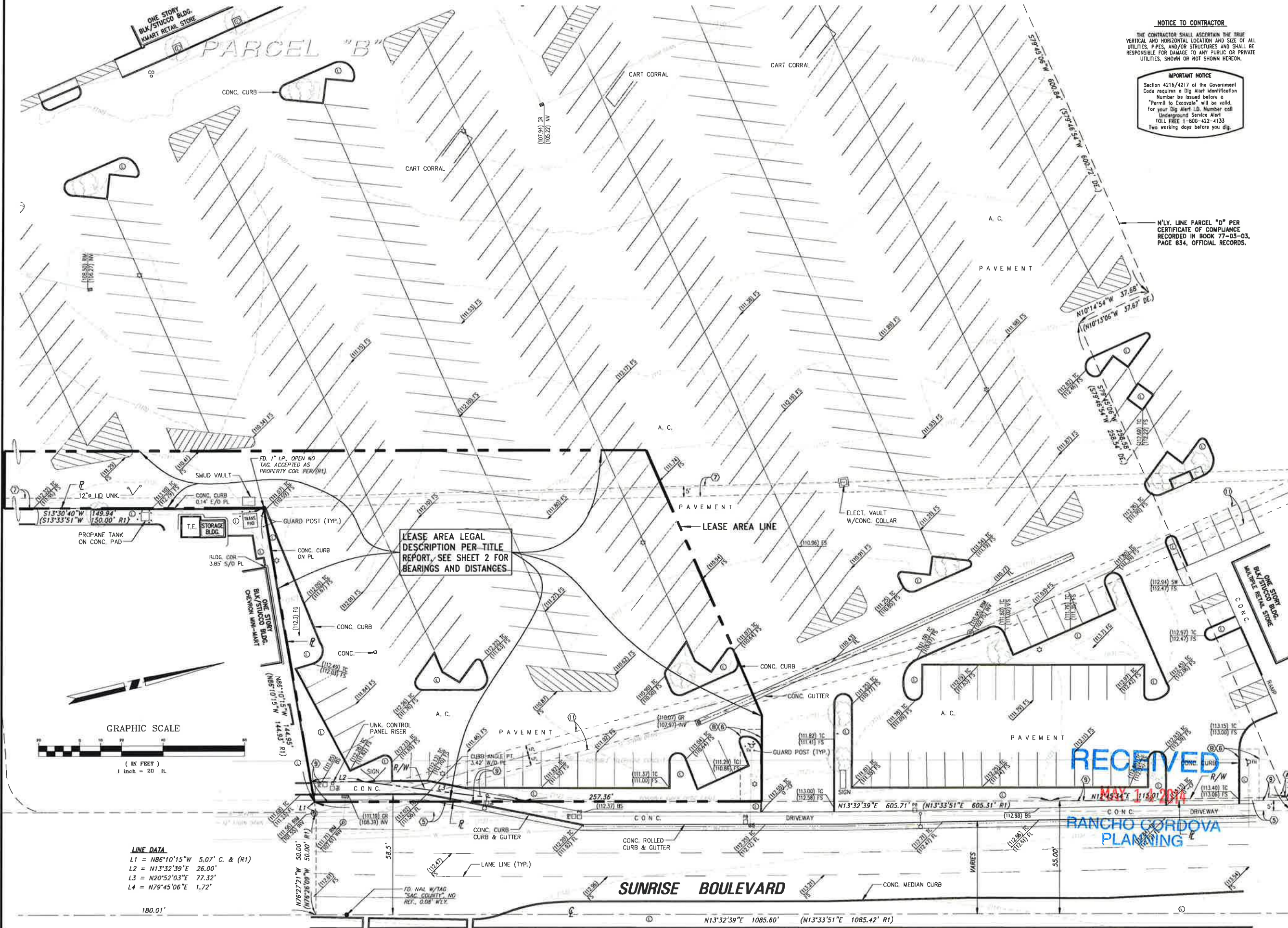
NOTICE TO CONTRACTOR

THE CONTRACTOR SHALL ASCERTAIN THE TRUE
VERTICAL AND HORIZONTAL LOCATION AND SIZE OF ALL
UTILITIES, PIPES, AND/OR STRUCTURES AND SHALL BE
RESPONSIBLE FOR DAMAGE TO ANY PUBLIC OR PRIVATE
UTILITIES, SHOWN OR NOT SHOWN HEREON.

IMPORTANT NOTICE

Section 4216/4217 of the Government
Code requires a Dig Alert Identification
Number be issued before a
"Permit to Excavate" will be valid.
For your Dig Alert I.D. Number call
Underground Service Alert
TOLL FREE 1-800-422-4133
Two working days before you dig.

N.Y. LINE PARCEL "D" PER
CERTIFICATE OF COMPLIANCE
RECORDED IN BOOK 77-03-03,
PAGE 634, OFFICIAL RECORDS.



LINE DATA

- L1 = N86°10'15"W 5.07' C. & (R1)
- L2 = N13°32'39"E 26.00'
- L3 = N20°52'03"E 77.32'
- L4 = N79°45'06"E 1.72'

GRAPHIC SCALE

(IN FEET)

1 inch = 20' IL

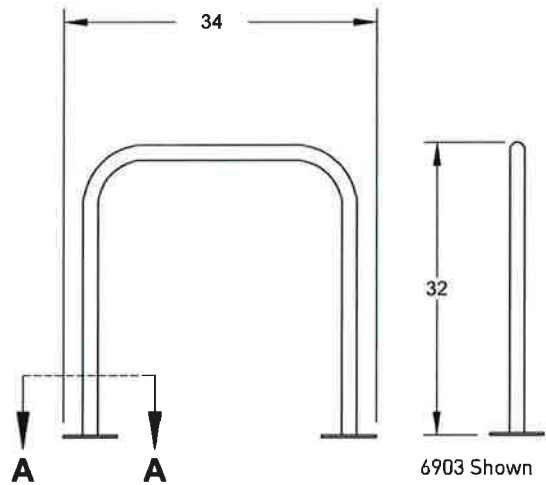


BIKE DOCK

The bike dock is a simple and intuitive design that provides space efficient, high security bike parking. The bike dock accomodates two bikes, supporting them at two points and allowing for u-lock compatibility of both the wheel and bike frame.



6903



Specifications - 1.66" electrowelded steel tubing, 12 gauge							
Model #	# Bikes	Type of mount	weight	length	width	height	Space Requirement
6902	2	below grade	17 lbs.	30"	2"	32"	68" x 110"
6903	2	flange mount	19 lbs.	34"	6"	32"	68" x 110"

Specifications - 2 3/8" schedule 40 steel pipe, 9 gauge							
Model #	# Bikes	Type of mount	weight	length	width	height	Space Requirement
2112	2	below grade	31 lbs.	30"	2.4"	32"	68" x 110"
2113	2	flange mount	30 lbs.	34"	6"	32"	68" x 110"

Specifications - 2" X 2" X 3/16" square tubing, 7 gauge							
Model #	# Bikes	Type of mount	weight	length	width	height	Space Requirement
2212	2	below grade	38 lbs.	30"	2.4"	32"	68" x 110"
2213	2	flange mount	34 lbs.	34"	6"	32"	68" x 110"

Note: Saris Parking Systems representatives can assist with custom layout and spacing to meet your room dimensions and desired bike capacity.

Conditions of Approval

		<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date & Signature)</u>
1.	The approved entitlement is for a Major Design Review Permit and Conditional Use Permit to construct a new 4,526 square foot drive-through Chick-Fil-A restaurant at the northwest corner of Zinfandel Drive and Sunrise Boulevard (APN 058-0261-027-0000), as described in the City Council staff report dated June 16, 2014 and approved plans (Exhibit A) with the conditions herein, for project number DD8454.	On-Going	Planning	
2.	The Applicant shall hold harmless the City, its Council Members, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to any plaintiff in an action challenging the validity of this permit or any environmental or other documentation related to approval of this permit. Applicant further agrees to provide a defense for the City in any such action.	On-Going	Planning	
3.	Any future alteration to the buildings, change in use, intensification of the site, or modification to the parking and landscaped area must be reviewed by the City to ensure compliance with all local, state, and federal regulations.	On-Going	Planning/ Building /Public Works	
4.	Applicant shall be responsible for all damage to City streets associated with construction of the project and shall repair any damage as soon as possible.	On-Going	Public Works	
5.	Signs are not approved with this permit. Signs must be reviewed under a separate permit (unified sign program and building permit) in accordance with zoning code 23.743.	On-Going	Planning/ Building	
Prior to Approval of Improvement Plans/Issuance of Building Permit				
6.	The conditions of approval shall be included on the final construction plans with reference to how they have and/or will be achieved prior to issuance of a building permit.	Prior to Issuance of Building Permit	Planning/ Building /Public Works	
7.	The final landscape plan must be submitted and review in accordance with zoning code 23.716. The final landscape and irrigation plans shall be prepared by a registered licensed landscape architect and review by the Planning director prior to issuance of a building permit.	Prior to Issuance of Building Permit	Planning/ Building	

Conditions of Approval

		<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date & Signature)</u>
8.	All pedestrian pathways/walkways must have clear visibility, be delineated by textured and colored paving, and shall be clearly signed to alert vehicles in the drive-through aisles. The final design of these paths shall be reviewed by the planning director prior to issuance of a building permit.	Prior to Issuance of Building Permit	Planning	
9.	Storm Water Drainage Maintenance District. Prior to the recordation of the first final subdivision map, property owner shall annex the property into CFD No. 2013-1 (Storm and Flood Protection Services) for the purpose of providing a financial mechanism to fund the operation and maintenance of the project's storm water drainage system.	Prior to final map or issuance of building permit, whichever occurs first.	Public Works	
10.	Property Owner/Applicant shall participate in a funding mechanism for fair share maintenance of any existing and all new public improvements associated with the project including but not limited to streets, bridges/culverts, traffic signals, traffic signs, striping and legends, ITS operations, street lights, and fair share landscape maintenance of any existing and all new publicly maintained frontage, medians, and neighborhood/community parks, neighborhood greens, wetland buffers and park corridors not otherwise maintained by CRPD associated with the project. This shall be accomplished by participation in the formation of or annexation to the City's CFD (Street, Lighting and Landscape Maintenance). All costs associated with the annexation shall be borne by the Property Owner/Applicant. Contact Elizabeth Sparkman at (916) 851-8714 to satisfy this condition.	Prior to final map or issuance of building permit, whichever occurs first.	Public Works	
11.	Property Owner/Applicant shall participate in a funding mechanism for maintenance of any existing or new publicly maintained frontage and median landscaping associated with the project by annexation to the City Landscape Maintenance Community Facilities District. All costs associated with the annexation shall be borne by the Property Owner/Applicant. Contact: Elizabeth Sparkman at (916) 851-8714 as there may be a 2-3 month lead time to satisfy this condition.	Prior to final map or issuance of building permit, whichever occurs first.	Public Works	
12.	Applicant shall photo-document the condition of adjacent streets, sidewalks and infrastructure to the satisfaction of the Public Works Department.	Prior to approval of improvement plans	Public Works	

Conditions of Approval

	Timing/ Implementation	Enforcement/ Monitoring	Verification (date & Signature)
13. Applicant shall complete improvement plans to the satisfaction of the Public Works Department. Improvement plans shall include, but shall not be limited to: • All onsite civil improvements. • Civil plan shall include an ADA access plan • Remove and replace all sidewalk, driveways, curb and gutter per City Standard on Zinfandel Drive property frontage. Any obstructions to the sidewalk shall be relocated behind back of walk. • Modify the westbound lane drop on Zinfandel Drive to extend two full lanes to the west side of the driveway entrance to the shopping center: ■ The merge shall begin west of the first driveway accessing the center. ■ Widen Zinfandel Drive to maintain a minimum lane width of 11 feet. ■ The extent of the westbound bicycle lane shall not be reduced. Widen Zinfandel Drive as necessary to maintain the bicycle lane and travel lanes. ■ Relocate utilities as necessary. ■ Sidewalk width shall not be reduced. Widen to the north. • Modify the Trinity River driveway including, but not limited to: ■ Provide a radius at corners and relocate pedestrian push buttons to facilitate ingress and egress. This will require removal and replacement of concrete and utilities. ■ Eliminate conflicts between drive aisles and parking spaces in the aisle south of the intersection. ■ Utility relocations as necessary to accommodate the improvements.	Prior to issuance of Building Permits	Public Works	

Conditions of Approval

		<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date & Signature)</u>
	- Utility laterals - Public improvement plans shall clearly delineate all transitions to existing improvements. - All improvements to be designed and constructed to the satisfaction of the Public Works Department.			
14.	Enter into a frontage agreement and bond for construction of public improvements per the approved Public Works plans to the satisfaction of the Public Works Department.	Prior to approval of improvement plans	Public Works	
15.	Applicant shall submit landscaping plans demonstrating conformance with the Water Use and Conservation provisions.	Prior to approval of improvement plans	Public Works	
16.	If the total area of the developed or redeveloped impervious surfaces (building rooftop, flat work, and parking areas) equals or exceeds 1.0 acres, incorporate into the site improvement plans permanent stormwater quality treatment measures in conformance with applicable County ordinances & standards, and state and federal law.	Prior to approval of improvement plans	Public Works	
17.	Golden State Water Company (GSWC) will be able to provide domestic and fire protection water service to this project in compliance with California Public Utilities Commission (CPUC) General Order No. 103 and applicable local requirements. Dependent on project demands and in accordance with CPUC Rule 15, any modifications to the onsite or offsite water systems to accommodate any changes in fire protection requirements or increased water demands will be at the owner's expense. Domestic and fire protection water service will be sized and located after GSWC receives an application for water service from the owner. An easement will need to be granted to GSWC for the water service. The design, procurement and installation of the water service (including meters) will be at the expense of the owner.	Prior to approval of improvement plans	GSWC	
18.	The property is currently connected to public sewer. Sewer service shall continue to be provided by Sacramento Area Sewer District (SASD) infrastructure to the existing sewer service lateral.	Prior to Issuance of Building Permit	SASD	

Conditions of Approval

		<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date & Signature)</u>
19.	A new connection and relocation of existing sewer system shall be required to the satisfaction of SASD. SASD Design Standards apply to any on-site and off-site sewer construction. SASD Design Standards apply to any sewer construction and/or modification.	Prior to Issuance of Building Permit	SASD	
20.	If there is more than one building in any single parcel and the parcel is not proposed for split, then each building on that parcel shall have a separate connection to a private on-site sewer line or SASD public sewer line.	Prior to Issuance of Building Permit	SASD	
21.	Sewer easements will be required. All sewer easements shall be dedicated to SASD, in a form approved by the District Engineer. All SASD sewer easements shall be at least 20 feet in width and ensure continuous access for installation and maintenance. SASD will provide maintenance only in public right-of-ways and in easements dedicated to SASD.	Prior to Issuance of Building Permit	SASD	
22.	Any use of SASD sewer easements, which is not compatible or interferes with the construction, reconstruction, operation, maintenance, or repair of SASD's sanitary sewer(s), shall not be allowed. Each proposed use shall be reviewed and approved in writing by the District Engineer prior to the use of the easement by the Grantor. This includes landscaping.	Prior to Issuance of Building Permit	SASD	
23.	Additional sewer impact fee will be required and must be paid before building permit issuance. Contact PSU at 916-876-6100 for further information on sewer impact fee.	Prior to Issuance of Building Permit	SASD	
Prior to Final Building Inspection / Issuance of Certificate of Occupancy				
24.	As-Built reproducible grading and improvement plans, as well as a compact disc containing said plans in AutoCAD and pdf format, and a table containing the coordinates of public facilities shall be submitted and approved by the Public Works Department.	Prior to final building inspection	Public Works	
25.	Designer shall certify that installed landscaping conforms to City water conserving landscape requirements.	Prior to final Building Inspection	Public Works	

Conditions of Approval

		<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date & Signature)</u>
26.	Install public improvements per the approved Public Works plans and to the satisfaction of the Public Works Department.	Prior to final building inspection of the first unit	Public Works	
27.	Existing sidewalk curb and gutter on the entire Sunrise Boulevard frontage shall be removed and replaced with new standard sidewalk, vertical curb and gutter. Necessary upgrades to drainage inlets shall be implemented to accommodate the new curb and gutter. Install prior to final building inspection of the first unit within parcels seven or eight.	Prior to final building inspection.	Public Works	

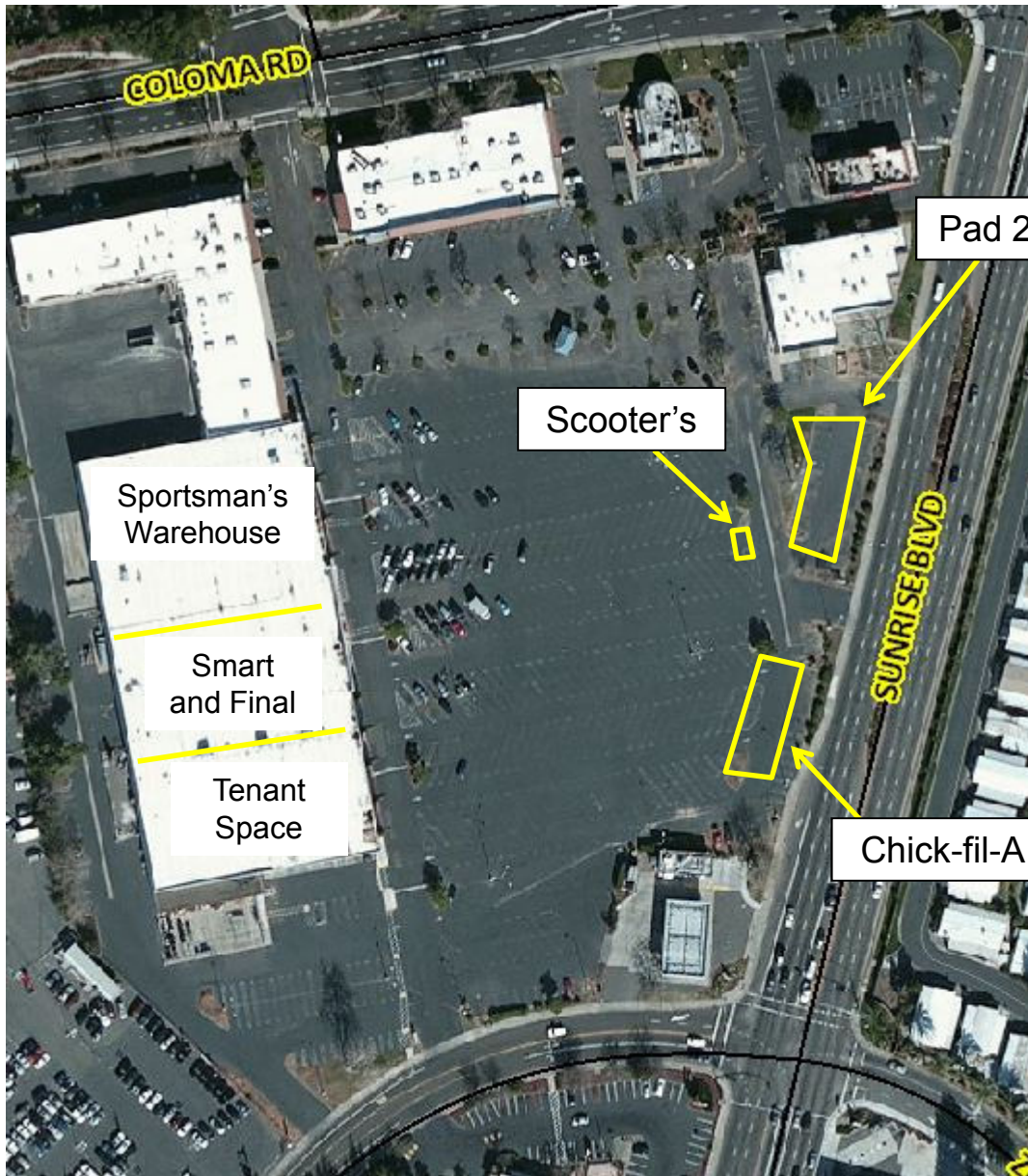
Chick-fil-A Major Design Review and CUP - Agenda Item 10.1

Rancho Cordova City Council
Jessica Jordan, Project Planner
June 16, 2014



Project Background

- Request was reviewed by the City Council on May 19, 2014
- The Council voiced general concerns regarding the site layout and location of the proposed drive-through
- Specifically, the potential safety conflicts between drive-through lane vehicles and those traveling southbound on Sunrise Boulevard
- The site layout did not meet the Council's design quality expectations



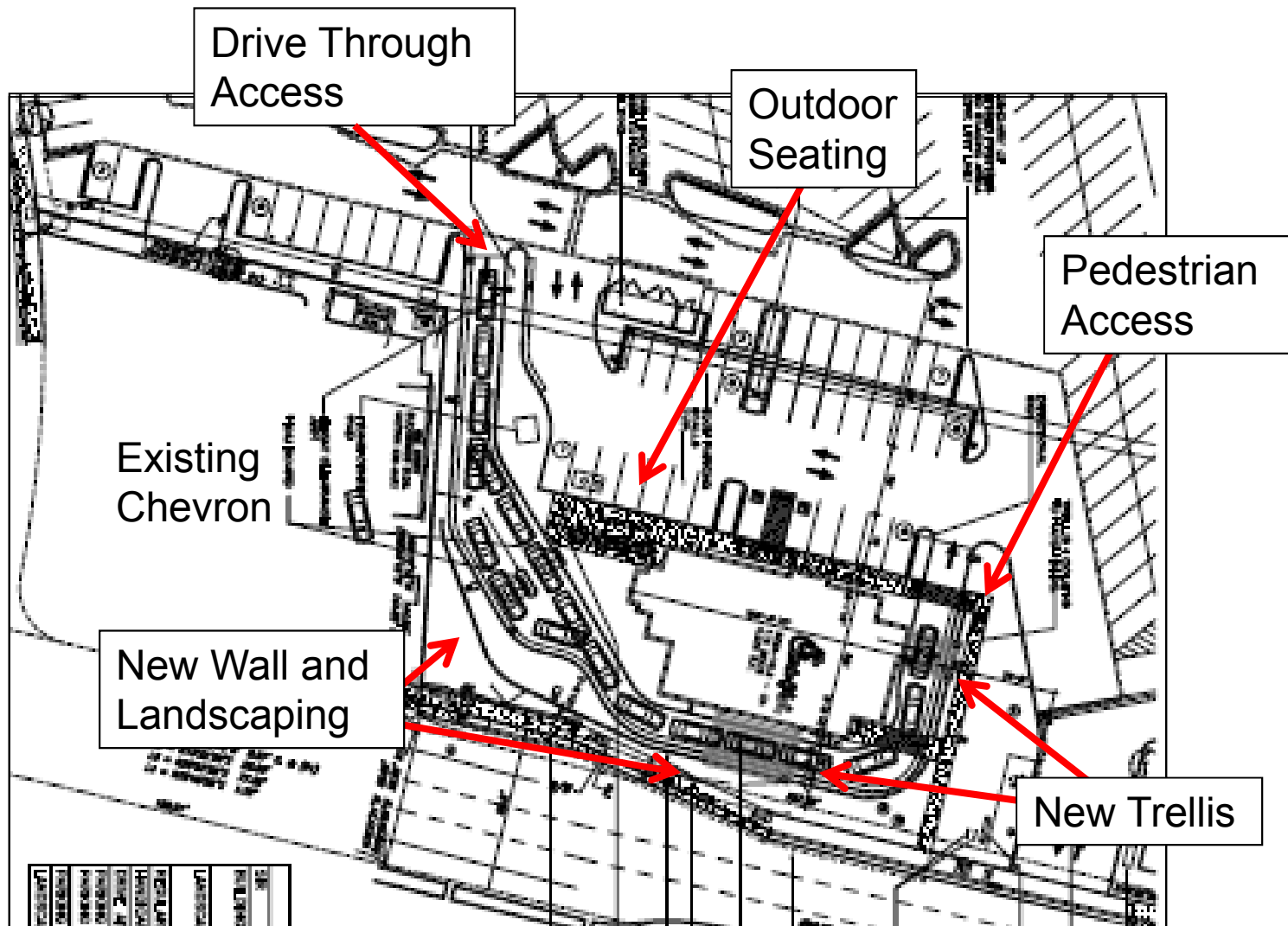
Rivergate Shopping Center with Additional Buildings

*size and location approximate

Project Revisions

- The applicant has not made significant changes to the site layout or drive-through orientation
 - The applicant has offered the following features to address Council's concerns:
 - ❑ 3 foot stone wall along the eastern and northern project site boundaries
 - ❑ Additional landscaping/hedge on Sunrise Boulevard
 - ❑ Trellis feature over the drive-through lane and pick up window
-

Revised Chick-fil-A Site Plan



Building Rendering with Trellis



Recommended Motions

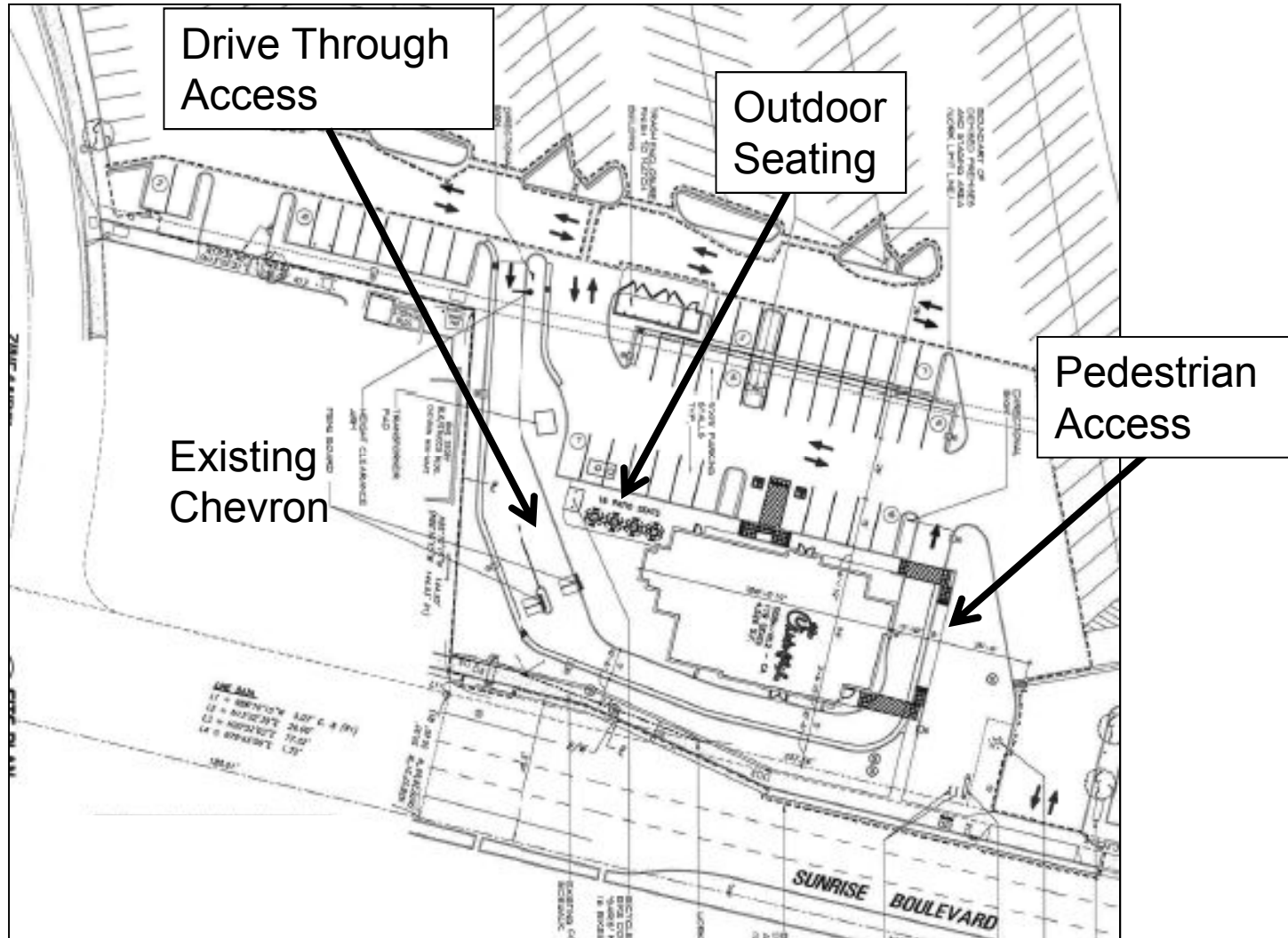
- Adopt Resolution 34-2014



Rivergate Parking Lot Landscaping



Previous Chick-fil-A Site Plan



Chick-fil-A Building Elevations



WEST ELEVATION



SOUTH ELEVATION



NORTH ELEVATION



EAST ELEVATION

Chick-fil-A Conditional Use Permit

- The drive-through width and length of 15' x 340' exceed the Code standard of 12' x 140'
 - The aisle is greater than 25 feet from the Zinfandel Drive and Sunrise Boulevard intersection
 - The drive-through is separated from the main ingress/egress to improve circulation and lessen the possibility of unwanted automobile stacking into the drive aisle
 - Adequate landscaping has been provided to screen vehicles in the drive through aisle
-

Chick-fil-A Conditional Use Permit

- Pedestrian access is provided from the abutting street (Sunrise Boulevard)
 - The drive through design will accommodate two vehicles ordering at once, reducing stacking of vehicles during peak hours
 - The drive-up windows and their order stations with amplified sound are located far from any residential property.
 - Drive-through windows will be visible from a public way (Sunrise Boulevard) to provide a safe environment for patrons
-

Rivergate Shopping Center

Chick-fil-A

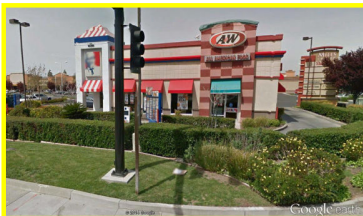


City Council Main Concern

- The drive-thru lane design

2

KFC: Folsom and Coloma



3

Wendys: Sunrise and Trade Center

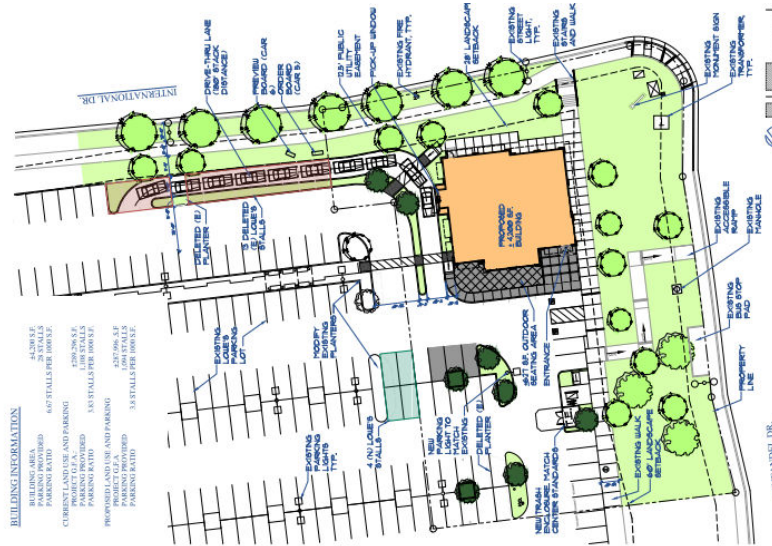


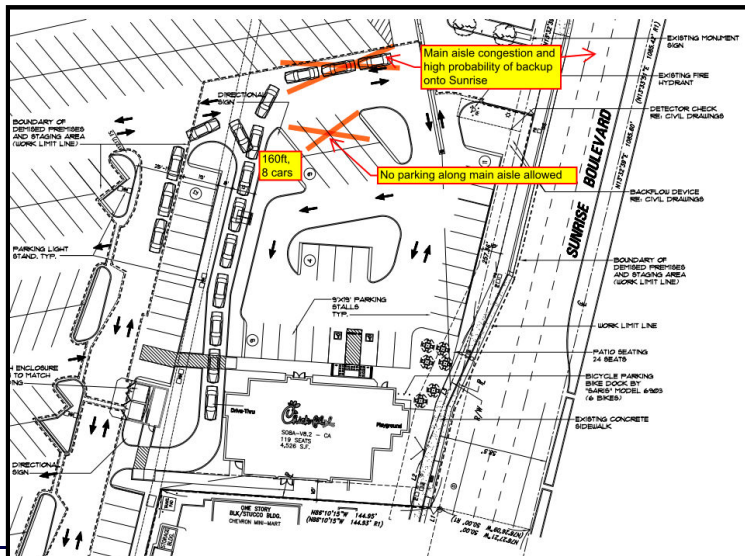
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McDonald's: 24th and Broadway

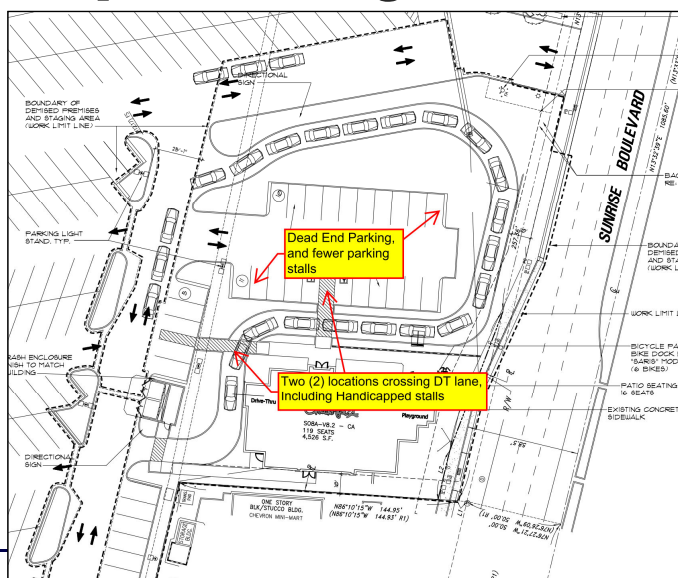


Panera Bread





1



3

Limiting Site Characteristics

- **General Plan Exemption:**
“The design review authority may grant exemption when the intent is met by **unique development features** or there are **unique site characteristics or patterns** that preclude such action.”
- **Existing Rivergate Shopping Center - Unique Characteristics:**
 - Driveway location on Sunrise limits our ability to balance drive-thru stacking, parking, and pedestrian access needs.
 - Lack of corner location limits flexibility and options unlike the other locations referenced.
 - Existing Center is already developed currently being remodeled with most businesses oriented away from the streets.

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RIVERGATE SHOPPING CENTER MASTER SITE PLAN



Sunrise Street View



13

Sunrise Street View



14

Drive Aisle off Sunrise view – Pedestrian Trellis Feature



15

SUV Headlights: 3'-3" high to top



16

Summary: Meets Rancho Cordova Municipal Code

- **Section 23.910.030 Drive-in and Drive-through sales and service:**
 - Proposed site plan complies with **ALL** conditions (12+) including :
 - The design and location of the facility and lane will not impede access to or exit from the parking lot serving the facility nor impair normal circulation within the parking lot.
 - Drive –through aisles shall be separated from the sites ingress and egress routes or access to a parking space.
 - Drive-through windows shall be visible from a public way to ensure that all activity can be viewed from an adjacent street.

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Summary: Balanced design to comply with Intent and Spirit of Rancho Cordova Design Review Guidelines

- Design Review Guidelines:
 - Design and construct buildings to create safe, pleasant, and active environments.
 - “The design review authority may grant exemption when the intent is met by unique development features or there are unique site characteristics or patterns that preclude such action.”

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Summary: Added Development Features

- **Dedicated Pedestrian pathway to front doors**
 - Buffered with landscape, screen walls, and trellis feature
 - Removing and replacing the curb/gutter and sidewalk along Sunrise at our property to align with ADA guidelines.
- **Screen wall with decorative stone**
 - Security for pedestrians along Sunrise
 - Prohibits headlights from shining onto Sunrise
 - Ties into trellis features to enhance building exterior
- **Increased landscaping between sidewalk and screen wall**
 - Enhances streetscape for pleasant environment
- **Trellis features (3) with added building stone**
 - Strengthens and enhances the building frontage along Sunrise

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Rivergate Shopping Center

Thank you.



MEMORANDUM

DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Amanda Norton, Economic Development Manager
Wes Ervin, Consultant



SUBJECT: POTENTIAL FORMATION OF AN ECONOMIC DEVELOPMENT CORPORATION OR COMMUNITY DEVELOPMENT CORPORATION TO ADVANCE CITY GOALS

RECOMMENDATION

Staff recommends that the City Council:

- A. Accept Mr. Ervin's presentation and report.
- B. Direct staff to consider ways to improve coordination among existing economic development providers, including possibly creating the recommended business emissary;
- C. Direct staff to continue exploring the formation of a Community Development Corporation focused on Transit Oriented Development at the Mather/Mills Station pulse point.

RESULT OF RECOMMENDED ACTION

Better coordination among existing economic development partners and a dedicated business emissary can significantly improve business engagement in civic affairs. The City's business-friendly reputation should grow along with jobs, real estate value, and the entire economic development program. As business becomes more engaged, there will be more investment and the City, local businesses, the Rancho Cordova Chamber, the Visitors Bureau, the Cordova Community Council and others should also grow.

BACKGROUND

The City Council held a retreat on March 17th, 2014 to discuss their Vision 2023 work plan items. One of the objectives from the Vision is to leverage City resources to attract a wide range of private investment. As part of that objective, the Council directed staff to explore an Economic Development Corporation (EDC) including defining the different types of EDC's to consider for economic development projects.

Staff contracted with Mr. Wes Ervin, an experienced economic development practitioner, to conduct a feasibility analysis. Mr. Ervin will present his analysis, which includes:

- 1. The City's existing economic development program is effective. Its efforts are led by the City's Economic Development Department, which is one type of "Economic

Development Organization” (EDO). Partner entities that contribute to the City’s effectiveness include other city departments, and also other EDO’s such as the Rancho Cordova Chamber of Commerce, Sacramento Area Commerce and Trade Organization (SACTO), the Sacramento Metropolitan Chamber of Commerce, the Rancho Cordova Visitors Bureau, the Cordova Community Council and others;

2. There are no obvious program gaps for a new EDC to fill. In addition, most small EDC’s in the region, including those at the city level, continuously struggle to remain viable. They often use a large share of their resources for staff and rent, and have limited added capacity to fulfill their goals. A new city EDC would likely similarly struggle. Instead, focusing resources to improve coordination among existing EDO’s makes better sense;
3. To create real momentum to attract a wide range of new investment, the City should create a business emissary to actively and systematically engage with and listen to local business. The result will be an improved local business climate and a number of new infill and renovation projects.
4. The City should coordinate its business engagement effort with its new “Fresh Take” brand. A stronger positive image will result;
5. The City will continue to explore the opportunity for a real estate based EDO, a “Community Development Corporation”, dedicated to Transit-Oriented Development; one location may be the Mather/Mills Station pulse point. Such an entity could plan and implement small-scale and neighborhood development, and would be in a good position to coordinate stakeholder resources – from education, transit, housing, architects, industrial, office, retail, residents, public safety and others.

ATTACHMENT

“City of Rancho Cordova Feasibility Analysis for Potential New Development Corporation”, June 2014 by Wes Ervin & Associates.

CITY OF RANCHO CORDOVA

FEASIBILITY ANALYSIS FOR POTENTIAL NEW DEVELOPMENT CORPORATION

A Fresh Take on

Improving the City's Economic Development Services

June 2014

By Wes Ervin & Associates

wes@weservinassociates.com

CITY OF RANCHO CORDOVA FEASIBILITY ANALYSIS FOR POTENTIAL NEW DEVELOPMENT CORPORATION

A Fresh Take on Improving the City's Economic Development Services

Executive Summary

Since cityhood the City of Rancho Cordova has thought about strengthening its local economy through the creation of a new non-profit Economic Development Corporation (EDC) or Community Development Corporation (CDC). A new independent entity might be able to provide certain services and develop real estate more efficiently than the City. This report considers that question.

In the world of economic development, there are many "Economic Development Organization" (EDO) types that cities can use to optimize local economic development services. Various types have different advantages and disadvantages depending on the jurisdiction's economic development priorities. An EDC is an entity that tends to focus on business recruitment, business retention, small business assistance, and business climate issues – the programmatic aspects of economic development. CDC's tend to focus on real estate development.

Since cityhood, Rancho Cordova's primary EDO is its own Economic Development Department. The Department has been actively supported by the City Council, various City departments, and its other partners. All together have successfully used private-public partnerships, redevelopment, infrastructure financing, grants and other tools to revitalize Folsom Boulevard, to acquire a new City Hall, to recruit and retain retail, industrial and office users, to approve an entertainment center at the City's core, and to keep the City's economy generally thriving – all with consistently balanced city budgets. Because the City's economic development program is effective, creating another new entity would not add much value.

EDC's and CDC's can be non-membership or membership organizations. They can have advantages over a city department, because they can have greater private sector involvement, and can make investment decisions independent of the city's political environment. Disadvantages can include the cost of maintaining a separately staffed entity, and the possibility of making investment decisions without adequate public and other stakeholder input.

To maintain an adequate operating budget, an EDC must generally be county-wide or region-wide, supported by many member cities and counties. Only large city EDC's appear viable in this economy. Smaller cities are seldom able to adequately support either staff or programs. Viable CDC's focus their energies on specific real estate projects in defined geographic areas, such as Downtown Roseville or Downtown Esparto.

Recommendations

At this time the City should not create a new EDC, and need not create a new CDC. Because economic development in the City is already quite effective, there is no compelling reason to add a new entity, and except as described below, there is little to be gained for the cost. Improving relations between the City and local businesses is the primary area of need, and this can be improved by additional focus by the Economic Development Department and City.

Instead of creating a new EDO, the City's short term **"Fresh Take"** on economic development should be to create a business emissary for up to a year to:

- 1) Actively and systematically engage with the local business community and its industry subsets;
- 2) Listen, identify, document and prioritize specific business projects, land development constraints; and
- 3) Follow through on identified projects, business assistance and policy needs. Form interdepartmental project-specific "red teams" as needed.

This much focus on business health is rare in the region, and would be timely. Rancho Cordova would generate more private investment momentum. Concurrently, the City can dovetail with the new "Fresh Take" brand, earn plenty of positive press, and quickly earn a business friendly reputation in the region. New resources should be provided.

A longer term opportunity does exist. As a supplement to this focus on the role of business emissary, the City can **create a new CDC to implement TOD at the Mather/Mills Station pulse point**. The City, SACOG, Los Rios Community College District, and others are now actively planning future development there. As this complex effort moves from planning to implementation, a CDC dedicated to economic momentum there can help accelerate development. A CDC can amass funding and other support from a number of sources somewhat more efficiently than the City. It can help bring together disparate entities, including local residents, retailers and small businesses, property owners, housing developers, Regional Transit, Los Rios Community College, City staff, SACOG and other planning entities. It can also streamline access to the Federal Community Development Financial Institutions Fund (CDFI), which promotes economic revitalization in low income communities. A CDC can help build necessary infrastructure and buildings, can enter partnerships, and can be a landlord. Its independent board can make investment decisions as a private entity. The City Council can still retain all its existing review authorities, but would be delegating much of the project's investment and management decisions to the CDC.

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Appendix A Managing Economic Development Organizations

Appendix B Funding for Economic Development Organizations & High Performing EDO's

Appendix C Possible New Community Development Corporation in Rancho Cordova -- Form and Structure

CITY OF RANCHO CORDOVA FEASIBILITY ANALYSIS FOR POTENTIAL NEW DEVELOPMENT CORPORATION

A Fresh Take on Improving the City's Economic Development Services

1. Introduction

Rancho Cordova has anticipated strengthening its ability to create jobs by creating a new economic development organization (EDO), which would be either a non-profit Economic Development Corporation (EDC) or Community Development Corporation (CDC). A new independent entity might be able to provide certain services and develop real estate more efficiently than the City. Now that the City is over 10 years old, City Officials are considering forming an EDC or CDC. This report considers the following questions:

- Would establishing a new economic development corporation (EDC) or community development corporation (CDC) help build development momentum in Rancho Cordova?
- Would a new CDC help the City complete key infrastructure, industrial, office, retail, housing, and community projects that are now languishing without enough support?
- Would a new CDC bring needed gap financing to the private sector, thus helping marginal properties become more productive?

2. Why Local EDO's are formed

If Rancho Cordova forms a new city-wide EDO, the decision should be driven by the depth of the City's economic development needs – whether the needs are great enough to warrant the expense. Few cities have traditionally formed EDC's, but they may become more prevalent as a partial offset to the loss of redevelopment. City-wide EDC's exist in Elk Grove, Folsom, Oxnard, Irvine, Gilroy, Visalia, and other places. Many are now struggling.

All important literature on the topic of EDO formation, management and longevity aver that the EDO must have a purpose, guiding principles, and a mission statement. Further, the purpose, principles and mission must be broadly recognized and supported, especially by the local business community.

Examples of EDO values and guiding principles:

1. Collaboration/Team work
2. The Power of a shared vision/consensus
3. A job as a source of human dignity

4. A healthy economy as a source of tax revenue
5. An export economy as a source of local wealth creation
6. Education/workforce development
7. Cultural diversity
8. Environmental protection/quality of life
9. Shared prosperity

EDO's typically form with a mission statement to increase jobs, increase per-capita income, increase taxable investment, and/or enhance the quality of life of local citizens. Examples of mission statements:

- "to Bring people together from business, government, education and then community to act on regional issues affecting economic vitality and quality of life" (Joint Venture Silicon Valley)
- To attract, retain, and grow businesses and jobs in the regions of Los Angeles County (LAEDC)
- To promote the continued growth of businesses within the Town and recognize the contributions of the business community to the Town and its residents". (Arlington, Mass.)
- "To simply delight you.... Every day" (Sara Lee Corporation)

3. Types of Local EDO.

The Rancho Cordova Economic Development Department is one of the EDO types listed in Appendix A, with all the listed powers and advantages of public EDO's. If the City formed or helped form a new EDO to enhance the local economy, it would likely be one of the five types in Table 1-- a new public or public-private Community Development Corporation (CDC) focused on real estate development, or a local economic development corporation (EDC) focused on business services.

Table 1
Five Logical EDO Types for Rancho Cordova

Type	Details	Comments
City Staff increase	Public. No formation required.	Hire staff or contract.
EDC City (non-membership)	Public. 501(c)(3). Board is optional, executive director.	Wholly controlled and funded by City.
EDC with Membership	Public-private. 501(c)(3) or (c)(6). Board with 7-25 members, executive director.	Elk Grove and Folsom model. Would include business participation. Typical memberships are \$250 and up per year. County-wide examples: SACTO, Solano EDC, San Joaquin Partnership.
CDC City (non-membership)	Public. 501(c)(3). Board is optional, executive director.	Roseville model. Would require significant seed money from the City.
CDC with membership	Public-private. 501(c)(3). Board with 7-25 members, executive director	Inclusive of all primary stakeholders to achieve specific real estate development goals.

EDC's and CDC's do have advantages over city departments, including:

1. Government and private sector funding and participation leverage each other.
2. Can act as intermediaries between developers, community leaders, and government;
3. Independence from local government provides protection from whims of individual elected officials and freedom from short term political considerations;
4. Still retain access to key government officials;
5. Public private participation increases mutual understanding, trust and collaboration;
6. EDC's can develop broad consensus on vision, mission, and strategy.

Disadvantages over city departments can include:

1. Lack the powers of eminent domain, and regulatory approvals;
2. Must maintain enough resources to keep operating, sometimes at the expense of the economic development program;
3. Must continuously seek and maintain public sector support and commitment to the organization's goals.

4. Filling a Need

The services which might be performed by a new EDO in Rancho Cordova should be well defined prior to establishment. In these times of limited resources, no new EDO should duplicate a service or function already available to the City and its businesses. Rancho Cordova's most pressing economic development needs appear to include improving business relations, identifying key business issues, brokering small business services, improved local workforce training, and collaborating on various public-private partnership real estate development projects.

County-Wide EDC's

Most EDC's in existence today are multi-jurisdictional, typically at the county level. In the region there are several county-wide or regional EDC's, including Sacramento Area Commerce and Trade Organization (SACTO), the Solano EDC, the Tuolumne EDC, the San Joaquin Partnership, the Yuba Sutter EDC, and Upstate California (representing 25 counties north of Sacramento). These EDC's primarily engage in business attraction and retention, and concentrate on keeping their public and private sector members engaged in recruitment and business climate issues. For example, Solano EDC's Web Site states:

About Solano Economic Development Corporation

Solano County is adjacent to Napa and strategically located between the San Francisco Bay Area and the State Capitol of Sacramento.

Solano County's strong California quality of life, world-class universities, technical colleges, and growing pool of high-skilled workers make it one of the most attractive locations within Northern California for high-tech companies.

So **"Plant Your Business in Solano"** and prepare to grow.

Organization Background

Founded in 1983 and known as SEDCORP, the Solano Economic Development Corporation is a collaboration of private and public investors that provides a confidential leadership role for economic development marketing in Solano County and its seven cities: Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo.

Mission Statement:

The mission of the Solano Economic Development Corporation is to attract, grow, and retain business and industry in Solano County that will enhance the economic vitality and quality of life in our communities.

Solano County is one of the fastest growing counties in California with a population of over 420,000 and is comprised of seven cities, Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo. Each of these wonderful communities has its own unique character and personality.

Most importantly, **the Solano Economic Development Corporation offers expanding businesses a confidential, centralized resource for locations throughout Solano County.**

Solano County EDC Goals:

Attract and site new business and industry by offering a confidential, centralized information source and connection to key business and governmental contacts.

Enhance the community's competitiveness through Team Solano's international, national, state, and regional market awareness and knowledge of the benefits of doing business in Solano County.

Assist in the retention and growth of existing business and industry.

Enhance the positive business image of Solano County and its seven communities.

Support the coordination of countywide education and training efforts to prepare the current and future workforce.

Take the first step. Call toll free at 888 864-1855. See for yourself why it's a great idea to "Plant Your Business in Solano County".

Program Examples in Cities

Several examples of innovative city programs are available.

- The Roseville CDC has three goals in its "vertical" strategy – downtown revitalization and investment, economic development education, and promoting economic growth. Projects include the purchase, rehab, and repurposing of downtown buildings, and the upgrade of old utilities. The CDC "does stuff the city can't do and the private sector won't do"¹. The CDC was initially funded by a \$5 Million loan from the city's Housing Development Fund. The entire \$5 Million has been spent on downtown revitalization projects, and the CDC is now working to establish a revenue source to fund its ongoing operations.
- The Roseville CDC also funds promotion for the city's "Advantage Roseville" campaign. The \$200,000 campaign includes 21 private sector members contributing \$5,000 per year for 3 years, and city support of the remaining half;
- Anaheim, a Charter Law city, approved an ordinance that authorizes the city to purchase and dispose of property, provide for site preparation work (demolition, cleaning, remediation), rent, manage and operate city-owned property for economic development, pursue public-private projects and financial assistance, provide grants and loans and rebates and other assistance for commercial and industrial activities, and issue bonds or other forms of debt. The city intends to use a variety of funding sources and available tools to achieve its goals².
- Similar development corporations that use their capital funds to reduce the cost of up-front project financing, reduce the costs of early operations through fee rebates and deferrals, and to assemble land to enable larger projects at key sites;

¹ Interview with Chris Robles, Executive Director of the Roseville Community Development Corporation. This CDC was initially funded with a \$5 Million loan of funds from the Roseville City Housing In-Lieu Fee. The City Council is the sole member, and a 5-member autonomous board of directors makes all investment decisions.

² "Creating Economic Development at the Local Level, by Julio J. Fuentes and Joseph Montes, City of Alhambra, Western City May 2012.

- The City of Lancaster Redevelopment Agency created a successful four-part program to strengthen flagging retail spending in the city: 1) the "shop and Dine Lancaster Card", in which citizens could redeem \$300 worth of purchases for a \$30.00 gift card; 2) "shop and Drive", in which the vehicle registration fee for an automobile purchase was rebated; 3) an infrastructure and construction program that has rehabilitated over 100 foreclosed homes; and 4) a street go-kart Grand Prix in conjunction with that drew 20,000 attendees.

Trends in Service Delivery

According to Ellen Harper, EDO's are evolving beyond traditional business attraction and retention and toward providing specialized hybridized services to businesses in conjunction with other service providers. Recognizing limited resources and the need for collaboration, EDO's are becoming "**conveners**":

"One of the trends we have identified in incentive use is the increasing provision of highly specialized business services. These are not run-of-the-mill business assistance programs, but customized and outcome-oriented services that take the concept of partnership between a business and a community to a new level.

"These specialized services can be grouped into three main categories:

Workforce

Innovation

Connections & collaboration

"The common theme is the need for economic developers to look beyond their own organizations to pull together the specialized, tailored services businesses seek. The ideal situation is where economic development organizations are at the hub of the very type of collaborative environment that businesses want for themselves. The best EDOs will be able to demonstrate community partnerships with:

Strong working relationships

Outcome orientation

Consistent messaging

Unified objectives

In sum, specialized business services are increasing in popularity as a complement to traditional financial incentives. There is overlap and blurring of lines among the three most dominant types of these services – workforce, innovation and connections – but the trend toward deeper engagement between community and company could not be clearer. "³

³ Ellen Harpel, "Smart Incentives" In ED Now, April 7, 2014

5. Funding and Other Challenges

The most important issues involved with establishing an independent EDO and keeping it effective include:

- Defining and agreeing on the purpose;
- Keeping other stakeholders informed and engaged in the organization and its activities;
- Becoming a credible organization among a myriad of like entities – ensuring collaboration and not competition;
- Adequate startup capital;
- Ensuring long term financing and operations of the organization;
- Building credibility within the business community.

Any new EDO in Rancho Cordova should be designed in advance to eliminate or mitigate these concerns. Ways to create a strong EDO and eliminate/mitigate these concerns include:

1. Establishing strong guiding principles that are broadly structured, but start with a limited, focused set of initial activities. Balance the need to make a splash with an eye toward long term sustainability;
2. Identify key leaders and business and civic champions.
3. Becoming a membership organization, publishing a newsletter, and/or promoting the organization through presentations, publicity and public relations;
4. Communicating and meeting regularly with SACTO, the Rancho Cordova Chamber, the Metro Chamber, and most importantly local businesses;
5. Budgeting an initial operating startup capital of \$150,000 to \$200,000, and setting up an ongoing form of revenue for operations. If smaller startup operating budget, part-time management and in-kind support. Private sector funding is increasingly important since public funding has dried up for now;
6. Be realistic about the costs of projects, establish an adequate fee structure;
7. Becoming a membership organization, and engaging the business community through events, meetings, and activities focused on business climate and attraction.

Funding for Operations and Projects

Each EDO needs to be smart about use of resources, and nimble enough to adapt to change⁴. Since the demise of redevelopment, ongoing funding for EDO's is significantly limited. To survive, and EDO must demonstrate its value compared to a host of competing priorities. Most California EDC's north of Sacramento, for instance, are currently dormant or nearly so⁵. The Elk Grove EDC,

⁴ *New Realities for Funding Economic Development Organizations*, 2013 by the International Economic Development Council

⁵ Conversation with Superior California Economic Development District staff 4-8-2014, based in Redding. Similar conversation with Steve Wahlstrom of Wahlstrom and Associates, who recently studied EDO's in Superior California.

formed in 2006, has struggled for its entire existence, and the Folsom EDC is managed by the same person who directs the Folsom Chamber and Visitors Bureau. The Roseville CDC is currently managed half-time by the City's Economic Development Manager.

Few EDC's or CDC's rely on a single source of funding like the Roseville CDC. Most must rely on a mix of funding sources to offset operating costs. These can include but are not limited to membership fees, city general or special fund allocations, grants, donations, sewer credits, event proceeds, and in-kind support.

Most federal and State grant and loan programs are project oriented, and grantees can only allocate a portion of grant funds for grant related staffing and expenses, usually 8-15%. The various sources of project-oriented grants, loans and loan guarantees can thus supplement but not fully support operations. Specific project funding can include loans from the California Infrastructure Bank, grant funding from the US Department of Commerce's Economic Development Administration, developer participation, fundraising events, housing fees and grants, and a host of other sources. These sources are already well tapped by the City, which appears to have an excellent ability to match projects with available funding sources.

Banks and their local community investment foundations sometimes support local development corporations. Three major banks actively re-investing in local communities to meet their Community Reinvestment Act requirements include Wells Fargo, Bank of America, and Rabobank. Each has a foundation which grants to local communities in accordance with the foundation's stated priorities. Each has an application process, and each evaluates individual applications on their merits against all other applicants. An application to a community investment foundation would be stronger with an established community benefit project.

6. The Case of Rancho Cordova -- Does the City Need an EDC or CDC Right Now?

Several EDO's Provide Economic Development Services in Rancho Cordova

Related EDO's that serve the City now include the Rancho Cordova Chamber of Commerce, SACTO, the new Rancho Cordova Travel and Tourism Corporation, and the Cordova Community Council. A separate Community Development Corporation (CDC) was organized long ago to help the City develop, but was never active and is now defunct.

Table 2 summarizes the typical services of a local EDC or CDC, and outlines who currently performs them in Rancho Cordova.

Table 2
Services of a Typical EDO and who performs them in Rancho Cordova

Service/Function	City performs this service	Done in the City by other entities	Examples of Other organizations performing that service	Comment
Traditional Functions – more often provided by EDC's				
Business Attraction	X	X	SACTO	
Business retention	X	X	Chamber, Metro Chamber	Intermittent program
Tourism promotion		X	Rancho Cordova Travel & Tourism Corp.	
Collecting statistics, demographics, visitor data	X	X	SACTO, Chamber, others	
Business Assistance – more often provided by EDC's				
Regulatory reform – fast tracking	X		Go-Biz at state level.	Development Services Team
Small business lending and loan packaging		X	Sierra CDC, SBA, banks, others.	
Small business technical assistance, ombudsperson	X	X	SBDC, SCORE, many others	Limited capacity at City
Entrepreneurial training		X	Chamber of Commerce, SBDC	
Small Business Incubator ownership and operations				Not common in the region, Entrepreneurs Campus in Folsom
Technology advancement, innovation activities	X	X	SARTA, Innovate North State, TechCoire	
Business networking opportunities		X	Chamber, Cordova Community Council	
Development Activities – often provided by CDC's, but also EDC's				
Infrastructure financing	X		Caltrans, County, SRTD, utilities, Infrastructure Bank	Limited resources now that RDA is dissolved. IFD's are an alternative.
Neighborhood and Downtown revitalization (e.g. Folsom Blvd)	X			Limited resources now that RDA is dissolved.
Land assembly and redevelopment		X	Developers	City works as needed for significant projects.
Build a spec building		X	Developers	Market driven.
Industrial Development Bonds and other CIDLAC programs		X	Sac County, Infrastructure bank, CEDA, others	City issues resolution.
Low interest and Gap financing for projects	X	X	Banks, CDFI's, CDBG, EDA, others.	City's Grants Cabinet meets periodically, and can seek opportunities..
Incentives for projects (e.g. fee deferrals, waivers, training)	X	X	ETP, OJT, etc. as appropriate	Package can be prepared case x case.

Table 2 (continued)

Service/Function	City performs this service	Done in the City by other entities	Examples of Other organizations performing that service	Comment
Other – often formed as EDC's, special districts, or other service organizations				
Business advocacy		X	Chamber	Most larger businesses join SACTO and the Metro Chamber.
Business roundtables and issue forums		X	Chamber, Metro Chamber	There is a noticeable lack of business involvement in economic development at the city level. The City's larger companies, especially, are not regularly engaged.
Housing Rehabilitation	X	X	Developers, Opening Doors, Inc.	A number of older apartments are in need of upgrading.
Workforce and Job training		X	Sacramento Works, Community college, Tech colleges, high schools,	Always a struggle to make significant inroads.
BID/PBID administration		X	Rancho Cordova Tourism Improvement District	
Neighborhood organizing, targeted grants	X	X	"Growing Strong Neighborhoods, Cordova Community Council	Lessening tensions, stakeholder participation in local activities.

Information from initial interviews and other research shows that the City has done a great job advancing its economic development priorities, and has found the necessary resources to do so. There is, as always, significant work remaining:

Development

- The main infrastructure components of the Folsom Boulevard corridor revitalization project have been accomplished by the City, redevelopment agency and others. Sewer, storm drain, electrical, streetscape and other infrastructure improvements are in place;
- The Folsom Boulevard revitalization project is transitioning from corridor improvements into nodal development. The Mather TOD Pulse Point is the City's highest development priority, and is among the City's lowest income areas. Among the improvements are an attractive Light Rail station, blighted buildings that have been razed, and a new Los Rios Community College campus that has broken ground. Three grants are helping advance planning, infrastructure development and environmental review;

- While future Greenfield development is again active –in Westborough, Easton, Rio Del Oro and other places, many buildings and infill properties remain vacant or underutilized. These properties will benefit from site cleanup, brownfields assessment, land assembly, visioning, pre-development, pre-permitting, infrastructure and/or entitlements. Active city attention can stimulate development. These properties include but are not limited to:
 - The Mather TOD Mixed Use Pulse Point
 - Other Folsom Boulevard Pulse Points
 - Kilgore/Trade Center Dr. property
 - Remaining vacant lots near the Kilgore Cemetery and Police station
 - The previous Sam's Club property and dozens of other vacant retail, office and industrial buildings
 - Vacant site next to City Hall at Zinfandel and White Rock
 - Vacant lot at Bridgeway & Capital Village Ln.
 - Vacant land at Folsom Blvd. at Cordova Lane
- Major civic projects are in place and/or satisfactorily moving forward, including the entertainment center. Several other projects could use a boost;
- Sunrise/Douglas sites, Montelena, and Rio Del Oro and other major Greenfield projects are entitled or being actively planned, and market demand will trigger construction in the future;
- Certain underrepresented industries and services are being actively recruited, including several retail categories and a hospital emergency room.

Organization and Relationship Building

1. The City is quite effective in its economic development efforts, and especially successful with Folsom Blvd. revitalization. But the City has not taken enough credit for its good work. The economy is now emerging from its doldrums and business investment is increasing. The timing is right for the City to energize development through plenty of outreach and publicity. Such an effort would show the private sector that the City is indeed a winner in the economic development game. Greater investment is sure to follow.
2. Building broader and more frequent connections with the business community appears to be a need supported by all interviewees. Relationships between the City and business are good, but seem more ad hoc than systematic. The same appears true for neighborhoods along Folsom Boulevard. The City's major industries do participate regionally -- in SACTO and the Metro Chamber -- but do not engage as much with the City. This amount of business interaction was probably okay during the recession, but should expand with the economic recovery;
3. The City is inclusive and open. City personnel are collaborative, friendly and honest. Project review and regulatory processes are good. The Development Services Team meets weekly to discuss upcoming projects. The Rancho Cordova Chamber of Commerce is active, and is building a small business advocacy and assistance repertoire. Nevertheless, there are some lingering misperceptions about the City and its

business climate. Improved and more regular business communication would be beneficial. Some of these recent comments, received from business, are not new:

- Make an attempt to reach out to business to get their take. Only Sacramento City is doing that effectively now, and there are some indications that Elk Grove, Rocklin and Roseville may be planning similar efforts.
- There is no "there there" – the City is not where it's happening. Roseville, Rocklin, Elk Grove, Natomas and Folsom are the winners.
- The City's image is nonexistent in the region. Outreach to business would help.
- Fees are too high.
- Executive housing is missing.
- Need restaurants & shopping among the office complexes.
- Update the old/aging office product.
- Need counter people to be user friendly – customer service training needed.

Will an EDC or CDC benefit the City and/or business community?

What can an EDC or CDC do in Rancho Cordova that staff is not already doing?

Table 3 dissects some of Rancho Cordova's specific economic development needs, and whether a new CDC or EDC would be beneficial.

Table 3
Potential EDC Activities in Rancho Cordova

Economic Development Need	Typical EDC or CDC Function	How performed now	Would an EDC add value?	Comment
Business attraction	Create marketing materials with new "Fresh Take" logo and theme. Actively recruit new industry.	Rancho is a member of SACTO, which recruits larger industries and tech industries. City ED staff also handles direct inquiries. Brokers handle most major transactions.	No	Instead, ensure adequate City staff capacity to develop new materials and handle prospect load.
Business retention and expansion	Ensuring that businesses know the City is interested in the welfare of local businesses.		No	Instead, ensure adequate City staff capacity to connect with business, and to respond to expansion and retention projects as they occur.
Permit streamlining, assistance and expediting.		One stop counter, DST meetings, plentiful materials on the Web. Some projects have hiccups.	No	Actively Promote/advertise the ombudsperson / expeditor role, give that person the resources and support needed to be effective.
Business engagement and networking	Continuous connections with business via roundtables, events, surveys, etc. identify and address key business climate issues.	Good connections exist but have been diluted by other priorities. Chamber is rebuilding. Community Council is active.	No	City staff should engage local business via systematic, focused outreach. Use the new "Fresh Take" brand to generate momentum.
Tourism Promotion	Promote visitation using TOT tax.	Rancho Cordova Travel & Tourism Corporation.	No	There is already an existing special-purpose entity.
Small business lending	Operate loan funds for hard-to-finance entrepreneurial projects.	SEDCORP, local banks, major banks, SBA, CIFD's and other groups offer plenty of local small business assistance. Venture, Angel and Seed capital programs also exist.	No	Plenty of providers. City can, if desired, create a revolving loan fund using CDBG or other funds.
Small business training and technical assistance	Specific assistance, classes, networking.	Chamber, SCORE, others working together to offer a plethora of small business training.	No	Plenty of service providers.
Linking education institutions with employers	Matching employees with employers.	Sacramento Works, educators, Chamber.	No	Business engagement effort can include this topic.
Customer service and attitude training		Leadership Rancho Cordova, City values.	No	City is exemplary. Any added training can be internally arranged.
Small business or tech incubator	Establish and Manage an incubator.	Is on City's ED strategy, few in the region.	Maybe	If formed, the 501(c)(3) should be a specialized single purpose entity.

Table 4
Potential CDC Activities in Rancho Cordova

Economic Development Need	Typical EDC or CDC Function	How performed now	Would a CDC add value?	Comment
Vacant land development	Land ownership, equity participation, gap financing, marketing infill properties.	City has frequently participated via ownership, incentives, fee and infrastructure development. Active brokerage community.	No	Planning, Public Works and Housing are quite active with priority sites.
Infrastructure financing	Grants and fundraising for projects.	City has obtained necessary funding via grants, assessments, impact fees, general fund, etc. has significantly improved streets, sewer, etc.	No	Public Works Dept. already has excellent handle on infrastructure funding.
Building re-use	Acquisition, equity participation, gap financing.	City has frequently participated via ownership, incentives, etc.	No	City has achieved success with Stagger Inn, Cordova Inn, etc. and plenty more. Private owners are responsible for renovation in existing office and industrial parks.
Affordable housing and multi-family rehab	Participate in development of affordable housing. Most projects require multiple funding sources to be viable.	Housing department, negotiated land set-asides with developers.	Maybe	As significant affordable housing fees are generated by new development, a CDC could expedite housing projects.
Renovation of older office building stock	Upgraded space.	Private sector investment over time.	Maybe	City can jump start some projects, if special interest in specific buildings.
TOD development along Folsom Blvd.	Adaptive re-use of land and buildings concentrated around Light Rail Stations.	SACOG, staff, Sustainability Grants all are planning the Mather/Mills Station and other areas.	Yes	A viable option instead of dedicated City staff for focused re-use, land assembly, and higher density development.
Underperforming shopping center redevelopment		Private groups such as Ethan Conrad are actively investing in and converting underperforming properties to higher and better uses, especially now with the economic recovery underway..	No	Continue encouraging redevelopment, especially along Folsom Blvd.
Key City owned & public properties	e.g. City Hall, entertainment center.	City is obviously willing and able to use its cash, incentives and lands to participate in key projects.	No	City has the necessary resources.
Achieve City high priority projects on non-owned land.	e.g. community center, city services, sports venues, parks, etc.	Sunrise Community center, parks and other amenities are clearly doable with existing resources (TOT, City, etc.)	No	Two major housing projects are progressing as well.

1. Recommendations

The City's Economic Development Department is a successful Economic Development Organization, and enjoys the support of the City Council, all Departments, and several other entities. Creating a new EDC is not recommended. A new EDC would be more costly than adding staff, with minimal benefit. SACTO, the various Chambers and other existing entities can continue to work with staff on business recruitment, retention, and with other business assistance programs.

The City should instead add staff capacity focused on direct and systematic business outreach. This will improve the City's ability to respond to new business activity, especially as the economy recovers.

Likewise, a new Community Development Corporation would not likely be any more effective at property development than the City and its partners. The City already has a good track record with strategic investments in key projects. However, there is an opportunity to establish a highly focused independent CDC that can catalyze redevelopment at the Mather TOD Pulse Point.

Recommendation #1

Create a business emissary function to:

- Actively and systematically engage the local business community through round-tables, visitations, surveys, etc. Identify, document and prioritize specific business and land development issues. Tackle issues and projects through hands-on case-by-case business assistance, partnering/brokering with outside resources, and recommending sensible programmatic changes;
- This is the lowest risk, least expensive option. It will also likely bring the greatest benefit. A one-year effort would create significant momentum for growth.

Recommendation #2

Consider forming a new 501(c)(3) Community Development Corporation (CDC) with a mission to help develop a pulse point such as the Mather Field/Mills Station pulse point. The entity can later expand to other projects.

- A new CDC in this case will avoid diluting the City's existing economic development program, and will help focus resources on a major concentrated development project. The Mather Field/Mills Station pulse point is getting ready for significant new development, and appears to be a good candidate.
- A new CDC could use City and other⁶ loan and/or grant seed funding to work directly with community stakeholders, land owners, Regional Transit, Los Rios College, housing and commercial developers, local residents and others. Funding might also be obtained from the Federal Community Development Financial Institutions Fund (CDFI) and the New Markets Tax

⁶ Funding sources can also include banks that provide CRA funds, private foundations, Infrastructure Bank loans, CDBG, EDA and other public agency grant and loan funds.

Credit Program, which promote economic revitalization in low income communities. Activities would include planning, land assembly and ownership, brownfields cleanup, equity participation in buildings, infrastructure development, etc.

- If formed, the CDC should have a Board of Directors of 5-9 members for easier decision-making (See Appendix C). Formation will take several months, including filing with and review by the California Secretary of State, IRS and Franchise Tax Board. The City should expect to pay \$50,000 for initial startup and to develop a staffing and work plan. The City would then be asked to fund and/or support grant applications and other fundraising for various identified projects. Alternatively, board makeup can be larger (up to 20) to include all primary stakeholders.

The new Los Rios Community College campus and existing Light Rail station are the first projects in a decade or more of innovative redevelopment at the Mather Field/Mills Station pulse point. Several city departments, SACOG and others are starting to plan future development there. As the area moves from planning to implementation, a CDC focused specifically on this area can help accelerate development. It can efficiently amass funding and other support from a number of sources, especially those dedicated to economic development in low income communities. It can help bring together disparate entities, including residents, retailers and small businesses, property owners, housing developers, Regional transit, Los Rios Community College, City staff, and SACOG and other planning entities. It can help build necessary infrastructure and buildings, can enter partnerships, and be a landlord. Its independent board can make investment decisions as a private entity. The City Council would still retain all its existing review authorities, but would be delegating much of the project's decisions to the CDC. In the absence of a CDC, the City should dedicate city staff and establish a separate project task force.

7. Persons Interviewed for this Report

City Council

Linda Budge

Donald Terry

City Staff

Curt Haven, Economic Development

Amanda Norton, Economic Development

Cyrus Abhar, Public Works

Elizabeth Sparkman, Public Works

Mark Thomas, Public Works

Kathy Garcia, Public Works

Matt Diaz, Planning

Paul Junker, Planning

Reed Flory, Housing

Jessica Hayes, Housing

Shelly Blanchard, Cordova Community Council

Bob Nolasco, Cornish & Carey

Michael Luca, CB Richard Ellis

Bill Ayres, CB Richard Ellis

Chris Robles, Roseville CDC and Economic Development

Diane Rogers, Rancho Cordova Chamber of Commerce

Micah Runner, Stockton Economic Development (Formerly of Rancho Cordova)

Randy Starbuck, City of Elk Grove Economic Development

Joe Gagliardi, Folsom EDC and Chamber of Commerce

Sandy Person, Solano County EDC

Jay Salyer, Kings County EDC

Bill Carney, former Inland Empire EDC and Stanislaus County EDC

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APPENDIX A

Managing Economic Development Organizations

FROM CHAPTER 11 of

“INTRODUCTION TO ECONOMIC DEVELOPMENT”

Introduction to Economic Development

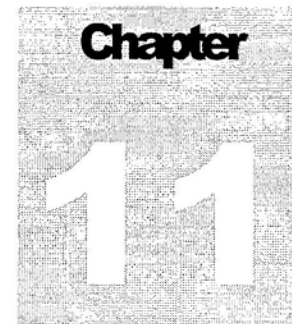


INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

International Economic Development Council

734 15th Street NW
Suite 900
Washington, D.C. 20005
Tel: (202) 223-7800
Fax: (202) 223-4745
www.iedonline.org

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Managing Economic Development Organizations

Over the past decade, the character of economic development organizations (EDOs) has changed. EDOs have taken on a renewed energy. Successful EDOs are now active entrepreneurs achieving more with less funding, promoting economic development on broader scales geographically, and collaborating creatively within and among organizations. In the last decade, there has been a true paradigm shift from wholly supported governmental efforts to public-private initiatives. EDOs have become more global in their competition by market-based necessity and they now more actively seek catalyst projects to better diversify their local economies.

This wave of change can be traced back to a decline in federal funds available from the Economic Development Agency (EDA) and the Department of Housing and Urban Development (HUD). As a result, economic developers have been forced to develop new and creative ways of funding and increasing efficiency. EDOs are defining themselves in entirely new ways. This need to innovate new approaches to economic development has been further fueled by large state and local government deficits. These governmental institutions have been the very foundation of funding for traditional economic development over the latter part of the last century. The capacity for economic development funding and programmatic development is strained to the limits at a time when communities' need for economic development activities is increasing. Issues such as globalization, outsourcing, and increased competition for firms and labor in newly emerging business sectors, and the decline of many of the traditional business sectors have placed enormous pressure on the economic health of U.S. communities.

I. Trends in Economic Development

National and international economic forces have intensified the need for effective local and regional economic development programs. Thus, the globalization of the economy and the growing role of technology demand new skills in the workforce and in organizations. Economic development organizations must respond to these changes.

As recently as a few years ago, many economic development functions were compartmentalized within organization types; cities performed certain functions, chambers another. A diverse range of economic development organizations are now increasingly offering key services, such as business financing and small business development.

Today, organizations are beginning to cooperate with one another, delivering services on a wider scale. Businesses tend to look at regions, not just discrete jurisdictions. Therefore, a regional approach to marketing, which can be accompanied by groups of EDOs working together to promote their region, is more responsive to customer needs.

In addition to regionalism, another trend is the increase in use of benchmarking in EDOs. Economic development organizations need to be able to evaluate their performance. Public and private level funding sources expect to see some measure of positive performance and return on their investment. Economic development organizations need to evaluate their performance to justify their spending. Successful economic development programs encourage participation and investment by the community and its leaders.

More EDOs are developing their own unique metrics of benchmarks for measuring outcomes and objectives, and thus reporting the economic value created within the community in all aspects of the local economy due to their efforts. This is more than just the number of jobs and property tax base values, but more sophisticated outcomes such as construction value, indirect employment and wage impact, sales tax impact, increased discretionary spending by the residents and new employees, and governmental receipts related to projects. More and more, EDOs are taking an "if not but for our activity this would not have occurred" approach to defending their mission.

II. Types of Economic Development Organizations

There are a number of different types of EDOs, each with their own distinct set of characteristics. Examples of economic development organizations EDOs include:

- ✓ State and local governments
- ✓ Chambers of commerce
- ✓ Port authorities
- ✓ Development authorities
- ✓ Business improvement districts
- ✓ Technology transfer organizations
- ✓ State enterprise zones
- ✓ Empowerment zones and enterprise communities
- ✓ Community development banks
- ✓ Certified development corporations
- ✓ Community development corporations
- ✓ Local redevelopment corporations
- ✓ Industrial development corporations
- ✓ Utility companies
- ✓ Universities
- ✓ Community colleges
- ✓ State and local economic development organizations
- ✓ Regional/metropolitan marketing organizations
- ✓ Regional/metropolitan planning organizations

Economic Development Organizations may not fall neatly in one category or another. One way to view the organizational structure is to distinguish organizations according to their governance structure: public agency; private corporation; or some formal public-private entity. The following offers a brief summary of the major distinctions among types of economic development organizations.

III. Public Economic Development Organizations

Public EDOs may be set up in a variety of ways:

- ✓ Independent agencies
- ✓ Regular local government departments
- ✓ Part of the one or more local departments
- ✓ Part of the local government manager or mayor's office

There are also many regional cooperative arrangements among local governments and other economic development organizations.

Public EDOs have different formal and informal powers than private EDOs. For example, they can assemble land, access grants from the state and federal government not available to private EDOs, and provide public sector funding and tax incentives that otherwise would not be available. Public EDOs encourage economic development through implementation and utilization of:

- ✓ Infrastructure improvements
- ✓ Eminent domain
- ✓ Ownership of land

- ✓ Control of right of ways
- ✓ Zoning and regulatory powers
- ✓ Special permits
- ✓ Special improvement districts
- ✓ Tax increment financing agreements (TIFs)
- ✓ Construction and operation of public facilities
- ✓ Business incentives, both tax and non-tax varieties
- ✓ Business marketing, retention, and expansion
- ✓ Entrepreneurial/minority business assistance

Because they are part of local, city, county, or state governments, public EDOs have access to, and influence upon, government decision makers. Public EDOs can often direct public or political pressure onto other public agencies to improve factors that have become increasingly important to business investment decisions. Clearly public EDOs can play a significant role in forming government policy.

Types of Public Economic Development Organizations

There are several different types of public economic development organizations, including: local governments, regional planning organizations, and state economic development organizations.

Local Governments

Local governments are the primary institution for promoting economic development. They are the central initiator of economic development programs through public spending, regulatory powers, and through their promotion of industrial and small business development.

Regional Planning Organizations

Planning organizations are public organizations that are typically responsible for handling infrastructure and transportation issues. They tend to serve larger areas than do city or county agencies. Membership is from representatives of the municipalities of a region. Their main responsibilities are strategic planning, information collection and dissemination, and transportation planning. Some regional planning organizations go beyond planning and make investments in infrastructure with state and federal funding. Workforce efforts including both planning and implementation are often organized at regional levels.

State Economic Development Organizations

Typically, state governments are a main provider of economic development through state funds and the receipt of federal dollars. They have broader authority than city governments to issue tax credits, tax abatements, and other incentives to fund initiatives. Their powers include taxing, setting unemployment insurance, and funding major infrastructure and transportation projects. States are involved in business recruitment, both domestic and overseas, technology development, university linkages, workforce

development/enhancement, as well as special funding for business development, and export assistance.

Advantages and Disadvantages of Public Economic Development Organizations

Advantages

Some of the major advantages and disadvantages of public economic development organizations are identified below.

- ✓ Public EDOs can access public financing mechanisms to leverage private investment.
- ✓ Public EDOs have direct access to sources of public funding (e.g., CDBG, revenue sharing).
- ✓ Public EDOs have municipal powers, such as taxing authority, eminent domain, ownership of land, rights of way, zoning and regulatory powers, and the ability to construct and operate public facilities and services, which can be used in economic development initiatives.
- ✓ Public EDOs have access to other city or county resources such as planning, research, and public works.

Disadvantages

Despite the many advantages of public EDOs, there are substantial drawbacks to them as well. These disadvantages include:

- ✓ The economic influence of Public EDOs is essentially limited to their specific political jurisdiction.
- ✓ Public EDOs face municipal debt limitations, which restrict economic development finance.
- ✓ Public EDOs are often prohibited from lending money directly to the private sector, and often cannot participate in profit-making ventures.
- ✓ The turnover of elected officials can cause inconsistent economic development policies.

IV. Private Economic Development Organizations

A private economic development organization is defined here as an organization with the express mandate of promoting economic growth, but which has no public control of governance and no formal links to government. Private EDOs emphasize business attraction, retention, and expansion as their primary economic development mission, but other economic development activities include financing, construction projects, small business development, infrastructure improvements, business advocacy, and international trade. Some of the most common economic development tools private EDOs use to achieve these goals are: marketing, advertising, entrepreneurial assistance, advocacy for infrastructure improvements, and direct loans to businesses.

Private, non-profit organizations are free from direct public scrutiny. A private EDO can rely more on its own decision making process to act quickly and flexibly. Privately organized projects or efforts need not comply with lengthy public reviews, administrative red tape, civil service hiring requirements, and travel and entertainment restrictions. Additionally, the staff has direct contact with public and private leaders via a board of directors whose members are generally selected because of their ability to influence the allocation of resources for urban development.

Types of Private Economic Development Organizations

Chambers of Commerce

Chambers of commerce are the traditional leaders in local economic development in business recruitment, attraction and retention, entrepreneurial assistance, as well as tourism. In those efforts, chambers of commerce provide a variety of economic development programs and services including:

- ✓ Membership services (publications, networking opportunities, entrepreneurial training, and public relations)
- ✓ Business marketing
- ✓ Business advocacy
- ✓ Job training
- ✓ Neighborhood and downtown revitalization
- ✓ Business advocacy
- ✓ Regulatory reform

Community Development Corporations (CDCs)

Community development corporations (CDCs) are established to implement community-based economic development. They may be created under federal or state law to meet community economic development needs as defined in their enabling legislation. They may be organized as: cooperatives in which community residents may purchase shares, non-profit umbrella corporations, and for-profit corporations with non-profit subsidiaries to accept federal grants and private contributions.

The economic development functions of a CDC include: acquiring, developing, constructing, rehabilitating, and leasing land and other property, either as sole owners or as joint ventures with other private and public agents, owning (partially or solely) and/or operating businesses, lending or guaranteeing loans, equity investments in, and making grants to, a business, and providing manpower training, technical assistance and counseling services.

Community Development Financial Institutions

Community Development Financial Institutions (CDFIs) are designated by the Department of the Treasury's Community Development Financial Institution Program. The purpose is to create private, for-profit and non-profit financial institutions to promote community economic development in low-income areas that do not have access to main stream financial institutions. CDFI's consist of

banks, credit unions, loan funds, and venture capital funds. They provide a wide range of financial services and products including commercial loans to start-ups and expanding small businesses, first-time home buyers, rental housing rehabilitation projects, and community facilities.

Advantages & Disadvantages of Private Economic Development Organizations

Advantages

The advantages and disadvantages of a private EDO are similar to those of a public-private economic development organization.

- ✓ Private EDOs offer a number of advantages, some are administrative and some are financial in nature.
- ✓ Private EDOs can serve as an intermediary through which individuals can deal with the government on behalf of a private client.
- ✓ Private EDOs are not directly accountable to a broad constituency.
- ✓ Private EDOs are organized to make decisions quickly.
- ✓ Private EDOs are able to perform functions and activities that may be in the public interest but are not necessarily allowable "government activities" for a municipal corporation.

Disadvantages

Disadvantages include:

- ✓ Private EDOs lack the powers of eminent domain and other public land management powers.
- ✓ Private EDOs may lack public sector support and commitment, which means that they take risks in assuming responsibilities for economic development. This may make it unprofitable and inefficient for them to assume the responsibility for economic development without government cooperation.
- ✓ Since the private agency must support itself, sometimes efforts are shifted away from economic development.

V. Public-Private Economic Development Organizations

An organization that systematically and formally joins public and private sector resources and powers can be effective in formulating and/or implementing economic development policies and programs. Public-private partnerships are long-term shared commitments between the public and private sectors designed to pursue common goals related to the social, political, and business environment in a community.

Key players could include elected officials from city and county governments, economic development officials, CEOs from major businesses, representatives from utilities, neighborhood groups, Chambers of Commerce, banks, industrial parks, and private real estate developers, business services firms such as accounting and law firms, public universities, private colleges, as well as labor organizations.

These organizations have greater flexibility than public EDOs to conduct economic development activities since they do not have to answer to as broad a constituency. They are typically established as nonprofit corporations with public and private representatives on their board of directors. Funding is provided from both the private and public sectors, including local, state, and federal funds. In general, they are formed around specific development projects such as provision of workforce training, venture capital, marketing, technology development, and technical assistance.

Public-private organizations may be public benefit corporations or authorities. They are created by a legislative act. They are not part of the structure of government and have, at least in principle, some degree of autonomy. The public-private mix within these institutions may occur in board representation, funding, objectives, or staff. These institutions straddle the boundaries between public and private, and there are distinctions between those institutions, which take a “more private”, and those that take “more public” approach. For example, in a more public organization, the mayor might appoint a board of public and private representatives for an organization that is publicly funded. For a more private organization, the mayor might appoint an all-private board of directors for an organization that is both publicly and privately funded.

Public-private organizations differ from city to city depending on a number of variables such as critical local issues, geographic scale, or balance of public and private interests.

Successful public-private economic development organizations have:

- ✓ Clearly defined missions that address the concerns of both the private and public sector
- ✓ Internal autonomy over the organization
- ✓ Consensus among members regarding the mission of the organization and how to implement the mission
- ✓ Adequate funding to achieve goals;
- ✓ The commitment of both the public and private sector
- ✓ Established performance measures to justify continued support and funding

Types of Public-Private Organizations

There are two basic types of public-private economic development organizations. One type is an unincorporated committee that performs

planning, technical advisory, policy development, and information dispersal functions. The other type is incorporated as a non-profit, tax-exempt corporation and has financing and implementation responsibilities as well as policy, advisory, and planning functions.

Policy Planning Organizations

Policy planning organizations include ad hoc committees appointed by the mayor to help set city development policies, and downtown councils, which coordinate public and private efforts to improve the central business district. They may facilitate communication between public and private leaders; serve as a source of private sector advice on technical aspects of development; recommend specific action to cope with economic problems; or set general economic development priorities.

The specific functions and roles policy-planning organizations may assume include:

- ✓ Coordinate/advise policy
- ✓ Advise other local organizations and institutions on economic development
- ✓ Coordinate implementation of economic development activities
- ✓ Monitor and evaluate local, state, and federal legislation from the local economic perspective
- ✓ Planning, research, and analysis
- ✓ Analyze fiscal impacts and provide market studies and cost-benefit reviews
- ✓ Maintain and update a database to evaluate changes in local, county, state, regional and/or national, conditions (available land and buildings by type, classification, zoning, lease terms, etc.)
- ✓ Identify and adopt economic growth indicators
- ✓ Develop capacity to present policy-oriented impact analysis.

Public-private policy planning organizations can offer valuable assistance in setting public development policy and are a way to directly involve private sector leaders in the process. However, since they do not directly implement the programs they recommend, there may be a gap between policy setting and program implementation. Another potential problem is that city staff may not have the expertise to carry out the organization's advice.

Implementation Organizations

Public-private implementation organizations are often referred to as quasi-public corporations because they are legally, and usually physically, outside of local government. They can be independent private sector corporations that serve a public purpose and have both public and private sector representatives on their boards of directors. Or, they can be institutions that are enabled by city, state, or federal legislation to use public powers or special financing tools. The public-private mix within these institutions may occur in board representation, funding, objectives, and/or staff. Their financing and implementation functions and roles can include: financier, developer, and information service provider.

Advantages & Disadvantages of Public-Private EDOs

Advantages

Public-private organizations minimize many of the problems, and retain many of the advantages of organizations in both sectors. In partnering with the private sector, an EDO gains several administrative advantages, which are listed below.

- ✓ Excessive politicization of the EDO's work is less likely to occur.
- ✓ Neither public nor private EDOs have the degree of freedom in hiring, firing, and setting salaries than public-private agencies typically have.
- ✓ Private/public partnerships can undertake greater risk because directors sitting on the board do not to run for general election. An unpaid board directing a public-private EDO has little to lose from making bold decisions because they earn their living elsewhere. Public/private EDOs can use public resources and powers without public limitations (e.g., red-tape, citizen review, civil service restrictions).
- ✓ Public/private EDOs are free to expand on government powers since they are not restrained by the city charter, partially because they can use the functions and powers of legal, private subsidiaries and affiliates. Thus they can invest in non-profit and sometimes for-profit ventures.
- ✓ Some semi-public agencies take on the "straw man" role, proposing the project, sampling public reaction, and allowing the local government to either support or oppose it.
- ✓ Lastly, a public-private economic development organization can eventually be financially self-supporting through management and service fees, and/or membership dues.

Disadvantages

A public-private EDO also faces the following disadvantages:

- ✓ A public-private EDO is not under the same degree of public control as public agencies, which can limit its accountability.
- ✓ Limited accountability may cause a public-private EDO to forfeit a portion of their influence if the public sector and the citizenry are not satisfactorily represented.
- ✓ Limited accountability can also restrict its freedom of action.

APPENDIX B

“Funding for Economic Development Organizations”

And

“High Performing EDO's”



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NEW REALITIES for Funding Economic Development Organizations

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Executive Summary

Funding for economic development organizations (EDOs) is changing in response to several global, national and local shifts. Reduced public funding, enhanced scrutiny, increased accountability demands, changes in foundation funding preferences, the Great Recession, and the weak global economy are the major issues that EDOs are responding to. Not only are funding mechanisms impacted, but also EDO structures and their business practices.

This paper examines various public and private funding streams that EDOs utilize and shifts in these funding streams. It is part of a series of research papers under the theme, *Adapting and Thriving: New Realities for Economic Development Organizations*, sponsored by IEDC's Economic Development Research Partners (EDRP) Program. A majority of the data presented in the study comes from a survey IEDC conducted in summer 2012. Additional research through interviews, case study development, and internet research contributed to the paper as well. Select international examples are also included.

Several Factors Impact EDOs' Sources of Funding

The geographic area of focus, the size of the community and the organization's structure all impact the types of funding that an organization typically receives. Funding streams also change with the region and time. EDOs constantly need to evaluate their options for different funding mechanisms and explore new and innovative ways to bring in additional revenues.

In an effort to access additional funding streams, especially from the private sector, many EDOs have changed from public organizations to public-private partnerships or even private organizations. The City of Annapolis, Maryland terminated its Department of Economic Affairs within the city government and established the new Annapolis Economic Development Corporation, a public-private partnership in an effort to boost efficiency and effectiveness.

Public Funding Streams are Declining, but Remain Important

This is no news to economic development organizations. However, public funding continues to be a valuable revenue stream for EDOs, especially where authorized by the state government to levy additional optional taxes dedicated to economic development, such as in Texas and Nebraska.

The nature of support from public agencies is changing too. Increasingly more funds are attached to specific programs, with pre-defined deliverables and timelines, and in most cases, such funds only constitute a portion of the project budget, requiring EDOs and their partners to explore other ways to make up for the shortfalls in the budget.

Accountability and transparency are also of increasing concern among public agencies supporting economic development efforts. EDOs are required to report back more frequently and future funding is based on performance-based metrics. The city government and several other public sector investors signed separate contracts with the Laramie Economic Development Corporation (Laramie, Wyoming) citing to boost accountability and transparency in the use of funds.

In addition, economic developers continually need to educate public decision makers about the importance and impact of economic development programs to keep their community competitive and secure future public funding.

Private Funding Streams Are Saving the Day

It appears that the historic ratio of public to private funding for EDOs has reversed in recent years. Whereas a few decades ago, 70 percent of EDO funding came from public sources and 30 percent from private sources; the opposite is now true. In-kind contributions and fee-for-service contracts are two revenue streams that are more commonly used by EDOs now.

With the enhanced reliance on private funding streams, EDOs are also adapting their business practices in significant ways. They need to spend more time on fundraising activities than they have historically done and develop skills in areas such as grant writing. EDO staff members need to identify opportunities and develop partnerships with other organizations in the community to leverage their resources and deliver programs effectively. Hospitals, utility companies, and law firms are a few examples of organizations that EDOs now partner with on a regular basis.

Not Many Unique Funding Sources Exist

One of the objectives of the study was to find examples of EDOs that are utilizing unique or entirely new funding sources, or using known funding sources in a new way. The research shows that not many such cases exist. What is new and unique for a particular EDO, in most cases, has been used by others in the industry for some time. A few examples of unique funding sources for EDOs include additional car rental taxes, fees from waste management services, and funding through foreign trade zones.

In summary, each EDO must find its own unique mix of funding sources based on their mission, services, and programs. They need to be smart about the use of resources and nimble enough to adapt to changing situations.



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HIGH PERFORMING ECONOMIC DEVELOPMENT ORGANIZATIONS

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Executive Summary

The role of economic development organizations (EDOs) becomes more complex and challenging with each passing year. Budgets keep getting tighter; industry needs continually change; and global economic, social and environmental factors bring new levels of complexity to the job – but the need for EDOs to continue delivering results remains.

This paper, developed under the guidance of IEDC's Economic Development Research Partners program, aims to define the characteristics of high performing EDOs by identifying success factors from both organizational and leadership perspectives.

First, it is important to understand what we mean by the term “high-performing EDO.” Such an organization fulfills its mission by following internal best practices, but it accomplishes more than that. It builds relationships and community capacity to foster broad prosperity, and it embodies adaptability, responsiveness and integrity. It sees – and sometimes makes – new opportunities. It employs its capacities and resources to the fullest, sets its goals high, and works diligently to attain them.

The research found that organizationally, high-performing EDOs tend to share eight success factors. These organizations:

Are driven by their customer. With so many stakeholders impacted by and engaged in the work of an EDO, it can be challenging to

determine who “the customer” is – yet this step is critical to designing effective programs and services and to developing organizational capacity.

Operate with a strong strategic plan. A strong strategic plan is grounded in the realities of the community, what it can achieve and where it wants to be several years down the line. High-performing EDOs also are flexible and adaptable, however – they know when it's appropriate to deviate from those well-made plans.

Measure results and adjust accordingly. High-performing EDOs constantly evaluate their work to determine if objectives are being met, stay accountable, detect problems before they escalate, and seek new ways to improve.

Are creative risk-takers. EDOs must be entrepreneurial and innovative to understand and address the challenges of globalization, economic downturns, climate change, and industry shifts. Though EDOs must deliver results and be held accountable, sometimes they need the freedom to be creative in order to deliver at a higher level.

Build strong alliances and networks. High-performing EDOs not only create opportunities for economic development alliances and networks to flourish, they also institutionalize them. This ability to convene, connect and collaborate enhances the coordination of economic development efforts, increases capacity, and improves credibility.

Earn the trust and respect of their communities.

The strongest EDOs do this by consistently delivering results; focusing on customers; engaging in effective, open communication; building lasting partnerships and acknowledging the contributions of partners; and upholding high standards of integrity, trust and honesty.

Are efficient with funding and resources. In many cases, high-performing EDOs are working to decrease their reliance on public-sector funding and to diversify their funding streams by charging for some services or looking to non-traditional sources for funding. Beyond financial resources, high-performing EDOs also use their staff wisely and focus their resources where they will have the most impact.

Invest in their people. High-performing EDOs invest in the development and well-being of their employees. Most organizations offer professional development through training programs and networking opportunities, but most high-performing EDOs also practice “people development” – i.e., nurturing their potential to perform better in the future.

In addition to identifying organizational success factors, the research explores essential qualities of effective economic development leaders.

High-performing EDOs have passionate, innovative and capable leadership. They care deeply about what they do, motivate their staff and partners, think creatively, and effectively carry through on their commitments.

Leaders of high-performing EDOs are strategic thinkers and operators. Effective leaders anticipate opportunities and prepare for them; create opportunities by thinking innovatively; and transform challenges into opportunities.

Great leaders are highly effective communicators. The ability to communicate well distinguishes leaders of high-performing EDOs from their competitors. They are able to distill and convey complex ideas; use different communication styles to meet the needs of different audiences; are active listeners; and maintain open lines of communication.

Leaders of high-performing EDOs embrace change as a baseline for success. High-performing EDOs are adaptable and have staff and leadership that embrace change, rather than fear it, and seek to find new opportunities in it.

High-performing EDOs form great teams to carry out the work. Developing a talented staff and providing them with meaningful roles gives them a stake in the organization’s mission and success, resulting in a dedicated team that is stronger than the sum of its parts.

Leaders of high-performing EDOs are ethical and represent community interests. Ethical behavior is modeled at the top and supported with policies and resources that enable employees and peers to make ethical decisions. These organizations never lose sight of their responsibility to serve the greater good of the community.

The prevailing theme of this research is that organizations and leaders must be adaptable to changing circumstances. It is imperative for EDOs to nurture their capacity and skills in responding to change and become effective change agents as a result. It is our hope that

this paper provides readers with a framework for improving both the effectiveness of their organizations and their personal leadership skills, furthering the creation of jobs and wealth for communities everywhere.

APPENDIX C

Possible New Community Development Corporation in Rancho Cordova -- Form and Structure

The city of Rancho Cordova may find it advantageous to create a new stand-alone Community Development Corporation with the specific purpose of expediting development at the Mather/Mills Station Transportation Oriented Development (TOD) Pulse Point. A partnership spearheaded by the city that includes local stakeholders makes sense. The Board should therefore include local land owners and residents.

Any separate entity should register with the California Secretary of State, Franchise Tax Board and IRS as a "Public Benefit Corporation" in the "Charitable Purposes" category, for the purpose of "lessening the burden to government" as it seeks to achieve its development goals. Even though developing the Mather Pulse Point is the initial purpose of the new CDC, the stated purpose for incorporation should be general enough so that the CDC can in the future do business throughout the city. The incorporation papers and mission can be modeled after the Roseville CDC Bylaws, attached.

The CDC's Board of Directors should be kept as small as possible to avoid being too cumbersome for its staff to manage, and to make investment decisions easier. However, all stakeholder groups likely to be affected by development, should be represented, as should those most likely to bring financial resources to the CDC:

- The City's Economic Development and Housing Director
- An engaged local community leader
- A major local landowner (Benvenuti?)
- A major retailer or business owner who has expressed interest in the pulse point
- A local small business representative
- A Los Rios Community College representative
- Regional Transit
- A Mogaverro Notestine, or other architectural and community design representative
- An outside individual notable because of his/her expertise on CDC's, project financing, and/or TOD development
-

A group of Key advisors not members of the Board of Directors should include:

- SACOG
- Portland State University and Michele Reeves
- SACTO
- Rancho Cordova Chamber president
- Newspaper editor
- Funding entities, including:
 - Foundations, federal and state grants
 - City of Rancho Cordova General Fund
 - City of Rancho Cordova Infrastructure funds
 - City of Rancho Cordova Housing affordable housing fees
 - Regional Transit
 - SACOG for planning and implementation grants
 - Developers

**BYLAWS OF
ROSEVILLE COMMUNITY DEVELOPMENT
CORPORATION, INC.
AS AMENDED SEPTEMBER 7, 2011**

ARTICLE 1: NAME

The name of this corporation is Roseville Community Development Corporation, Inc.

ARTICLE 2: PURPOSES AND POWERS

The corporation has been formed for charitable purposes including, but not limited to, the specific and primary purpose of providing physical, economic and educational development and revitalization efforts resulting in expanded employment, economic prosperity and business and housing opportunities for businesses and residents and to provide such charitable services that are associated with such specific purposes as allowed by law. In furtherance of these purposes, the corporation is empowered to:

Receive gifts, donations, bequests and devises of all kinds and descriptions and perform any and all legal acts in regard thereto as may be necessary or advisable to advance the objects and purposes of the corporation, and to apply the principal and interest of such gifts, donations, bequests, and devises as may be directed by the donor, or as the Board of Directors ("Board") of the corporation may determine in the absence of such direction;

Purchase and otherwise acquire, sell, convey, lease and otherwise dispose of, mortgage, pledge, hypothecate and otherwise encumber, property, both real and personal, for the purpose of carrying on its objectives and purposes;

Pursue a wide range of activities and projects, including, but not limited to, developing affordable housing, redeveloping properties to create mixed use, commercial and office projects, business recruitment and retention, commercial loans and on-going property management for the purpose of carrying on its objects and purposes;

Partner with private sector entities and persons to pursue development opportunities consistent with the corporation's charitable purposes, including, but not limited to, forming single purpose limited liability companies or other entities to develop real property for the purpose of carrying on the corporation's objects and purposes;

Enter into contracts with public and private entities that may be necessary or expedient to carry on its objects and purposes; and

Perform any other acts, within or without the State of California, necessary or expedient in furtherance of the purposes for which the corporation is organized to the same extent as natural persons.

The corporation is and shall be a nonprofit corporation without capital stock or shares, and it is a corporation that does not contemplate pecuniary gain or profit to the member, officers or directors thereof. The corporation is organized and formed exclusively for charitable development related services, and related scientific, educational and civic purposes and all property of the corporation is irrevocably dedicated to such uses.

In addition, the corporation is formed for the purpose of performing all things incidental to, or appropriate in, the achievement of the foregoing specific and primary purposes. The corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary charitable purposes.

The corporation shall hold, and may exercise, all such powers as may be conferred upon a nonprofit corporation by the laws of the State of California and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the corporation.

In no event, however, shall the corporation engage in activities that are not permitted to be carried on: (a) by a corporation exempt under Section 501(c)(3) of the Internal Revenue Code and its regulations, as they now exist or as they may be amended; or (b) by an organization, contributions of which are deductible under Section 170(c)(2) of such Code and its regulations as they now exist or as they may be amended.

ARTICLE 3: PRINCIPAL OFFICES

The principal office of the corporation shall be located in the City of Roseville, County of Placer, State of California. The Board may at any time, or from time to time, change the location of the principal office from one location to another within said city and county.

ARTICLE 4: NONPARTISAN ACTIVITIES

The corporation has been formed under the California Nonprofit Public Benefit Corporation Law (the “Law”) for the charitable purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation. The corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

ARTICLE 5: DEDICATION OF ASSETS

The properties and assets of the corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any director or officer of the corporation. On liquidation or dissolution, all remaining properties and assets of the corporation shall be distributed and paid over to the City of Roseville and used for public purposes, or paid over to such organization (or organizations) organized and operated exclusively for charitable purposes, which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue law) and which has established its tax exempt status under Section 23701d of the California Revenue and Taxation Code (or the corresponding section of any future California Revenue and Tax law).

ARTICLE 6: MEMBERSHIP

Section 1. **Sole Member.** The City of Roseville, a municipal corporation and charter city in the State of California (“City”), shall be the sole member of the corporation and is referred to in these bylaws as the “Sole Member.” The Sole Member shall act through the City Council of the City (“City Council”) in accordance with the City Charter, the City’s Municipal Code, applicable state laws and these bylaws.

Section 2. **Rights of Membership.** The Sole Member shall have the right to vote on: the election and removal of directors of the Board, subject to the provisions of Article 7, Section 2 of these bylaws; the disposition of all or substantially all of the corporation’s assets; any merger and its principal terms and any amendment of those terms; any election to dissolve the corporation; any amendment of the Articles of Incorporation or bylaws; and such other matters as set forth in these bylaws and the Law. In addition, the Sole Member shall have all rights afforded members under the Law and these bylaws. The corporation may benefit, serve, or assist persons who are not members.

The Sole Member shall not be entitled to any dividend or any part of the income of the corporation, except as may be necessary to fulfill any contractual obligations between the corporation and the Sole Member.

Section 3. **Termination of Membership.** The membership shall only terminate upon the resignation of the Sole Member, on reasonable notice to the corporation.

Section 4. **Expulsion, Suspension or Termination of Membership.** The Sole Member may not be expelled or suspended, and no membership or membership rights may be terminated (except as provided in Article 6, Section 3 of these bylaws) or suspended.

Section 5. **Transfer of Membership.** The membership, or rights arising from membership, shall not be transferred. All membership rights cease on the termination of membership pursuant to Article 6, Section 3 of these bylaws.

Section 6. **Liability for Debts or Obligations.** The City, as the Sole Member of the corporation, is not, as such, liable for the debts, liabilities or obligations of the corporation.

Section 7. **Place of Meeting.** Meetings of the Sole Member shall be held in the City Council Chambers of the City Administration Building, or such other location as may be determined by the Sole Member and set forth in any notice of the meeting, and shall be held pursuant to the Roseville Municipal Code and the City Charter, as they may be amended from time to time.

Section 8. **Ralph M. Brown Act.** All meetings of the Sole Member shall be conducted in compliance with the requirements of the Ralph M. Brown Act as set forth at Government Code Section 54950 et seq. ("Brown Act").

Section 9. **Annual Meeting.** The annual meeting of the Sole Member shall be a regular meeting of the Sole Member and shall be held in the month of October in each year for the purpose of electing those directors of the Board whose terms have expired. Any other proper business may be transacted at the annual meeting.

Section 10. **Regular Meetings.** Regular meetings of the Sole Member shall be held at such times as may be specified by the Sole Member, subject to the notice requirements of the Brown Act and these bylaws. Any proper business may be transacted at a regular meeting. Regular meetings of the Sole Member shall be held at the date and time designated only by the Sole Member, which shall be the date of a regular meeting of the City Council.

Section 11. **Special Meetings.** Special meetings of the Sole Member for any lawful purpose may be called by the Board, the Chair of the Board or by the Sole Member, subject to the notice requirements of the Brown Act and these bylaws. No business other than the business the general nature of which was set forth in the notice of the meeting may be transacted at a special meeting.

Section 12. **Notice of Meetings.** Notice of all meetings of the Sole Member shall comply with the Brown Act. In addition, notice to the Sole Member shall be given either personally, by facsimile, electronic mail, first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to the City Clerk of the City of Roseville at 311 Vernon Street, Roseville, California or such other address of the Sole Member appearing on the books of the corporation or at such other address of the City Clerk appearing on the records of the City, for purposes of notice.

All such notices shall be delivered to the Sole Member and public notice thereof posted pursuant to the Brown Act not fewer than seventy-two (72) hours prior to each regular meeting and not fewer than twenty-four (24) hours prior to each special meeting. The notice shall specify the place, date and hour of the meeting and: (1) for a regular meeting, those matters which the Board or the Sole Member, at the time notice is given, intends to present for action by the Sole Member; and for a special meeting, the general nature of the business to be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

Any approval by the Sole Member of any of the following proposals is valid only if the notice states the general nature of the proposal or proposals:

- (a) Removing a director of the Board without cause; Page 5
- (b) Filling vacancies on the Board;
- (c) Amending the Articles of Incorporation or bylaws; and
- (d) Electing to wind up and dissolve the corporation.

An affidavit of the mailing or other means of giving any notice of any meeting of the Sole Member may be executed by the secretary or any other party of the corporation giving the notice, and, if so executed, shall be filed and maintained in the corporation's minute book.

Section 11. **Quorum.** The presence in person of a majority of the City Council members shall constitute a quorum of the Sole Member.

Section 12. **Adjournment.** Any meeting of the Sole Member may be adjourned from time to time by the vote of the Sole Member. No meeting may be adjourned for more than forty-five (45) days. When a meeting of the Sole Member is adjourned to another time or place, notice shall be given of the adjourned meeting as provided in Article 6, Section 10 of these bylaws, even if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken.

Section 13. **Voting.** The Sole Member shall vote on matters requiring the approval of the Sole Member by action of the City Council consistent with the requirements of the Roseville Municipal Code and the City Charter, as they may be amended from time to time.

Section 14. **Waiver of Notice of Consent.** No written waiver of notice or consent to the holding of any meeting of the Sole Member, or an approval of the minutes of any meeting of the Sole Member, shall be permitted.

Section 15. **No Action by Unanimous Written Consent.** No action of the Sole Member may be taken by unanimous written consent of the City Council members without a meeting and without prior notice.

Section 16. **No Action by Written Ballot Without a Meeting.** No action of the Sole Member, including the election or removal of directors of the Board, may be taken by written ballot.

Section 17. **Proxies.** The Sole Member shall not have the right to vote by a written proxy either in person or by authorizing one or more agents.

ARTICLE 7: BOARD OF DIRECTORS

Section 1. **Powers.** Subject to the provisions and limitations of the Law and any other applicable laws of the State of California, and subject to any limitations in the Articles of Incorporation and these bylaws regarding actions that require approval of the Sole Member, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the day-to-day operation of the business of the corporation to a

committee composed of directors, or other person, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2. Number and Qualifications of Directors. The authorized number of directors of the corporation shall be five (5), until changed by amendment of the Articles of Incorporation or these bylaws.

All directors shall have relevant experience in development, financing, and/or business operations related experience, as such experience is determined by the Sole Member. No director shall concurrently hold an elective public office.

Section 3. Election, Designation, and Term of Office of Directors. Directors shall be elected by the Sole Member and shall serve for a term of three (3) years, except for the terms of the initial directors, which shall be either two (2), three (3) or four (4) years. It is the intent of these bylaws to have and maintain staggered terms of office for the directors and to provide that no more than two-fifths (2/5) of the directors' offices expire in any given year. The Sole Member shall divide the directors into three groups, one consisting of two (2) directors whose initial term shall be two (2) years, one consisting of two (2) directors whose initial term shall be three (3) years and one consisting of one (1) director whose initial term shall be four (4) years. Election of each group of directors shall occur upon expiration of the initial term and every three (3) years thereafter by the Sole Member at a regular meeting of the Sole Member. However, if all of the directors to be elected are not elected at any regular meeting of the Sole Member, they may be elected at any special meeting of the Sole Member held for that purpose.

Each director, including a director elected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. Directors may serve any number of three-year terms.

Section 4. Vacancies. A vacancy on the Board shall exist on the occurrence of the following:

- (a) the death or resignation of any director. Any director elected or appointed to an elective public office during his or her term shall automatically be deemed to have resigned his or her position as a director upon the certification of such election or upon appointment to elective public office;
- (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Sections 5230-5239 of the Law dealing with standards of conduct for a director, or has missed three (3) consecutive regular meetings of the Board of Directors or a total of four (4) regular meetings of the Board during any one calendar year;
- (c) the termination or removal of a director with or without cause by the Sole Member;
- (d) an increase in the authorized number of directors; or
- (e) the failure of the Sole Member, at any meeting of the Sole Member at which directors are to be elected, to elect the number of directors required to be elected at such meeting.

Except as provided in this paragraph, any director may resign effective upon giving written notice to the Sole Member and the Board, unless the notice specifies that the resignation is effective at a future time. If the resignation is effective at a future time, a successor may be elected to take office when the resignation

becomes effective. Unless the California Attorney General is first notified, no director may resign when the corporation would then be left without a duly elected director in charge of its affairs.

Prior to the removal of any director, the director to be removed shall have been notified in writing in the manner set forth in Article 6, Section 12 that such action would be considered at the meeting at which removal is voted. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. Meetings. The Board shall meet annually for a regular meeting of the Board, but no later than sixty (60) days after a meeting of the Sole Member, for purposes of organization, election of officers and the transaction of other business. Other regular meetings of the Board shall be held at such times as are fixed by the Board.

Special meetings of the Board shall be held at such times that are fixed by the Board or requested by the Sole Member. The call and notice shall specify the time and place of the special meeting and the business to be transacted at the special meeting. No other business shall be considered at these special meetings of the Board. Provided, however, notice of a special meeting of the Board may be waived by any director who at or prior to the time the special meeting convenes delivers to the City Clerk a written waiver of notice. The waiver of notice may be given by e-mail. All waivers of notice of the special meeting shall be filed with the corporate records or made a part of the minutes of the meetings of the Board. The written notice of any special meeting of the Board may also be dispensed with as to any director who is actually present at the special meeting at the time the meeting convenes.

All meetings of the Board shall be held and conducted with notice and in compliance with the Brown Act. Meetings of the Board may be called at any time by the Chair of the Board, the Secretary, any two (2) directors or the Sole Member, provided that notice of all meetings shall comply with the notice provisions set forth below.

All such notices shall be delivered to the directors and public notice thereof posted pursuant to the Brown Act not fewer than seventy-two (72) hours prior to each regular meeting and not fewer than twenty-four (24) hours prior to each special meeting. Notice to the directors may be communicated by telephone, telegraph, facsimile, electronic mail, express mail service, first-class mail, or other means of written communication, charges prepaid. Said notice shall be addressed to the directors at their respective addresses as shown upon the records of the corporation and shall specify the purpose of the meeting. Meetings shall be held at any place designated by resolution of the Board, or, if not designated, at the principal office of the corporation and included in the notice of the meeting in accordance with these bylaws. A meeting may be held at any place provided in the notice in accordance with these bylaws. Any meeting may be held by conference telephone or other communications equipment permitted by the Law and the Brown Act, as long as all directors participating in the meeting can communicate with one another and all other requirements of the Law and the Brown Act are satisfied. All such directors shall be deemed to be present in person at such meeting.

Section 6. Action at a Meeting. The presence of a majority of the directors authorized in the bylaws at a meeting of the Board constitutes a quorum for the transaction of any business, except adjournment. All actions of the Board shall be taken at a meeting by affirmative vote of the directors who are present at the meeting when the vote is taken. Directors may not vote by proxy. Every act done or decision made by a majority of the directors present at a meeting at which a quorum is present shall be regarded as the act of the Board, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by the Articles of Incorporation, these bylaws, or the Law.

Section 7. Adjourned Meeting and Notice. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than

twenty-four (24) hours, notice of any adjournment to another time or place shall be given to the directors who were not present at the time of the adjournment as provided in Article 7, Section 5 of these bylaws. Such notice may not be waived under any circumstances.

Section 8. **No Action Without a Meeting.** The Board may not take any action by unanimous written consent or in any other manner without a meeting and without prior notice as required by this Article 7 under any circumstances. Any such action by the Board shall be invalid.

Section 9. **Fees and Compensation.** Directors may not receive any compensation for their services as such, but may receive reasonable reimbursement of expenses incurred in the performance of their duties, including advances as provided in Article 8, Section 3, as may be fixed or determined by resolution of the Board.

ARTICLE 8: STANDARD OF CARE

Section 1. **General.** A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interest of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;
- (b) Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as the director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in these bylaws and Section 5231 of the Law, a person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions that exceed or defeat a public or charitable purpose to which the corporation, or assets held by it, are dedicated.

Section 2. **Prohibited and Self-Dealing Transactions.** While the provisions of Title 1, Division 4, Chapter 1, Article 4 the California Government Code (Section 1090, et. seq.), relating to personal financial interests in contracts made by governmental officers and employees do not apply to the corporation, the corporation shall, nevertheless, apply these provisions of the Government Code to its directors, officers and employees and the corporation shall not enter into any contract in which any director, officer or employee has a prohibited financial interest. In addition, no director of the corporation nor any other corporation firm, association or other entity in which one or more of the corporation's directors has a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with the corporation, unless: (a) the Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or (b) prior to entering into the transaction, after full disclosure to the board in good faith of all material facts regarding the director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest, and after investigation and report to the board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the directors then in office (without counting the vote of the interested director or directors) finds that: (i) the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (ii) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into. In the event that it is not practical to obtain approval of the board prior to entering into the transaction, the transaction may be approved if a committee or person authorized by the board approved the transaction in a manner consistent with the standards set forth above and the board, after determining in good faith that the corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable to the corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the directors then in office without counting the vote of the interested director or directors.

Section 3. **Reimbursement and Advances for Expenses.** The corporation may reimburse directors, officers or employees for expenses reasonably incurred in the performance of the duties of the director, officer or employee and may advance money to a director, officer or employee of the corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director, so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 4. **Periodic Reviews.** The Board shall conduct periodic reviews to ensure that the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits payable to employees and consultants are reasonable, based on competent survey information and the result of arm's length bargaining.
- (b) If applicable, whether partnerships and joint ventures conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

When conducting the periodic review as provided for above, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

Section 5. **Restriction on Interested Directors.** No person serving on the Board at any time may be an interested person. An interested person is: (i) any person currently being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 6. **Indemnification.** In accordance with the provisions of this Article 8, Section 6, the corporation shall indemnify its directors, officers and employees, including persons formerly occupying any such position, and their heirs, executors, and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in Section 5238(a) of the Law, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that Section, if: (i) such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation; and, (ii) in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. "Expenses" shall have the same meaning as in Section 5238(a) of the Law.

No indemnification shall be made if any of the conditions set forth in Section 5238(c) (1) through (3) or any successor provision of the Law are present. Except as provided in subdivision (d) of Section 5238 of the Law, any indemnification shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the director, officer and employee has met the applicable standard of care set forth in subdivision (b) or (c) of Section 5238 of the Law, by: (i) a majority vote of directors who are not parties to such proceeding; (ii) approval of the Sole Member (Section 5034 of the Law), or (iii) the court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not application by the agent, attorney or other person is opposed by the corporation. Such right of indemnification shall not be deemed exclusive of any other rights to which such persons may be entitled apart from this Article 8, Section 8 of these bylaws,

provided, however, any other such indemnification rights shall be consistent with this Article 8, Section 8 of these bylaws.

Section 7. Insurance. The corporation shall purchase and maintain insurance on behalf of its directors, officers and employees as determined and approved by the Board against any liability asserted against or incurred by the director, officer and employee in such capacity or arising out of the director's, officer's and employee's status as such.

ARTICLE 9: CORPORATE GOVERNANCE

Section 1. Adoption of Corporation Budget. The corporation shall annually prepare and submit to the City Manager of the Sole Member a Corporation Budget. The Corporation Budget shall be in complete and final form, be based on reasonable assumptions in connection with an appropriate due diligence review that has been approved by the Board and contain its best estimate of revenue and expenditures of the corporation for the next succeeding fiscal year.

Section 2. Adoption of Corporate Policies and Procedures. Within twelve (12) months after adoption of these bylaws, the Board shall approve comprehensive written policies to guide corporate procedures. Such policies shall be updated from time to time as determined by the Board with the goal of ensuring that current best practices are included therein. Separate policies shall be adopted relating to the following matters: Finance and Fiscal Policies; Purchasing and Contracting Policies; Personnel Policies; and Ethics, Gifts and Record Retention Policies.

Section 3. Conflicts of Interest. The corporation shall timely adopt a Conflict of Interest Code acceptable to the Board that shall require filing of such conflict of interest statements as are required by the Fair Political Practices Act as set forth in Sections 87100 et seq. of the Government Code and with the conflict of interest and related provisions of other applicable state and local law. In addition, if the corporation or any of its officers, directors, employees and consultants participate in the formulation of, or approve plans or policies for, the redevelopment of a project area within the meaning of the Community Redevelopment Law of the State of California as set forth in Sections 33000 et seq. of the California Health and Safety Code ("CRL"), the corporation and any such officers, directors, employees and consultants shall comply with the conflict of interest and similar provisions of the CRL, including Sections 33130 and 33130.5.

Section 4. Adoption of Training Program in Ethics, Fiduciary Duties and Corporate Governance. Within twelve (12) months after adoption of the Corporate Policies and Procedures identified in Article 9, Section 2, the Board shall have approved and the corporation shall implement a training program for officers, directors and employees in ethics, fiduciary duties and corporate governance in accordance with current best practices.

ARTICLE 10: COMMITTEES

Section 1. Committees of Directors. The Board may, by resolution, designate one or more committees. The powers of each committee shall be specifically delegated in the resolution of the Board. Each such committee shall consist of two (2) or more directors to serve at the pleasure of the Board. The Board may designate one or more alternate member(s) of any committee, who may replace any absent member at any meeting of the committee. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

(a) Approve any action that, under the Law or the Articles of Incorporation or these bylaws, also requires approval of the Sole Member;

(b) Fill vacancies on, or remove members of, the Board or any committee of the Board;

- (c) Amend or repeal the Articles of Incorporation or bylaws or adopt new bylaws;
- (d) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (e) Appoint any other committees of the Board or their members;
- (f) Approve a plan of merger; consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business; or revoke any such plan; or
- (g) Approve any self-dealing transaction.

No committee shall bind the corporation in a contract or agreement or expend corporate funds, unless authorized to do so by the Board.

Section 2. Meetings and Actions of Committees. Meetings and actions of all committees, except advisory committees, shall be governed by, and held and taken in accordance with, the provisions of Article 7, Sections 5 and 6, of these bylaws, concerning meetings and actions of directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board, by the chair of such committee or by a majority of the members of such committee. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee, except an advisory committee, and shall be filed with the corporate records. The Board may adopt rules not inconsistent with the provisions of these bylaws for the governance of any committee.

Section 3. Advisory Committees. Pursuant to Article 10, Section 1 of these bylaws and Section 54952(b) of the Brown Act, the Board may appoint less than a quorum of its members to serve on an advisory committee for the purpose of advising the Board with respect to such specific tasks that may be assigned to such advisory committee and performed over a finite period of time. Meetings of advisory committees shall not be subject to the notice provisions of these bylaws or the Brown Act.

Section 4. Audit Committee. The Board shall appoint an Audit Committee. The Committee may be comprised of two (2) or more persons and may include persons who are not directors.

The Audit Committee shall comply with the requirements of Government Code Section 12586(e)(2) ("Section 12586(e)(2)") or any successor section, regarding the requirements and membership of the Audit Committee, including that the membership of the Audit Committee shall not include the following persons:

- (a) The Chief Executive Officer or the Chair of the Board;
- (b) The Chief Financial Officer or the treasurer of the corporation;
- (c) Any employee of the corporation; or
- (d) Any director with a material financial interest in any entity doing business with the corporation.

As required by Section 12586(e)(2), in the event that the Board appoints a Finance Committee, members of the Finance Committee must constitute less than one-half of the membership of the Audit Committee and the Chair of the Finance Committee shall not serve on the Audit Committee.

Among other things, the Audit Committee shall make recommendations to the Board regarding the hiring and termination of an independent auditor to prepare annual audited financial statements of the corporation, who shall be an independent certified public accountant. The Audit Committee shall confer with the auditor to satisfy its members that the corporation's financial affairs are in order, and shall review and determine whether to accept the audit.

In the event that the auditor's firm provides non-audit services to the corporation, the Audit Committee shall ensure that the auditor's firm adheres to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards published by the Comptroller General of the United States, or any standards promulgated by the Attorney General of California.

ARTICLE 11: OFFICERS AND EMPLOYEES

Section 1. **Officers.** The officers of the corporation shall consist of the Chair of the Board, Secretary and Treasurer. The same person may hold any number of offices, except that neither the Secretary, nor the Treasurer, may serve concurrently as the Chair of the Board. In addition to the duties specified in this Article 11, officers shall perform all other duties customarily incident to their office and such other duties as may be required by law, by the Articles of Incorporation, or by these bylaws, subject to the control of the Sole Member and the Board of Directors, and shall perform such additional duties as the Board shall from time to time assign.

The officers shall be chosen by election of the Board, and such officers shall serve for a term of one (1) year and at the pleasure of the Board.

Any officer may be removed with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the Chair of the Board or the Secretary of the corporation. Any resignation shall take effect on the date of the receipt of such notice or at any later time specified in the resignation and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective.

A vacancy in any office, because of death, resignation, removal, disqualification, or any other cause, shall be filled by election of the board and the newly elected officer shall serve until the expiration of the then existing term. Any officer may serve any number of terms.

Section 2. **Chair of the Board.** The Chair of the Board shall, when present, preside at all meetings of the Board. The Chair of the Board is authorized to execute in the name of the corporation all the contracts and other documents authorized, either generally or specifically, by the Board to be executed by the corporation.

Section 3. **Secretary.** The secretary, or his or her designee, shall be custodian of all records and documents of the corporation, which are to be kept at the principal office of the corporation, shall act as secretary of all the meetings of directors and committees of directors and shall keep the minutes of all such meetings in books prepared for that purpose. He or she shall attend to the giving and serving of all notices of the corporation, and shall see that any seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws.

Section 4. **Treasurer.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including

accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the corporation as may be ordered by the Board, and shall render to the Chair and directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the corporation.

Section 5. Chief Executive Officer. The Board shall hire, employ, or retain the services of a Chief Executive Officer ("CEO") who shall serve at the pleasure of the Board. The CEO shall, subject to the control, advice and consent of the Board: supervise and conduct the activities and operations of the corporation; keep the Board fully informed; freely consult with the Board concerning the activities of the corporation; and see that all orders and resolutions of the Board are carried into effect. The CEO shall be empowered to act, speak for or otherwise represent the corporation between meetings of the Board. The CEO shall be responsible for: the hiring and firing of all personnel, including, but not limited to, a Chief Financial Officer ("CFO"); keeping the Board informed at all times of staff performance; and implementing any personnel policies adopted by the Board. The CEO shall be authorized to: contract, receive, deposit, disburse and account for funds of the corporation; execute in the name of the corporation all contracts and other documents authorized, either generally or specifically, by the Board to be executed by the corporation; and negotiate all material business transactions of the corporation.

Section 6. Board Review of Fairness of Compensation. The Board shall review the fairness of compensation, including benefits paid, in accordance with the requirements of Government Code Section 12586(g), or any successor section, of the CEO and the CFO of the corporation to assure that it is just and reasonable upon the occurrence of the following events:

- (a) The officer is hired;
- (b) The officer's term of employment is extended or renewed; or
- (c) The officer's compensation is modified, unless such modification occurs pursuant to a general modification of compensation that extends to all employees.

Section 7. Contracting for CEO, CFO and Subordinate Employees. The corporation may contract with the City of Roseville for the provision of a CEO, CFO and other subordinate staff necessary to carry out the purposes of the corporation.

ARTICLE 12: EXECUTION OF CORPORATE INSTRUMENTS

Section 1. Execution of Corporate Instruments. The Board may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation, or in special accounts of the corporation, shall be signed by such person or persons as the Board shall authorize to do so.

Section 2. Loans and Contracts. No loans or advances shall be contracted on behalf of the corporation and no note or other evidence of indebtedness shall be issued in its name, unless and except as the specific transaction is authorized by the Board. Without the express and specific authorization of the Board, no

officer or other agent of the corporation may enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation.

ARTICLE 13: FISCAL AUDITS, PERFORMANCE AUDITS AND REPORTS

Section 1. **Preparation of Annual Audited Financial Statements.** The corporation shall prepare annual audited financial statements which shall be audited by an independent certified public accountant, in conformity with generally accepted accounting principles and under supervision of the Audit Committee established by these bylaws. The corporation shall make these financial statements available to the California Attorney General and members of the public for inspection no later than nine (9) months after the close of the fiscal year to which the statements relate.

The corporation shall, within one hundred thirty five (135) days after the close of each fiscal year of the corporation, submit to the Board and the Sole Member the audited financial statements of the corporation for the prior fiscal year including an opinion of the independent auditor that is prepared by an independent certified public accountant, covering the business and operations of the corporation for such fiscal year.

Section 2. **Performance Audits.** The corporation shall conduct a performance audit of the corporation at least once every three (3) years, which audit shall be undertaken by a third party consultant retained by the corporation.

Section 3. **Reports.** The Board shall comply with Sections 6321 and 6322 of the Law, or any successor sections, and cause an annual report to be sent to all directors and the Sole Member within 120 days after the end of the corporation's fiscal year, containing the following information:

- (a) The audited financial statements of the corporation at the end of each fiscal year containing the information required by Section 6321 of the Law; and
- (b) The information required by Section 6322 of the Law concerning certain self dealing transactions involving more than \$10,000 or indemnifications or advances aggregating more than \$10,000 which took place during the fiscal year.

The annual report containing the audited financial statements shall be accompanied by the report of the independent public accountants who prepared the audited financial statements.

The corporation shall furnish to the Sole Member a copy of any report filed by the corporation with the California Attorney General.

ARTICLE 14: CORPORATE RECORDS

Section 1. **Maintenance and Inspection of Articles and Bylaws.** The corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and bylaws as amended to date, which shall be open to inspection by the Sole Member and directors at all reasonable times during office hours.

Section 2. **Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns.** The corporation shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three (3) years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Section 3. **Maintenance and Inspection of Other Corporate Records.** The corporation shall keep adequate and correct books and records of accounts; written minutes of the proceedings of its Sole Member, Board and committees of the Board, except for advisory committees; and a record of each

director's name and address. All such records shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal office of the corporation. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form.

Upon leaving office, each officer, employee, or agent of the corporation shall turn over to his or her successor or the Chair of the Board, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations, subject to the execution of a confidentiality agreement for confidential records and documents as determined by counsel to the corporation. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

Upon written demand to the corporation, the Sole Member may inspect, copy, and make extracts of the: (i) accounting and financial books and records; (ii) the minutes of proceedings of the Sole Member, the Board, and committees of the Board; and (iii) the personnel records (subject to appropriate confidentiality protections) and any and all documents, records and reports relating to the business and operations of the corporation, at any reasonable time but no later than ten (10) days after the written request by the Sole Member. The Sole Member shall designate the person(s) that may exercise this inspection right on its behalf.

Subject to the provisions of these bylaws and Sections 6330-6332 of the Law, the Sole Member may do either or both of the following:

- (a) Inspect and copy any records of the corporation relating to the name and address of the Sole Member and its voting rights during usual business hours on five (5) days prior written demand on the corporation; or
- (b) Obtain from the secretary of the corporation, on written demand, any records that state the name, address, and voting rights of the Sole Member who is entitled to vote for the election of directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the Sole Member. The secretary shall make such records available to the Sole Member on or before the later of ten (10) days after: (i) the demand is received; or (ii) the date specified in the demand as the date as of which the list is to be compiled.

Any inspection and copying under this Section may be made in person or by the Sole Member's designated agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the corporation.

ARTICLE 15: FISCAL YEAR

The fiscal year for the corporation shall begin on July 1st and shall end on June 30th.

ARTICLE 16: AMENDMENTS AND REVISIONS

Only the Sole Member may adopt, amend, or repeal these bylaws. Proposed amendments to these bylaws must be in writing and sent to the City Council members in accordance with City Council requirements in advance of the meeting of the Sole Member at which they will be considered for adoption.

New and amended and restated bylaws may be adopted, or these bylaws may be amended or repealed, by approval of the Sole Member.

ARTICLE 17: CORPORATE SEAL

The Board may adopt, use and alter a corporate seal. The seal shall be kept at the principal office of the corporation. Failure to affix the seal to any corporate instrument, however, shall not affect the validity of that instrument.

ARTICLE 18: CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the Law as amended from time to time shall govern the construction of these bylaws.

Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term “person” includes a corporation as well as a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible: (i) the remainder of these bylaws shall be considered valid and operative; and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

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Alphabet Soup for Economic Development

EDO – Economic Development Organization. Umbrella term for any entity that performs one or more aspects of economic development;

City Economic Development Department – the most common type of public EDO

EDC – Economic Development Corporation or Council – typically but not always a membership organization that is dedicated to economic development in a city, county, or region. Most often engages in business attraction, business advocacy, marketing, and membership services. Typically do not invest in property development. Local examples include:

- Sacramento Area Commerce and Trade Organization (SACTO),
- Solano Economic Development Corporation (SEDCOR),
- Folsom Economic Development Corporation (FEDCORP), and the
- Elk Grove Economic Development Corporation;

CDC – Community Development Corporation – an incorporated entity focused on land development or redevelopment in target areas. They can be:

- Funded and controlled by a single entity, such as a city for a specified purpose. For instance, the Roseville Community Development Corporation and the new Folsom Community Development Corporation;
- Composed of several stakeholder groups that may or may not be able to provide funding. Examples include the Harlem CDC with over 20 board members.

BID, PBID, TID – Business Improvement District, Property Based Improvement District, Tourism Improvement District. A type of public nonprofit EDO that uses assessments to promote downtowns, façade improvement, and tourism promotion. For example, , the Rancho Cordova Travel and Tourism Corporation (RCTC), formed in January 2011, uses funds from the Rancho Cordova Tourism Business Improvement District (RCTBID) to promote visitation in the city.

CDFI – Community Development Financial Institution. Private non-profit and for-profit financial institutions that promote community economic development in low-income areas. CDFI is a designation of the US Department of the Treasury. CDFI's typically consist of banks, credit unions, loan funds, and venture capital funds. Loans are made to businesses, first time home buyers, and for rental housing rehabilitation and community facilities.

Rancho Cordova EDC – Yes or No?

EDC FEASIBILITY ANALYSIS

6-16-2014, WES ERVIN

Agenda

Rancho Cordova ED Goals

Rancho Cordova's existing ED Program

Review EDO Types

Active EDO's in Rancho Cordova

Findings

Recommendations

Economic Development Goals

1. Improved coordination and service delivery
2. Better relations with business
3. Land development
 - ☐ Continue Folsom Boulevard Revitalization (e.g. TOD)
 - ☐ Convention Center Overlay
 - ✓ Greenfield development – housing and commercial
 - ☐ Develop Key vacant Infill properties, incl. City-owned
 - ✓ Entertainment center
 - ☐ Update older office buildings

City's Existing ED Program Includes

- ❖ **Attraction** – industrial, commercial, retail
- ❖ **Retention** (e.g. business walks)
- ❖ **Permit assistance** – one stop counter, ombudsperson, DST
- ❖ **Visitor attraction** – Tourism Corporation, assessment district
- ❖ **Real estate development** -- deal making, incentives
- ❖ **Affordable housing** – vets, seniors, low income
- ❖ **Neighborhood interaction** – code enforcement
- ❖ **Business Assistance** -- \$\$, how to
- ❖ **Worker Education** – Los Rios College, trade schools

Finding: City's ED Program is generally effective

Types of EDO – Alphabet Soup

❖ City ED Department

❖ EDC Non-membership

❖ EDC with Membership (SACTO, Solano, Folsom)

❖ CDC Non Membership (Roseville, Folsom)

❖ CDC with Membership (Harlem, Kings Co.)

❖ Chambers

❖ Utilities

❖ Universities

❖ Colleges

❖ BID, PBID,

❖ SACOG

Active Local EDO's – Each Does its Share

- ❖ **City ED Department** – local development of all types
- ❖ **Local Chamber** – local business networking
- ❖ **Local Travel & Tourism Corp.** – attract tourism and business travel
- ❖ **SACTO (EDC)** – attraction and business climate
- ❖ **Sac Metro Chamber** – regional retention and business climate
- ❖ **SBDC, Colleges, SCORE** – small business assistance
- ❖ **SBA, banks, CDFI's, etc.** – business and small business financing
- ❖ **SARTA** – technology development
- ❖ **SACOG** – Development Planning
- ❖ **50 Corridor Marketing Group** – regional attraction, marketing

Is There a Need for a New EDC or CDC?

- ❖ Most functions of an EDC are filled
- ❖ Small EDC's are hard to maintain
- ❖ True Need is for more business engagement
- ❖ Opportunity to form a CDC to develop land

Encouraging Investment -- #1

BUSINESS ENGAGEMENT – Outreach Emissary

Tune-up of existing cooperation & connections

- Low-cost, low risk for City
- Active listening will build relationships
- Will generate new projects – in all sectors
- Will strengthen local EDO's & City Finances
- Timing is perfect -- Private Sector is poised to invest

A most effective business expansion strategy

OPERATION BUSINESS CONNECT

1. **Assemble partners** – Chamber, SACTO, Tourism, Community Council, etc.
2. **Assemble internal staff** -- ED, Planning, Police, Pub Works, Housing, Police, etc.
3. Plan & do **outreach to businesses** – brokers, large employers, property owners
Business – roundtables, individual meetings, events
4. Plan & do **outreach to clusters** – education, auto aftermarket, home improvement, lodging
5. Inventory & seek development of **underutilized & vacant properties**
6. **Brand & announce the program**
7. Link training to local employer needs
8. Tracking and feedback loop

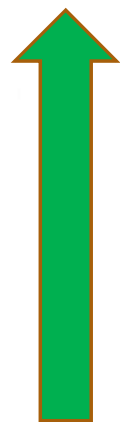
“Fresh Take”

- ✓ **Perfect timing** – brand rollout is underway
- ✓ Would generate **positive publicity**
- ✓ **Proactive** approach -- Focused outreach is rare enough
- ✓ Can help **overcome limited name recognition**

Encouraging Investment #2

CONSIDER A LOCAL CDC

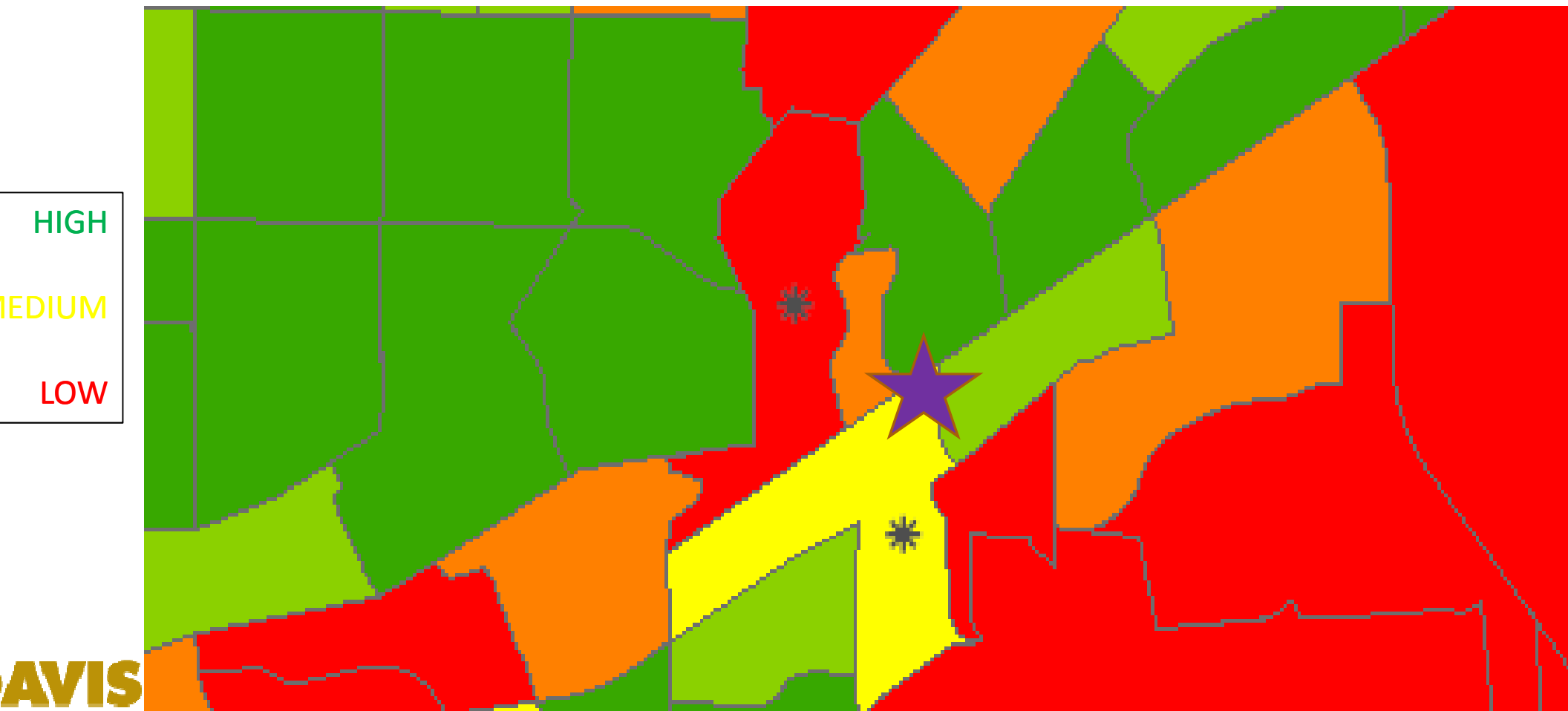
- ❖ An opportunity for land development
- ❖ Financial leverage, focused development, investor recruitment
- ❖ E.g. -- Build momentum for TOD @ Mather Mills
 - ❖ Support for Los Rios College – new anchor
 - ❖ Encourage “Growing Strong Neighborhood” Strategies
 - ❖ Investments in mixed use development
- ❖ E.g. – Convention/Entertainment District (Plan, prepare land, attract investors)



Investing business Budgets Brand



Thank You



FOR REGIONAL CHANGE

Regional Opportunity Index @ Mather TOD

Relative opportunity for Civic, Health Care, Housing, Economy, Education – by place

MEMORANDUM



DATE: June 16, 2014

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator
Jessica Hayes, Housing Services Assistant

SUBJECT: **A RESOLUTION OF THE CITY COUNCIL APPROVING AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AND LOAN AGREEMENT WITH UHC 00575 RANCHO CORDOVA, L.P. (UHC) FOR THE HORIZONS AT NEW RANCHO SENIOR HOUSING PROJECT AND AUTHORIZING THE EXECUTION OF THE AGREEMENT AND RELATED DOCUMENTS AND ACTIONS AS NECESSARY OR APPROPRIATE**

RECOMMENDATION

Staff recommends that Council adopt Resolution No. 56-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will authorize the City Manager to execute the Amended and Restated Disposition and Development and Loan Agreement (DDLA) and necessary or appropriate related documents with UHC, and take other necessary or appropriate actions for the Horizons @ New Rancho senior affordable housing development, thereby permitting the submittal of an application for required additional project funding.

BACKGROUND

On February 26, 2013 the City Council adopted Resolution 27-2013 which approved a DDA (now referred to as the DDLA) with Urban Housing Communities (UHC) and authorized the City Manager to sign it. This action included the commitment of funds in the form of a deferred loan made up of City Housing Trust monies, former Redevelopment Agency Low and Moderate Income Housing funds, and non-residential linkage funds for pre-development and development costs. Site control for this 1.07 acre, affordable, rental development for seniors was also provided to UHC. UHC was then able to submit a Tax Credit application for first round 2013 consideration. That application was not successful.

On July 1, 2013 the City Council adopted Resolution No. 82-2013, which made minor amendments to the DDA to allow for the timely submittal of an application for 2013 Round 2 Tax Credit funding. UHC was not successful with that Tax Credit application. Competition was fierce and the application was second in the City's allocation area, losing in a battle of tie-breaker points for a finite amount of Tax Credit allocation.

In anticipation of a different type of funding, a Home Investment Partnerships Program (HOME) application to the State of California Department of Housing and Community Development, the

City and UHC are requesting the approval of minor changes to the text of the DDLA. Changes include removal of references to Tax Credit funding, payment of a deposit on the land purchase price, issuance of a lender's title policy to the City, security for the predevelopment portion of the City loan, recovery of City project monitoring and legal costs, refinements to the project's Regulatory Agreement, and creation of a Promissory Note and Deed of Trust for the City loan. Upon approval of the Amended and Restated DDLA, UHC and the City will submit a HOME funding application.

ATTACHMENTS

1. Resolution 56-2014
2. DDLA
3. Comparison to 2013 DDLA

2284838.1

ATTACHMENT 1

CITY OF RANCHO CORDOVA

RESOLUTION NO. 56-2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA APPROVING AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AND LOAN AGREEMENT WITH UHC 00575 RANCHO CORDOVA, L.P. FOR THE HORIZONS AT NEW RANCHO SENIOR HOUSING PROJECT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND RELATED DOCUMENTS AND TAKE SUCH ACTIONS AS MAY BE NECESSARY OR APPROPRIATE

WHEREAS, the City Council of the City of Rancho Cordova ("**City**"), pursuant to Resolutions No. 27-2013 and No. 82-2013, approved and amended Disposition and Development Agreement ("**DDA**") with UHC 00575 Rancho Cordova, L.P., a California limited partnership ("**Developer**") for the development of an affordable senior rental housing project known as Horizons at New Rancho ("**Project**"); and

WHEREAS, Developer thereupon proceeded with the submittal of Tax Credit applications in response to both the 2013 Round 1 and Round 2 Request for Proposals from the California Tax Credit Allocation Committee; and

WHEREAS, the Round 1 and Round 2 applications were not awarded a Tax Credit allocation; and

WHEREAS, the Developer and City are currently prepared to submit an application for Home Investment Partnerships Program ("**HOME**") funding advertised by the California State Department of Housing and Community Development, which application requires the City Council of the City of Rancho Cordova ("**City Council**") to consider certain modifications to the DDA, now referred to as the Amended and Restated Disposition and Development and Loan Agreement ("**DDLA**").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AS FOLLOWS:

Section 1 The City Council approves the DDLA, substantially in the form attached to the accompanying Staff Report, and authorizes the City Manager to execute the DDLA and such other documents and to take such other and further actions as may be necessary or appropriate to carry out the intent of this Resolution.

Section 2 The City Council authorizes the City Manager, on behalf of the City, to approve expenditure of grant funds in the form of City loans to the Developer and the conversion of appropriate predevelopment funding already spent on the Project for the purpose of providing a deferred, permanent loan for the Project in the amount specified in the DDLA, subject to the execution of loan documents in form and content acceptable to the City Attorney.

Section 3 If any provision, sentence, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such

provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts.

Section 4 The above recitals are true and correct. The City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the above City Council action.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this ____ day of _____, 2014, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

2284875.1

**AMENDED AND RESTATED
DISPOSITION AND DEVELOPMENT AND LOAN AGREEMENT**

by and between

THE CITY OF RANCHO CORDOVA

and

UHC 00575 Rancho Cordova L.P.,

A California limited partnership

Horizons at New Rancho

June 16, 2014

Exhibits

- A Legal Description of Property
- B Form of Memorandum of Amended and Restated Disposition and Development and Loan Agreement
- C Form of Certificate of Completion
- D Financing Plan
- E Development and Performance Schedule
- F Regulatory Agreement
- G Approved Design Review
- H Assignment of Agreements, Plans and Specifications
- I Permanent Note
- J Deed of Trust

THIS AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AND LOAN AGREEMENT (this “**Agreement**” or “**DDLA**”) is entered into effective as of June 16, 2014 (“**Effective Date**”) by and between the City of Rancho Cordova, a California municipal corporation, (“**City**”) and UHC 00575 Rancho_Cordova L.P., a California Limited Partnership (“**Developer**”). City and Developer are hereinafter individually referred to as “**Party**” and collectively referred to as the “**Parties**.”

RECITALS

A. The Parties desire to amend and restate in its entirety that certain Disposition and Development Agreement dated February 26, 2013, as amended by that certain First Amendment to Disposition and Development Agreement dated July 1, 2013 (collectively, “**Original DDA**”).

B. Pursuant to California Health and Safety Code Section 34176(a)(1), on January 17, 2012, the City Council of the City of Rancho Cordova (“**City Council**”) adopted Resolution No. 7-2012, whereby the City elected to retain the housing assets and functions of the Community Redevelopment Agency of the City of Rancho Cordova (“**Agency**”) upon the dissolution of the Agency, effective February 1, 2012. The City thereby became the designated Housing Successor to the former Agency.

C. On April 17, 2012, the Oversight Board of the Rancho Cordova Successor Agency to the Community Redevelopment Agency of the City of Rancho Cordova, adopted Resolution No. OB 2-2012, whereby the Oversight Board acknowledged and approved of the transfer of housing assets, obligations and functions from the former Agency to the City as Housing Successor.

D. On October 14, 2012, pursuant to Health and Safety Code Section 34176(a)(2), the City submitted to the California Department of Finance (“**DOF**”) a list of housing assets, including that certain real property consisting of approximately 1.07 acres located in the City of Rancho Cordova, identified as Sacramento Assessor’s Parcel 057-0221-022 (previously known as Assessor’s Parcel Nos. 057-0221-010, 057-0221-009, and 057-0221-020), and more particularly described in Exhibit A attached hereto (the “**Property**”). On November 7, 2012, the DOF responded with an analysis of the housing assets, and did not dispute the City’s claim that the real property listed was a housing asset, however the DOF did require the remittance of un-encumbered Low and Moderate Housing funds. All requested un-encumbered Low and Moderate Housing funds were remitted to the County of Sacramento as per DOF’s findings on November 14, 2012.

E. City owns fee simple title to the Property.

F. City desires to cause the development of the Property with up to forty-eight (48) units of multi-family senior rental housing affordable at very-low income (not to exceed sixty percent (60%) of Area Median Income) and extremely low-income (not to exceed thirty percent (30%) of Area Median Income) levels. Developer has proposed developing same on the Property, to include Developer’s best efforts to develop the housing building as a net zero energy building with the amenities set forth herein (the “**Project**”). The Project is more particularly described in Section 5.2 herein and in an Affordable Housing Regulatory Agreement and

Declaration of Restrictive Covenants (“**Regulatory Agreement**”), attached hereto as Exhibit F, that shall be executed substantially concurrently herewith and recorded against the Property and the Project.

G. On November 6, 2006 the City adopted Ordinance 57-2006, establishing the Folsom Boulevard Specific Plan ("FBSP"), amending the Zoning Code, and amending the Zoning Code map designations for the properties within the Sunrise Boulevard South Planning Area, the Downtown Planning Area and Convention Overlay District. It was determined that the certified Environmental Impact Report prepared for the adopted General Plan was found to adequately address all significant environmental impacts associated with the adoption of the FBSP, the Zoning Code amendment, and Zoning Code map amendment, and therefore no additional environmental review was necessary pursuant to California Environmental Quality Act ("CEQA") Guidelines 15183(a) and California Public Resources Code Section 21083.3. Subsequently, amendments to the FBSP were analyzed under a Mitigated Negative Declaration (MND) and a Notice of Determination was filed for the MND on June 19, 2008. The City has completed an environmental review of the project and has determined that the project is consistent with previously prepared environmental review and is also Categorically Exempt under Section 15332, In-Fill Development.

H. Financing for the Project is addressed in Article VI herein.

I. The purpose of this Agreement is to effectuate the Redevelopment Plan for the Rancho Cordova Project Area, the Rancho Cordova General Plan and the Folsom Boulevard Specific Plan. The City has determined that development of the Property with the Project will be of benefit to the Rancho Cordova Project Area and the City as a whole, and will increase the City's supply of affordable housing stock and assist in the elimination of blight.

J. A material inducement to the City to enter into this Agreement is the agreement by Developer to develop the Project within the time periods specified herein and in accordance with the provisions hereof, and the City would be unwilling to enter into this Agreement in the absence of an enforceable commitment by Developer to complete the Project in accordance with such provisions and within such time periods, subject to the terms and conditions set forth herein.

K. In connection with this Agreement, Developer shall execute such documentation as City shall reasonably require in connection with Project financing, and the Regulatory Agreement, which shall require Project rents to be affordable to households whose incomes do not exceed those established by lenders and those other agencies providing funding to the Project, but in no case shall exceed sixty percent (60%) of Area Median Income for a term of not less than fifty-five (55) years. This Agreement, the Memorandum of DDLA attached hereto as Exhibit B, all City Project financing documents and the Regulatory Agreement are collectively hereinafter referred to as the “**City Documents**.”

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE I

RECITALS AND DEFINITIONS

1.1 Recitals. The foregoing recitals are incorporated in and made a part of this Agreement.

1.2 Definitions. The following terms shall have the meanings set forth in the Sections referenced below whenever used in this Agreement and the Exhibits attached hereto. Additional terms are defined in the Recitals and text of this Agreement.

1.3 “**Certificate of Completion**” is defined in Section 5.15.

1.4 “**City**” is defined in the Preamble.

1.5 “**City Council**” is defined in Recital B.

1.6 “**City Documents**” is defined in Recital K.

1.7 “**Claims**” is defined in Section 5.17.

1.8 “**Conditions of Approval**” is defined in Section 5.2.

1.9 “**Construction Plans**” is defined in Section 5.11.

1.10 “**Environmental Laws**” is defined in Section 10.4.

1.11 “**Financing Plan**” is defined in Section 5.7.

1.12 “**Hazardous Materials**” is defined in Section 10.3.

1.13 “**Improvements**” is defined in Section 5.2.

1.14 “**Indemnitees**” is defined in Section 5.17.

1.15 “**Official Records**” means the Official Records of Sacramento County.

1.16 “**Project**” is defined in Recital B and further described in Section 5.2.

1.17 “**Regulatory Agreement**” is defined in Recital F.

1.18 “**Transfer**” is defined in Section 8.2.

ARTICLE II

REPRESENTATIONS; EFFECTIVE DATE; MEMORANDUM.

2.1 Developer's Representations. Developer represents and warrants to City as follows, and Developer covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.1 not to be true, Developer shall immediately give written notice of such fact or condition to City. Developer acknowledges that City shall rely upon Developer's representations made herein notwithstanding any investigation made by or on behalf of City.

(i) Authority. Developer is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of California. Developer has the full right, power and authority to undertake all obligations of Developer as provided herein, including, without limitation, the power and authority to own, develop, construct, operate and maintain the Property and the Project and the execution, performance and delivery of this Agreement by Developer has been duly authorized by all requisite actions. The persons executing this Agreement on behalf of Developer have been duly authorized to do so. All actions required under Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement, and the other City Documents and all documents executed and delivered, or to be executed and delivered pursuant to this Agreement, have been duly taken. This Agreement and the other City Documents constitute valid and binding obligations of Developer, enforceable in accordance with their respective terms.

(ii) No Conflict. Developer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any statute, rule, regulation, judgment, contract, agreement or order to which Developer is a party or by which it is bound.

(iii) No Litigation or Other Proceeding. No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Developer to perform its obligations under this Agreement.

(iv) No Developer Bankruptcy. Developer is not the subject of a bankruptcy or insolvency proceeding.

2.2 Effective Date; Memorandum. The obligations of Developer and City hereunder shall be effective as of the Effective Date. The Parties shall execute a Memorandum of this Agreement substantially in the form attached hereto as Exhibit B, which shall be recorded in the Official Records promptly upon execution of this Agreement. The City will not withhold consent to reasonable requests for subordination of the Memorandum to deeds of trust, regulatory agreements and related documents provided for the benefit of Project lenders approved pursuant to the Financing Plan, provided that the instruments effecting such subordination include reasonable protections to the City in the event of default.

ARTICLE III

CONDITIONS PRECEDENT TO CONVEYANCE OF LAND

3.1 Conditions Precedent. City shall convey the Property to Developer in accordance with Article IV following Developer's satisfaction of the conditions set forth in this Agreement and within the time limits specified in the Development and Performance Schedule attached hereto as Exhibit E, unless such time is extended by the City at the discretion of the City Manager.

3.2 Scope of Development. Developer's proposed Scope of Development includes the Improvements and amenities set forth in Section 5.2. Pursuant to Resolution No. 75-2012, the City Council has approved the Design Review for the Project, attached hereto as Exhibit G. By execution of this Agreement, City hereby approves the Scope of Development.

3.3 Financing Plan. As set forth in the attached Exhibit D and more particularly described in Section 5.7, Developer has provided City with a Financing Plan for the Project ("**Financing Plan**").

ARTICLE IV

DISPOSITION OF THE PROPERTY

4.1 Purchase and Sale. Provided that all conditions precedent set forth in this Agreement have been satisfied, City shall convey to Developer the fee interest in the Property in accordance with and subject to the terms and conditions of this Agreement, free and clear of all title defects, liens and encumbrances except: (a) the provisions and effect of the Rancho Cordova Redevelopment Plan; (b) the provisions and effect of this Agreement; (c) liens for nondelinquent taxes, assessments, and/or bonds; (d) title exceptions set forth in the Preliminary Title Report for the Property issued by Fidelity National Title Company and dated as of May 6, 2014; and (e) such other conditions, liens, encumbrances, restrictions, easements and exceptions as Developer may approve in writing (all of the foregoing collectively referred to as the "**Permitted Exceptions**"). Following the Effective Date, absent the consent of Developer, City shall not cause or voluntarily agree to allow a lien or other encumbrance which would remain effective following conveyance of the Property to attach to the Property.

4.2 Purchase Price. The purchase price for the Property shall be One Million Four Hundred Seven Thousand Nine Hundred Seventy Seven Dollars and No Cents (\$1,407,977) ("**Purchase Price**"). Developer shall pay the sum of Three Hundred Forty One Thousand Five Hundred Dollars (\$341,500) to the City as a deposit toward the Purchase Price ("**Deposit**"), at a time to be determined by the Parties but in no event later than the Construction loan close. The balance of the Purchase Price shall be included in the City's Permanent Loan to the Developer.

4.3. Escrow. Escrow shall be open at the office of Fidelity National Title Company, 11050 Olson Drive, Suite 200, Rancho Cordova, CA 95670, attention Paul Avila ("**Title Company**" or "**Escrow Agent**") in order to consummate the conveyance of the Property to Developer and the closing of escrow ("**Closing**") for the transactions contemplated hereby.

4.4 Costs of Closing and Escrow. City shall pay all costs associated with removing any debt encumbering the Property and for all title insurance premiums for policies City may elect to acquire for the Property. All other Closing and Escrow costs, including without limitation all title insurance premiums for policies Developer elects to acquire, shall be paid by Developer. All costs of Closing and Escrow shall be considered Project costs and shall be included in the Financing Plan.

4.5 Escrow Instructions; Recordation of Documents. City and Developer shall furnish Escrow Agent a copy of this Agreement, which together with such supplemental instructions as City or Developer may agree upon in writing, shall serve as Escrow instructions for the conveyance of the Property. Not later than one (1) day prior to the Closing Date, Developer shall deposit into Escrow the land Purchase Price, together with the balance of any other funds Developer is obligated to pay hereunder. Not later than one (1) day prior to the Closing Date, provided that all conditions precedent to conveyance have been satisfied, City shall deposit into Escrow an executed grant deed ("**Grant Deed**") conveying the Property to Developer. On the Closing Date, Escrow Agent shall cause the following documents to be recorded in the Official Records of Sacramento County in the following order: (i) the Regulatory Agreement, (ii) the Memorandum of DDLA, and (iii) the Grant Deed.

4.6. City's Conditions to Closing. City's obligation to proceed with the Closing is subject to satisfaction or waiver by the City of all of the following conditions:

a. No Default. Developer shall not be in Default under the terms of this Agreement, and all representations and warranties of Developer shall be true and correct in all material respects.

b. Execution of Documents. Developer shall have executed and acknowledged the Regulatory Agreement, the Memorandum of DDLA, and all other documents required hereunder, and shall have delivered all such documents to City or into Escrow.

c. City's Title Policy. The Title Company shall, upon payment of the premium therefor by City, be ready to issue such title policies for the benefit of City as City shall order, showing title to the Property vested in Developer, subject only to the Permitted Exceptions and including such endorsements as City may reasonably request.

d. Satisfaction of Conditions Precedent. Developer shall have satisfied the conditions set forth in Article III.

4.7 Developer's Conditions to Closing. Developer's obligation to proceed with the Closing is subject to satisfaction or waiver by Developer of the following conditions:

a. No Default. City shall not be in Default under the terms of this Agreement, and all representations and warranties of City contained herein shall be true and correct in all material respects.

b. Execution of Documents. City shall have executed and acknowledged the Grant Deed, the Regulatory Agreement and the Memorandum of DDLA, and all other documents required hereunder, and shall have delivered such documents into Escrow.

c. Developer's Title Policy. The Title Company shall, upon payment of the premium therefor by Developer, be ready to issue an Owner's ALTA title policy for the benefit of Developer, showing title to the Property vested in Developer, subject only to the Permitted Exceptions and including such endorsements as Developer may reasonably request.

d. Consent to Disbursement of Funds. The Developer's receipt of written approval from the City that the Conditions to Disbursement of Funds set forth in Sections 6.4(a)(i) through 6.4(a)(vi) have been met by the Developer.

ARTICLE V

DEVELOPMENT OF THE PROJECT

5.1 The Property. City represents and warrants that as of the Effective Date: (i) City owns a fee simple interest in the Property, and (ii) the Property is subject to no covenant, condition, restriction or agreement that would prevent the development of the Project in accordance with this Agreement. If at any time the foregoing statements become untrue, the City shall have the right to terminate this Agreement upon written notice to Developer.

5.2 Scope of Development. Developer shall develop the Project in accordance with the terms and conditions of this Agreement and in compliance with the terms and conditions of all approvals, entitlements and permits that the City or any other governmental body or entity with jurisdiction over the Project or the Property has granted or issued as of the date hereof or may hereafter grant or issue in connection with development of the Project, including without limitation, all mitigation measures imposed in connection with environmental review of the Project and all conditions of approval imposed in connection with any entitlements, approvals or permits (all of the foregoing approvals, entitlements, permits, mitigation measures and conditions of approval are hereafter collectively referred to as the "**Conditions of Approval**").

The Project will consist of a three-story, slab on grade building with an elevator and double loaded corridors. To the maximum extent possible, all Parking will be covered. The forty-eight (48) units shall be comprised of forty-one (41) single bedroom units, six (6) two-bedroom units, and one (1) one-bedroom manager's unit. The building will include laundry facilities on each floor, a community room and common area quiet spaces. The building façade will include architectural features to preclude a manufactured housing appearance and to appear complimentary to the exterior appearance of the contiguous Crossings at New Rancho project. Developer will use best efforts to achieve a net-zero energy building; extensive use of solar panels on parking coverage and building roof; energy recapture technology; energy efficient fixtures and appliances; maximum utilization of LED lighting technology; gardening space; and open outdoor areas that provide residents with a range of activities. All of the foregoing is collectively hereinafter referred to as the "**Improvements**".

Notwithstanding anything to the contrary contained herein, the construction of the Project is expressly conditioned upon compliance with the California Environmental Quality Act, California Public Resources Code Section 21000 *et seq.*, CEQA guidelines, and implementing regulations, all as amended from time to time ("**CEQA**") and/or the National Environmental Protection Act of 1969, 42 U.S.C. Section 4321 *et seq.*, NEPA guidelines, and implementing

regulations, all as amended from time to time (“NEPA”), as the same may be applicable to the Project. Necessary CEQA and NEPA studies and reports have been completed, all necessary NEPA approvals have been obtained, necessary notices have been filed and statutes of limitations have expired. No physical activity, not otherwise exempt from CEQA or NEPA, as applicable, shall commence on the Property without such compliance.

5.3 Affordable Housing for Seniors. Developer covenants and agrees for itself, its successors and assigns that Developer’s interest in the Property will be subjected to recorded covenants that will restrict use of the Property to development of an affordable multi-family senior rental housing project and that for a term of not less than fifty-five (55) years commencing upon the issuance of a final certificate of occupancy for the Project, not less than one hundred percent (100%) (not including the Manager’s unit) of the residential units in the Project shall be rented at an affordable cost to households who qualify at or below sixty percent (60%) of Area Median Income (as defined in the Regulatory Agreement), in accordance with the terms hereof and the Regulatory Agreement . Minimum age restriction for the proposed senior occupancy shall be that one individual in an assisted household be at least sixty – two (62) years of age.

5.4 Project Approvals. Developer acknowledges and agrees that execution of this Agreement by City does not constitute approval for the purpose of the issuance of building permits for the construction of the Project, does not limit in any manner the discretion of City in such approval process, and does not relieve Developer from the obligation to apply for and obtain all necessary entitlements, approvals, and permits for the construction of the Project, including without limitation, the approval of architectural plans, the issuance of any certificates regarding historic resources required in connection with the Project (if any), and the completion of any required environmental review.

Developer covenants that it shall: (i) obtain all necessary permits and approvals which may be required by City, or any other governmental City having jurisdiction over the construction of the Project or the development of the Property, (ii) comply with all Conditions of Approval, (iii) comply with all mitigation measures imposed in connection with any environmental review of the Project, and (iv) not commence construction work on the Project prior to issuance of building permits required for such work.

City staff shall work cooperatively with Developer to assist in coordinating the expeditious processing and consideration of all permits, entitlements and approvals necessary for development of the Project.

5.5 Fees. Subject to the approval of the financing subsidies identified in the Financing Plan, Developer shall be solely responsible for, and shall promptly pay when due, all customary and usual fees and charges of City in connection with obtaining building permits and other approvals for the Project, including without limitation, those related to the processing and consideration of amendments, if any, to the current entitlements, any related approvals and permits, environmental review, design review, architectural review, and any subsequent approvals for the Project or the development of the Property.

5.6 Cost of Construction. Except as expressly set forth herein, after the Effective Date, Developer shall be solely responsible for all direct and indirect costs and expenses incurred

in connection with the design, development and construction of the Project and compliance with the Conditions of Approval, including without limitation the installation and construction of all off-site or on-site improvements required by City in connection therewith, except costs and expenses related to initial ALTA survey, land assemblage, relocation, lot-line adjustment, initial market study and environmental clearance including additional environmental studies that may be required.

5.7. Financing Plan. As set forth in the attached Exhibit D, Developer has provided City with a preliminary financing plan for the Project ("**Financing Plan**") which describes (i) the estimated costs of Project development, including acquisition costs, and hard and soft construction costs, (ii) an operating pro forma which describes projected revenue and expenses for the Project, and (iii) identification of sources of construction and permanent financing. The Financing Plan must be in a form and content to provide sufficient detail to satisfy the requirements of potential lenders and grant sources. Developer shall update the Financing Plan throughout the term of this Agreement to reflect any changes in the pro forma. Developer shall provide prior written notice to the City of any material proposed modifications. If the City fails to approve of any such modification within fifteen (15) calendar days following City's receipt of the proposed modifications, then the Financing Plan and the encumbrances which may be recorded against the Property in connection with the financing contemplated by the Financing Plan shall be deemed approved by the City. The City agrees not to unreasonably withhold consent to proposed modifications to the Financing Plan.

The financial statements of Developer and any general partner of Developer and other financial data and information furnished by Developer to City fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of Developer or any general partner of Developer from that shown by such financial statements and other data and information.

Consistent with the Financing Plan, City and Developer shall apply for such grants and loans as are required to achieve a complete financing program for the Project. Such application(s) shall reflect the current City-approved Financing Plan including a current schedule of sources and uses and updated development and operating pro formas. Prior to commencement of construction evidence satisfactory to the City must be provided to the City which demonstrates that all Project financing has been committed to the Project subject only to commercially reasonable conditions. Additionally, Developer shall provide City with copies of draft and final copies of its Tax Credit Investor Agreement and it will obtain written approval from the City of the pay-in schedule of all tax credit equity proceeds.

Developer agrees to use best efforts to operate and manage the Project so as to maximize residual receipts therefrom, including without limitation using residual receipts to fund a social services program for Project residents.

Developer shall also cooperate in the resubmittal of any required application for grant funding not initially funded. It is anticipated that a competitive application will require that the Developer has completed design review, submitted project plans sufficient for plan check and received a letter from the City describing the status of plans,

5.7.1 Failure to Win Financing Award(s). Failure of the Developer or City to receive funding commitments sufficient to fund the construction and operation of the proposed Project by June 30, 2015 may result in the termination of this Agreement, at City's option. If an attempt to receive a TCAC award consistent with the approved Financing Plan is unsuccessful, Developer and City shall meet to discuss alternative financing options. If no mutually agreeable alternate grant funding sources are identified, City, at its sole discretion, may terminate this Agreement, retain all rights to the Property and take assignment of all work products derived from the City's Predevelopment Funding, pursuant to an Assignment of Agreements, Plans and Specifications in a form substantially similar to Exhibit H attached hereto and incorporated herein by reference.

5.8 Development Schedule. Developer shall commence and complete plan development and construction of the Project and shall satisfy all other obligations of Developer under this Agreement within the time periods set forth herein and as described in the attached Development and Performance Schedule attached as Exhibit E hereto, as such time periods may be extended upon the mutual written consent of the Parties. Subject to force majeure, the availability of financing, and the City's issuance of permits and approvals, Developer shall commence construction of the Project within thirty (30) days of issuance of building permits, but in any event no later than December 31, 2015. Developer shall diligently prosecute to completion the construction of the Project in order to allow City to issue a final certificate of occupancy in no event later than twelve (12) months from the commencement of construction. Subject to force majeure, the availability of financing, and the City's issuance of permits and approvals, Developer's failure to commence or complete construction of the Project in accordance with the time periods specified in this Section 5.8 and Exhibit E shall be an Event of Developer Default hereunder.

5.9 Rights of Access. For the purpose of ensuring that the Project is developed in compliance with this Agreement, Developer shall permit representatives of the City to enter upon the Property to inspect the Project following forty-eight (48) hours written notice, including without limitation inspection for labor standards compliance monitoring as described in Section 5.17 (except in the case of emergency in which case such notice as may be practical under the circumstances shall be provided). Developer shall have the right to accompany any City representative performing an inspection of the Project.

5.10 City Disclaimer. Developer acknowledges that City shall have the right to monitor, review, supervise, or inspect the progress of construction or the operation of the Project. Notwithstanding such right, Developer and all third parties shall rely on its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Project. Any review or inspection undertaken by the City is solely for the purpose of determining whether Developer is properly discharging its obligations under this Agreement, and shall not be relied upon by Developer or any third party as a warranty or representation by the City as to the quality of the design or construction of the Improvements or otherwise.

5.11 Construction Plans. Prior to commencement of Project construction, Developer shall submit to City's Building Department detailed construction plans for the development of the Project (the "**Construction Plans**"). As used herein "**Construction Plans**" means all construction documents upon which Developer and Developer's contractors shall rely in constructing the Project (including the landscaping, parking, and common areas) and shall include, without limitation, the site development plan, final architectural drawings, landscaping, exterior lighting and signage plans and specifications, materials specifications, final elevations, and building plans and specifications. The Construction Plans shall be based upon the scope of development set forth herein and upon the approvals issued by the City for the Project, and shall not materially deviate therefrom without the express written consent of City. Provided that the Construction Plans are consistent with the requirements of this Agreement, approval of the Construction Plans by City staff shall be deemed approval thereof by City.

5.12 Construction Pursuant to Plans. Developer shall develop the Project in accordance with the approved Construction Plans, the Conditions of Approval, and all other permits and approvals granted by the City pertaining to construction of the Project. Developer shall comply with all directions, rules and regulations of any fire marshal, health officer, building inspector or other officer of every governmental entity having jurisdiction over the Property or the Project. Each element of the work shall proceed only after procurement of each permit, license or other authorization that may be required for such element by any governmental entity having jurisdiction. All design and construction work on the Project shall be performed by licensed contractors, engineers or architects, as applicable.

5.13 Changes in Construction Plans. If Developer desires to make any material change in the approved Construction Plans, Developer shall submit the proposed change in writing to City in accordance with its standard review process. Approval of changes to the Construction Plans by City shall be deemed approval thereof by City. Nothing in this Section is intended to or shall be deemed to modify the City's standard plan review procedures.

5.14 Defects in Plans. City shall not be responsible to Developer or to any third party for any defect in the Construction Plans or for any structural or other defect in any work done pursuant to the Construction Plans. Subject to the last sentence of this Section 5.14, Developer shall indemnify, defend (with counsel approved by City) and hold harmless the Indemnitees from and against all Claims arising out of, or relating to, or alleged to arise from or relate to defects in the Construction Plans or defects in any work done pursuant to the Construction Plans whether or not any insurance policies shall have been determined to be applicable to any such Claims. Developer's indemnification obligations set forth in this Section shall survive the expiration or earlier termination of this Agreement and the recordation of a Certificate of Completion and shall be assumed by any successor to Developer's interest in this Agreement. It is further agreed that City shall not, waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer's deposit with City of any of the insurance policies described in this Agreement. Developer's indemnification obligations pursuant to this Section shall not extend to Claims to the extent arising due to the gross negligence or willful misconduct of the Indemnitees. Developer's indemnification obligations set forth in this Section shall not apply to any Construction Plans that are not used by or on behalf of Developer or any entity affiliated with Developer, including without limitation, a Controlled Affiliate or an entity controlled by or under common control

with Developer. In addition, if City uses any of the Construction Plans (or permits a third party to use such Construction Plans), City agrees to release Developer from liability for Claims arising in connection with such use except to the extent any such Claim arises from the gross negligence or willful misconduct of Developer or Developer's employees, agents or representatives.

5.15 Certificate of Completion for Project. Promptly after completion of construction of the Project, issuance of a final Certificate of Occupancy by the City and the written request of Developer, the City will provide an instrument ("**Certificate of Completion**") so certifying, provided that at the time such certificate is requested all applicable components of the Project have been completed. The Certificate of Completion shall be conclusive evidence that Developer has satisfied its obligations regarding the development of the Property.

The Certificate of Completion shall be issued substantially in the form attached hereto as Exhibit C, and at Developer's option, shall be recorded in the Official Records. The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a deed of trust or mortgage securing money loaned to finance the Project or any part thereof and shall not be deemed a notice of completion under the California Civil Code, nor shall such Certificate provide evidence that Developer has satisfied any obligation that survives the expiration of this Agreement, including without limitation, Developer's obligations pursuant to the Regulatory Agreement.

5.16 Equal Opportunity. During the construction of the Project, there shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction of the Project, and Developer shall direct its contractors and subcontractors to refrain from discrimination on such basis.

5.17 Prevailing Wage Requirements. To the full extent required by all applicable State and Federal laws, rules and regulations, if any, Developer and its contractors and agents shall comply with California Labor Code Section 1720 *et seq.*, the Davis-Bacon Act, and the regulations adopted pursuant to each of them, as the same may be applicable to the Project ("**Prevailing Wage Laws**"), and shall be responsible for carrying out the requirements of such provisions. Developer, at its own expense, shall prepare and obtain approval from the City of a plan for monitoring, enforcing and reporting on the payment of prevailing wages. This plan shall describe penalties, approved by the City, for the Contractor if it fails to implement said plan and to satisfy on a timely basis the reporting requirements included in said plan.

Subject to the last sentence of this paragraph, Developer shall indemnify, defend (with counsel approved by City) and hold the City, and its respective elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the "**Indemnitees**") harmless from and against all liability, loss, cost, expense (including without limitation attorneys' fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (all of the foregoing collectively "**Claims**") which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including without limitation, all

claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781), the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to the Prevailing Wage Laws, or any act or omission of Developer related to this Agreement with respect to the payment or requirement of payment of prevailing wages, whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that City does not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer's deposit with City of any of the insurance policies described in this Agreement. The provisions of this Section 5.17 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project and shall be assumed by any successor to Developer's interest in this Agreement. Developer's indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of one or more of the Indemnitees. Developer's indemnification obligations set forth in this Section shall only apply to work performed by or on behalf of Developer or any entity affiliated with Developer, including without limitation, a Controlled Affiliate or an entity controlled by or under common control with Developer.

5.18 Compliance with Laws. In connection with development and construction of the Project, Developer shall comply, and shall cause its contractors to comply with all applicable federal, state and local laws, rules, ordinances and regulations, including without limitation, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code (if any), the City zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation, applicable provisions of the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.* Developer shall indemnify, defend (with counsel approved by City) and hold harmless the Indemnitees from and against any and all Claims arising in connection with the breach of Developer's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that City shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer's deposit with City of any of the insurance policies described in this Agreement. Developer's indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees. Developer's defense and indemnification obligations set forth in this Section 5.18 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project.

5.19 Liens and Stop Notices. Until the expiration of the term of the Regulatory Agreement, if a claim of a lien or stop notice is given or recorded affecting the Project or the Property, Developer shall within thirty (30) days of such recording or service: (a) pay and discharge (or cause to be paid and discharged) the same; or (b) effect the release thereof by recording and delivering (or causing to be recorded and delivered) to the party entitled thereto a surety bond in sufficient form and amount; or (c) provide other assurance satisfactory to City that

the claim of lien or stop notice will be paid or discharged. The provisions of this Section 5.19 shall apply from and after Developer's acquisition of a fee simple interest in the Property.

5.20 Right of City to Satisfy Liens on the Property. If Developer fails to satisfy or discharge any lien or stop notice on the Property pursuant to and within the time period set forth in Section 5.19 above, the City shall have the right, but not the obligation, to satisfy any such liens or stop notices at Developer's expense with prior written notice to Developer. In such event Developer shall be liable for and shall immediately reimburse City for such paid lien or stop notice. Alternatively, the City may require Developer to immediately deposit with City the amount necessary to satisfy such lien or claim pending resolution thereof. The City may use such deposit to satisfy any claim or lien that is adversely determined against Developer. Developer shall file a valid notice of cessation or notice of completion upon cessation of construction of the Improvements for a continuous period of thirty (30) days or more, and shall take all other reasonable steps to forestall the assertion of claims or liens against the Property or the Improvements. The City may (but has no obligation to), with prior written notice to Developer, record any notices of completion or cessation of labor, or any other notice that the City deems necessary or desirable to protect its interest in the Property and the Improvements.

5.21 Performance and Payment Bonds. Prior to commencement of construction work on the Project, Developer shall cause its general contractor to deliver to the City copies of payment bond(s) and performance bond(s) issued by a reputable insurance company licensed to do business in California, each in a penal sum of not less than one hundred percent (100%) of the scheduled cost of construction of the Project. The bonds shall name the Developer and the City as co-obligees. In lieu of such performance and payment bonds, subject to City's approval of the form and substance thereof, Developer may submit evidence satisfactory to the City of the contractor's ability to commence and complete construction of the Project in the form of an irrevocable letter of credit, pledge of cash deposit, certificate of deposit, or other marketable securities held by a broker or other financial institution, with signature authority of the City required for any withdrawal, or a completion guaranty in a form and from a guarantor acceptable to City. Such evidence must be submitted to City in approvable form in sufficient time to allow for City's review and approval prior to the scheduled construction start date.

5.22 Insurance Requirements. Developer shall maintain and shall cause its contractors to maintain all applicable insurance coverage specified in Article XII.

5.23 Shared Operations. Developer has developed contemporaneously a nearby but separate eighteen (18)-unit low-income housing project (the "**Crossings at New Rancho**") pursuant to that certain Loan Agreement dated December 2, 2010 between City and UHC 00516 Rancho Cordova, L.P. If the Project is completed, Developer agrees to use best efforts to create economies by utilizing shared operations contracts for maintenance, security, property management and related functions for the Project and Crossings at New Rancho.

ARTICLE VI

CITY FINANCIAL ASSISTANCE

6.1 City Permanent Loan. City agrees to provide a permanent loan to Developer in an amount not to exceed Three Million Five Hundred Thirty-Nine Thousand Two Hundred Fifty-Nine Dollars and No Cents (\$3,539,259) (“**Permanent Loan**”) from a combination of sources, to be used primarily as either “predevelopment” or “gap” financing. This is “Predevelopment” funding in an amount of approximately One Million Five Hundred Thirty-Nine Thousand Two Hundred Fifty-Nine Dollars and No Cents (\$1,539,259.00) and “Gap” funding in an amount not to exceed Two Million Dollars and No Cents (\$2,000,000.00). All funds identified herewith will comprise the permanent financing and shall have such terms and conditions as are described in the Regulatory Agreement attached hereto as Exhibit F. The **Permanent Loan** shall be evidenced by a Secured Promissory Note in the amount of up to Three Million Five Hundred Thirty-Nine Thousand Two Hundred Fifty-Nine (\$3,539,259), (“**Permanent Note**”), dated prior to the Closing date for the Permanent Loan and executed by Developer in a form satisfactory to City. The Permanent Note shall be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “**Deed of Trust**”) executed by Developer as Trustor for the benefit of City in form satisfactory to City and recorded against the Property. Provided that Developer has complied with all conditions precedent to disbursement of the Permanent Loan, the proceeds of the Permanent Loan (“**Permanent Loan Proceeds**”) shall be disbursed pursuant to this Agreement. The outstanding principal balance of the Permanent Loan shall be due and payable in full in fifty-five (55) years from issuance of the Project Certificate of Completion for the Project, at zero percent (0%) interest. Annual payments shall be due and payable on a residual receipts basis. The entire outstanding principal balance of the City’s Permanent Loan Funds shall be payable in full on fifty-fifth (55th) anniversary of the date of issuance of the final certificate of occupancy for the Project. The Note and the Deed of Trust are referred to collectively as the “**Permanent Loan Documents**.”

6.2 City Funds. All funds provided by City to Developer for the Project, whether denominated as Predevelopment Funds, Permanent Financing, or otherwise, are collectively referred to herein as “**City Funds**”.

6.3 Use and Disbursement of City Deferred Permanent Loan, Conventional Debt-serviced Permanent Loan, and other Funds (collectively, the “**Project Funding**”). Project Funding shall be used solely to fund specific development activities associated with the Project (in an amount and for only such development activities as are approved for funding by the City and granting agencies) and to fund construction of the Project consistent with the approved Financing Plan, as it may be updated By Developer with City’s approval.. All uses of Project Funding shall follow federal and State procurement rules as required by the City and granting agencies. Developer shall also inform City and other lenders or grantors, as applicable, of proposed withdrawals from Project operation accounts thirty (30) days prior to making withdrawals.

6.4 Conditions to Disbursement Funds. City’s obligation to disburse remaining City Permanent Loan Funds (Gap funding) is conditioned upon the satisfaction of all of the following conditions:

(a) For funding prior to commencement of construction (**“Predevelopment Phase”**):

(i) Developer’s execution and delivery to City of this Agreement, the Memorandum of DDLA, the Regulatory Agreement, and the Predevelopment Loan Documents, including without limitation the Assignment of Agreements, Plans and Specifications, and recordation of the Memorandum of DDLA and Regulatory Agreement in the Official Records.

(ii) Developer’s delivery to the City of evidence of property and liability insurance coverage in accordance with the requirements set forth herein.

(iii) Developer’s delivery to City of each of the following: (i) certificate of good standing, certified by the Secretary of State indicating that Developer is properly organized and authorized to do business in the State of California, (ii) a certified resolution indicating that Developer has authorized the transactions contemplated by this Agreement and that the persons executing the City Documents on behalf of Developer have been duly authorized to do so.

(iv) No material adverse change as determined by City in its reasonable judgment shall have occurred in the condition of the Property or in the financial or other condition of Developer since the date of this Agreement.

(v) City’s written agreement to the costs and schedule of products represented in the Predevelopment phase of the Financing Plan attached as Exhibit D. Such costs shall be consistent with and support the initial draft of the total Project Financing Plan.

(vi) City’s receipt of a written requisition from Developer specifying the amount and use of the requested funds, accompanied by copies of third-party invoices for services rendered or to be rendered in connection with the Project (accompanied by or to be followed by evidence of payment of such invoices, as applicable), and such other documentation as City shall reasonably require, including without limitation, cost certification as to the expenses incurred. All such requisitions shall be preceded by written request from Developer to City for consideration of the specific Predevelopment cost. For those costs and expenses not included in Predevelopment budget approved by the City, the City must provide written approval before Developer may incur such cost or expense.

(b) For funding during the Construction period (**“Construction Phase”**), in addition to continuing the aforementioned conditions of disbursement, the following are additional requirements for funding requests on or after Commencement of Construction:

(i) Prior to construction loan closing, City’s written agreement to the updated Financing Plan to be attached as an amendment to Exhibit D reflecting all Project costs, all sources and uses of Project funding, the operating budget and any other schedules, narratives or products required by the City. The Financing Plan shall reflect the funding and underwriting requirements of all lenders and grant programs funding the costs of the Construction Phase of the Project. All funds shall be used and secured in the manner specified in the updated Financing

Plan. Developer agrees to comply with and satisfy all terms and conditions imposed on it in connection with the sources of funding identified in the updated Exhibit D. The amended Financing Plan shall provide evidence for an orderly transition to the permanent loan phase of the Project.

(ii) Prior to construction loan closing, City's written acknowledgement that Developer has maintained the performance as anticipated in the development schedule described in the attached Exhibit E.

(iii) Developer's delivery to City of evidence reasonably satisfactory to City that Developer has obtained all necessary entitlements, permits (including without limitation building permits), licenses, and approvals required to develop the Project, or that the receipt of such permits is subject only to such conditions as City shall reasonably approve; City's approval of the final plans and specifications for the Project; Developer's delivery to City evidence reasonably satisfactory to City that Developer has secured sufficient other binding commitments for funding, subject only to commercially reasonable conditions, for all required Project construction and permanent financing; and in addition to items described in (i) and (ii) above, Developer's delivery to City and City approval of all of the following: (1) performance bonds or other assurance of completion reasonably acceptable to City pursuant to the requirements set forth in Section 5.21; (2) any modification to the construction schedule; and (3) copies of such other documents related to the financing of the Project as City may reasonably request, including cost certification as to the expenses incurred.

6.5 No Obligation to Disburse Proceeds Upon Default. Notwithstanding any other provision of this Agreement, the City shall have no obligation to disburse or authorize the disbursement of any portion of City Funds following:

(i) the failure of any of Developer's representations and warranties made in this Agreement or in connection with the awarded nine percent tax credits to be true and correct in all material respects;

(ii) the termination of this Agreement by mutual agreement of the Parties;

(iii) the occurrence of an Event of Developer Default under any City Document which remains uncured beyond any applicable cure period, or the existence of any condition, event or act which upon the giving of notice or the passage of time or both would constitute an Event of Developer Default under any City Document.

6.6 Recovery of City Costs. Following City's delivery to Developer of an invoice detailing the costs, Developer shall reimburse the City from construction closing proceeds in the approximate amount of Twenty Five Thousand Dollars (\$25,000) for City legal costs associated with the Project. Additionally, Developer may be required at the City's discretion to make provision in the operating budget to pay an annual charge of up to Ten Thousand Dollars (\$10,000) to reimburse the City for the annual monitoring of the Project. If Project cash flow is insufficient to cover this cost, and if the City requires an annual monitoring fee, the monitoring fee shall be paid from residual receipts.

6.7 Records Maintenance and Retention. Developer shall maintain records that accurately and fully show the date, amount, purpose, and payee of all expenditures incurred in the construction of the Project for a period of no fewer than three (3) years after completion of the work.

6.8 Additional City Gap Funding. In addition to the City funding described in Section 6.1 above, the City will attempt to raise an additional up to Five Million Five Hundred Thousand Dollars (\$5,500,000), which funds will be used exclusively to satisfy the last of the Project gap funding requirements.

ARTICLE VII

USE OF THE PROPERTY

7.1 Use; Affordable Housing. Developer covenants and agrees for itself and its successors and assigns that the Property shall be used for the development and operation of an affordable, multi-family, senior residential project, in accordance with the terms and conditions of this Agreement and the Regulatory Agreement.

7.2 Maintenance. Developer, at its own expense, shall maintain the Property, the improvements and related landscaping and common areas in good physical condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions in conformity with all applicable state, federal, and local laws, ordinances, codes, and regulations. Without limiting the foregoing, Developer agrees to maintain the Project and the Property (including without limitation, the residential units, common areas, landscaping, driveways, parking areas, and walkways) in a condition free of all waste, nuisance, debris, unmaintained landscaping, graffiti, disrepair, abandoned vehicles/appliances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property or at the Project. Developer shall prevent and/or rectify any physical deterioration of the Property and the Project and shall make all repairs, renewals and replacements necessary to keep the Property and the improvements located thereon in good condition and repair. Developer shall provide adequate security for occupants of the Project. The provisions of this Section 7.2 shall apply from and after Developer's acquisition of the Property.

7.3 Taxes and Assessments. From and after Developer's acquisition of the Property, Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Property or the Improvements and payable by Developer, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property or the Improvements; provided, however, that Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax, assessment, or charge, the Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

7.4 Obligation to Refrain from Discrimination. From and after Developer's acquisition of the Property, Developer shall not restrict the rental, sale, lease, sublease, transfer,

use, occupancy, tenure or enjoyment of the Property or the Improvements, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Developer covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Developer or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or the Improvements or part thereof. Developer shall include such provision in all deeds, leases, contracts and other instruments executed by Developer, and shall enforce the same diligently and in good faith.

All deeds, leases or contracts made or entered into by Developer, its successors or assigns, as to any portion of the Property or the Improvements shall contain the following language:

(a) In Deeds, the following language shall appear:

“(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

“(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

(b) In Leases, the following language shall appear:

“(1) The lessee herein covenants by and for the lessee and lessee’s heirs, personal representatives and assigns, and all persons claiming under the lessee or through

the lessee, that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination of segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein leased.

“(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

(c) In Contracts, the following language shall appear:

“There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the land.”

Additionally, City reserves the right to require other mandatory contract language necessary to satisfy existing Federal, State and Local requirements.

ARTICLE VIII

LIMITATIONS ON CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF DEVELOPER

8.1 Change Pursuant to this Agreement. Developer and its principals have represented that they possess the necessary expertise, skill and ability to carry out the development of the Project on the Property pursuant to this Agreement. The qualifications, experience, financial capacity and expertise of Developer and its principals are of particular concern to the City. It is because of these qualifications, experience, financial capacity and expertise that the City has entered into this Agreement with Developer. No voluntary or involuntary successor, assignee or transferee of Developer shall acquire any rights or powers under this Agreement, except as expressly provided herein.

8.2 Prohibition on Transfer. Prior to the expiration of the term of the Regulatory Agreement, Developer shall not, except as expressly permitted by this Agreement, directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial sale, transfer, conveyance, assignment or lease (collectively, “**Transfer**”) of the whole or any part of Developer’s interest in the Property, the Project, the Improvements, or this Agreement, without the prior written approval of City, which approval shall not be unreasonably withheld. (The provisions concerning Transfer of the Property, the Project and the Improvements shall apply commencing upon Developer’s acquisition of a fee simple interest in the Property.) Any such attempt to assign this Agreement without the City’s consent shall be null and void and shall confer no rights or privileges upon the purported assignee. In addition to the foregoing, prior to the expiration of the term of the Regulatory Agreement, except as expressly permitted by this Agreement, Developer shall not undergo any significant change of ownership without the prior written approval of City. For purposes of this Agreement, a “significant change of ownership” shall mean a transfer of the beneficial interest of more than twenty-five percent (25%) in aggregate of the present ownership and /or control of Developer, taking all transfers into account on a cumulative basis; provided however, neither the admission of an investor limited partner, nor the transfer by the investor limited partner to subsequent limited partners shall be restricted by this provision.

8.3 Permitted Transfers. Notwithstanding any contrary provision hereof, the prohibitions set forth in this Article shall not be deemed to prevent: (i) the granting of easements or permits to facilitate development of the Property; (ii) the dedication of any property required pursuant to this Agreement; (iii) the lease of individual residences to tenants for occupancy as their principal residence in accordance with the Regulatory Agreement; (iv) assignments creating security interests for the purpose of financing the acquisition, construction or permanent financing of the Project or the Property in accordance with the approved Financing Plan as it may be updated with City approval, and subject to the requirements of Article VII, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; or (v) a Transfer to a single purpose limited partnership in which at least one of the general partners is an affiliate controlled by Urban Housing Communities LLC, a California limited liability company (“**Controlled Affiliate**”).

8.4 Requirements for Proposed Transfers. The City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Improvements, the Property or portion thereof if all of the following requirements are met (provided however, the requirements of this Section 8.4 shall not apply to Transfers described in clauses (i) through (v) of Section 8.3):

(i) The proposed transferee demonstrates to the City’s satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently complete construction of the Project and to otherwise fulfill the obligations undertaken by the Developer under this Agreement.

(ii) The Developer and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of this Agreement, the Improvements, the Property or interest therein together with such documentation

of the proposed transferee's qualifications and development capacity as the City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Developer under this Agreement and the City Documents arising after the effective date of the Transfer and all obligations of Developer arising prior to the effective date of the Transfer (unless Developer expressly remains responsible for such obligations) and shall agree to be subject to and assume all of Developer's obligations pursuant to the Conditions of Approval and all other conditions, and restrictions set forth in this Agreement and the Regulatory Agreement. In the event that such assignment and assumption agreement does not expressly provide that Developer remains responsible for all Developer obligations under this Agreement, the transferee shall be solely liable for breach of such obligations, and the City shall look solely to the transferee for fulfillment of all Developer obligations under this Agreement.

(iv) The Transfer shall be effectuated pursuant to a written instrument satisfactory to the City in form recordable in the Official Records.

Consent to any proposed Transfer may be given by the City Manager unless the City Manager, in his or her discretion, refers the matter of approval to the City Council. If a proposed Transfer has not been approved by City in writing within thirty (30) days following City's receipt of written request by Developer, it shall be deemed rejected.

8.5 Effect of Transfer without City Consent.

8.5.1 In the absence of specific written agreement by the City, no Transfer by Developer shall be deemed to relieve the Developer or any other party from any obligation under this Agreement.

8.5.2 Without limiting any other remedy City may have under this Agreement, or under law or equity, it shall be an Event of Developer Default hereunder entitling City to terminate this Agreement if without the prior written approval of the City, Developer assigns or Transfers this Agreement, the Improvements, or the Property prior to the City's issuance of a Certificate of Completion. This Section 8.5.2 shall not apply to Transfers described in clauses (i) through (v) of Section 6.3.

ARTICLE IX

SECURITY FINANCING AND RIGHTS OF MORTGAGEES

9.1 Mortgages and Deeds of Trust for Development. Mortgages and deeds of trust, or any other reasonable security instrument are permitted to be placed upon the Property or the Improvements only for the purpose of securing loans for the purpose of the design and construction of the Improvements, and other expenditures reasonably necessary for development of the Property pursuant to this Agreement. Developer shall not enter into any conveyance for such financing that is not contemplated in the Financing Plan as it may be updated with City approval, without the prior written approval of the City's Chief Executive officer or his or her

designee. As used herein, the terms “mortgage” and “deed of trust” shall mean any security instrument used in financing real estate acquisition, construction and land development.

9.1.1 Memorandum and Regulatory Agreement to be Senior to Mortgages. The City agrees that pursuant to Health and Safety Code Section 33334.14(a)(4), City will not withhold consent to reasonable requests for subordination of the Regulatory Agreement to deeds of trust provided for the benefit of Tax Credit equity partners identified in the Financing Plan as it may be updated with City approval, provided that the instruments effecting such subordination include reasonable protections to the City in the event of default consistent with the requirements of Health and Safety Code Section 33334.14(a)(4).

9.2 Holder Not Obligated to Construct. The holder of any mortgage, deed of trust authorized by this Agreement shall not be obligated to complete construction of the Improvements or to guarantee such completion. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

9.3 Notice of Default and Right to Cure. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to each holder of record of any mortgage or deed of trust secured by the Property or the Improvements, provided that City has been provided with the address for delivery of such notice. City shall have no liability to any such holder for any failure by the City to provide such notice to such holder. Each such holder shall have the right, but not the obligation, at its option, to cure or remedy any such default or breach within the cure period provided to Developer extended by and additional sixty (60) days. In the event that possession of the Property or the Improvements (or any portion thereof) is required to effectuate such cure or remedy, the holder shall be deemed to have timely cured or remedied the default if it commences the proceedings necessary to obtain possession of the Property or Improvements, as applicable, within sixty (60) days after receipt of the City's notice, diligently pursues such proceedings to completion, and after obtaining possession, diligently completes such cure or remedy. A holder who chooses to exercise its right to cure or remedy a default or breach shall first notify City of its intent to exercise such right prior to commencing to cure or remedy such default or breach. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction of the Project (beyond the extent necessary to conserve or protect the same) without first having expressly assumed in writing Developer's obligations to City under this Agreement. The holder in that event must agree to complete, in the manner provided in this Agreement, the Project and the Improvements and submit evidence reasonably satisfactory to City that it has the development capability on staff or retainer and the financial capacity necessary to perform such obligations. Any such holder properly completing the Project pursuant to this Section shall assume all rights and obligations of Developer under this Agreement and shall be entitled to a Certificate of Completion upon compliance with the requirements of this Agreement.

9.4 City Right to Cure Defaults. In the event of a breach or default by Developer under a mortgage or deed of trust secured by the Property or the Improvements, City may cure the default, without acceleration of the subject loan, following prior notice thereof to the holder of such instrument and Developer. In such event, Developer shall be liable for, and City shall be

entitled to reimbursement from Developer for all costs and expenses incurred by City associated with and attributable to the curing of the default or breach and such sum.

9.5 Holder to be Notified. Developer agrees to use best efforts to ensure that each term contained herein dealing with security financing and rights of holders shall be either inserted into the relevant deed of trust or mortgage or acknowledged by the holder prior to its creating any security right or interest in the Property or the Improvements.

9.6 Modifications to Agreement. City shall not unreasonably withhold its consent to modifications of this Agreement requested by Project lenders or investors provided such modifications do not alter City's substantive rights and obligations under this Agreement.

9.7 Estoppel Certificates. Either Party shall, at any time, and from time to time, within fifteen (15) days after receipt of written request from the other Party, execute and deliver to such Party a written statement certifying that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties (if such be the case), (ii) this Agreement has not been amended or modified, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature of any such defaults.

ARTICLE X

ENVIRONMENTAL MATTERS

10.1 No City Liability; Developer's Covenants. City shall be responsible for the cost of any soil, groundwater or other environmental remediation or other response activities for any Hazardous Materials existing or occurring in, on, under or about the Improvements, the Property or any portion thereof. From and after Developer's acquisition of the Property, upon receipt of any notice regarding the presence, release or discharge of Hazardous Materials in, on or under the Improvements, the Property, or any portion thereof, Developer agrees to timely initiate and diligently pursue and complete all appropriate response, remediation and removal actions for the presence, release or discharge of such Hazardous Materials within such deadlines as specified by applicable Environmental Laws. Developer hereby covenants and agrees that commencing upon Developer's acquisition of the Property:

(i) Developer shall not knowingly permit the Project or the Property or any portion of either to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence or release of Hazardous Materials in, on, under, about or from the Project or the Property with the exception of cleaning supplies and other materials customarily used in construction, operation or maintenance of residential property and any commercial uses developed as part of the Project, and used, stored and disposed of in compliance with Hazardous Materials Laws, and

(ii) Developer shall keep and maintain the Project and the Property and each portion thereof in compliance with, and shall not cause or permit the Project or the Property or any portion of either to be in violation of, any Hazardous Materials Laws.

(iii) Developer has performed a due diligence review of the condition of the Property. All information obtained by Developer regarding such condition has been disclosed to City in writing.

10.2 Environmental Indemnification. Subject to the last sentence of this Section, commencing upon Developer's acquisition of the Property, Developer shall indemnify, defend (with counsel approved by City) and hold the Indemnitees harmless from and against any and all Claims including without limitation any expenses associated with the investigation, assessment, monitoring, response, removal, treatment, abatement or remediation of Hazardous Materials and administrative, enforcement or judicial proceedings resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, storage or disposal or the alleged presence, release, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Property, or (ii) the failure of Developer, Developer's employees, agents, contractors, subcontractors, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws or the covenants set forth in Section 10.1. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Property or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this Section 10.2 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. Except for any Claims caused by sole negligence of the Developer or its agents, Developer's indemnification obligations set forth in this Section shall not apply to Claims regarding the Property arising out of or occurring prior to Developer's acquisition of the Property.

10.2.1 No Limitation. Developer hereby acknowledges and agrees that Developer's duties, obligations and liabilities under this Agreement, including, without limitation, under Section 8.2 above, are in no way limited or otherwise affected by any information the City may have concerning the Property and/or the presence in, on, under or about the Property of any Hazardous Materials, whether the City obtained such information from the Developer or from its own investigations. It is further agreed that City does not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

10.3 Hazardous Materials. As used herein, the term "**Hazardous Materials**" means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601, *et seq.*]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, *et seq.*], the Hazardous Materials

Transportation Authorization Act [49 U.S.C. Section 5101, *et seq.*], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, *et seq.*], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, *et seq.*], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, *et seq.*], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, *et seq.*], the California Hazardous Waste Act [California Health and Safety Code Section 25100, *et seq.*], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, *et seq.*], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, *et seq.*], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any “Superfund” or “Superlien” law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

10.4 Environmental Laws. As used herein, the term “**Environmental Laws**” means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. Section 2601, *et seq.*]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, *et seq.*], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, *et seq.*], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, *et seq.*], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, *et seq.*], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, *et seq.*], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, *et seq.*], the California Hazardous Waste Act [California Health and Safety Code Section 25100, *et seq.*], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, *et seq.*], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, *et seq.*], as each of the foregoing now exist or are hereafter amended, together with any regulations promulgated thereunder.

ARTICLE XI

DEFAULTS, REMEDIES AND TERMINATION

11.1 Event of Developer Default. The following events shall constitute an event of default on the part of Developer (“**Event of Developer Default**”):

(a) Subject to force majeure, the availability of financing and City’s issuance of permits and approvals, Developer fails to commence or complete construction of the Project within the times set forth in Section 5.8, or, subject to force majeure, abandons or suspends construction of the Project prior to completion for a period of sixty (60) days or more;

(b) A Transfer occurs, either voluntarily or involuntarily, in violation of Article VIII;

(c) Developer fails to maintain insurance as required pursuant to this Agreement, and Developer fails to cure such default within ten (10) days;

(d) Subject to Developer’s right to contest the following charges pursuant to Section 7.3, if Developer fails to pay prior to delinquency taxes or assessments due on the Property or the Project or fails to pay when due any other charge that may result in a lien on the Property or the Project, and Developer fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien;

(e) Following Developer’s acquisition of the Property, a default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property, the Improvements, or Developer’s interest therein, and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(f) Any representation or warranty contained in this Agreement or in any application, financial statement, certificate or report submitted to the City in connection with this Agreement or Developer’s request for City Funds proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to the City and Developer fails to cure such default within sixty (60) days after the date upon which City shall have given written notice of the default to Developer;

(g) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (“**Bankruptcy Law**”), Developer (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Developer or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Developer or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(h) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging the Developer to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Developer or seeking any arrangement for Developer

under bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Developer in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Developer;

(i) Developer shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property or the Improvements, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(j) The Developer shall have voluntarily suspended its business or Developer shall have been dissolved or terminated;

(k) An event of default arises under any City Document and remains uncured beyond any applicable cure period; or

(l) Developer defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 9.1 and unless a shorter cure period is specified for such default, the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which City shall have given written notice of the default to Developer; provided however, if the default is of a nature that it cannot be cured within sixty (60) days, an Event of Developer Default shall not arise hereunder if Developer commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred twenty (120) days after receipt of notice of the default.

11.2 City Default. An event of default on the part of City ("**Event of City Default**") shall arise hereunder if City fails to keep, observe, or perform any of its covenants, duties, or obligations under this Agreement, and the default continues for a period of thirty (30) days after written notice thereof from Developer to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

11.3 City's Right to Terminate Agreement. If an Event of Developer Default shall occur and be continuing beyond any applicable cure period, then City shall, in addition to other rights available to it under law or this Agreement, have the right to terminate this Agreement. If City makes such election, City shall give written notice to Developer and to any mortgagee entitled to such notice specifying the nature of the default and stating that this Agreement shall expire and terminate on the date specified in such notice, and upon the date specified in the notice, this Agreement and all rights of Developer under this Agreement, shall expire and terminate.

11.4 City's Remedies and Rights Upon an Event of Developer Default. Upon the occurrence of an Event of Developer Default and the expiration of any applicable cure period, City shall have all remedies available to it under this Agreement or under law or equity, including, but not limited to the following, and City may, at its election, without notice to or demand upon Developer, except for notices or demands required by law or expressly required pursuant to the City Documents, exercise one or more of the following remedies:

- (a) Seek specific performance to enforce the terms of the City Documents;
- (b) Pursue any and all other remedies available under this Agreement or under law or equity to enforce the terms of the City Documents and City's rights thereunder including, without limitation, calling all sums advanced by and payable to the City, with accrued interest; entering into possession of the Property and taking over and completing development of the Project; stopping construction; curing defaults by disbursement from the City Loan; and/or appointment of a receiver.

11.5 Developer's Remedies Upon an Event of City Default. Upon the occurrence of an Event of City Default, in addition to pursuing any other remedy allowed at law or in equity or otherwise provided in this Agreement, Developer may bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking to obtain any other remedy consistent with the purpose of this Agreement.

11.6 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party. Notwithstanding anything to the contrary set forth herein, a Party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential damages.

11.7 Inaction Not a Waiver of Default. No failure or delay by either Party in asserting any of its rights and remedies as to any default shall operate as a waiver of such default or of any such rights or remedies, nor deprive either Party of its rights to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies in the same or any subsequent default.

ARTICLE XII

INDEMNITY AND INSURANCE

12.1 Indemnity. Developer shall indemnify, defend (with counsel approved by City) and hold Indemnitees, except third party contractors and consultants, harmless from and against any and all Claims, including without limitation, Claims arising directly or indirectly, in whole or in part, as a result of or in connection with Developer's or Developer's contractors, subcontractors, agents or employees development, construction, improvement, operation, ownership or maintenance of the Project or the Property, or any part thereof or otherwise arising out of or in connection with Developer's performance under this Agreement. Developer's

indemnification obligations under this Section 12.1 shall not extend to Claims resulting solely from the gross negligence or willful misconduct of, or to any breach of a warranty or representation of this Agreement by, one or more Indemnitees. The provisions of this Section 10.1 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. It is further agreed that City will not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

12.2 Liability and Workers' Compensation Insurance.

(a) Prior to initiating work on the Project and continuing through the issuance of the Certificate of Completion, Developer and all contractors working on behalf of Developer on the Project shall maintain a commercial general liability policy in the amount of One Million Dollars (\$1,000,000) each occurrence, Two Million Dollars (\$2,000,000) annual aggregate, together with Three Million Dollars (\$3,000,000) excess liability coverage, or such other policy limits as City may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds.

(b) Until issuance of the Certificate of Completion, Developer and all contractors working on behalf of Developer shall maintain a comprehensive automobile liability coverage in the amount of One Million Dollars (\$1,000,000), combined single limit including coverage for owned and non-owned vehicles and shall furnish or cause to be furnished to City evidence satisfactory to City that Developer and any contractor with whom Developer has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Upon commencement of construction work and continuing until issuance of a Certificate of Completion, Developer and all contractors working on behalf of Developer shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost of the Project on a replacement cost basis naming City as loss payee. Such insurance shall include coverage for risks of direct physical loss or damage, excluding the perils of earthquake, flood, and earth movement.

(d) Upon completion of construction, Developer shall maintain property insurance covering all risks of loss (other than earthquake and flood) for one hundred percent (100%) of the replacement value of the Project with deductible, if any, in an amount acceptable to City, naming City as loss payee.

(e) Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Commercial General Liability and comprehensive automobile policies required hereunder shall name the Indemnitees as additional insureds.

Builder's Risk and property insurance shall name City as loss payees as their interests may appear.

(f) Prior to commencement of construction work, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal.

(g) If any insurance policy or coverage required hereunder is canceled or reduced, Developer shall, within twenty-one (21) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Developer's expense, and Developer shall promptly reimburse City for such expense upon receipt of billing from City.

(h) Coverage provided by Developer shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the City. Developer shall furnish the required certificates and endorsements to City prior to the commencement of construction of the Project, and shall provide City with certified copies of the required insurance policies upon request of City.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 No Brokers. Each Party warrants and represents to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transactions contemplated by this Agreement, except as identified in the Financing Plan. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this Section shall survive the expiration or earlier termination of this Agreement.

13.2 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, performance by either Party shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended where delays are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, including court delays, unusually severe weather, acts or omissions of the other Party, acts or failures to act of the City or any other public or governmental City or entity (other than the acts or failures to act of City which shall not excuse

performance by City), or any other cause beyond the affected Party's reasonable control. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause and such extension is not rejected in writing by the other Party within ten (10) days of receipt of the notice. Neither Party shall unreasonably withhold consent to an extension of time pursuant to this Section.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of Developer and City (acting in the discretion of its City Manager unless he or she determines in his or her discretion to refer such matter to the governing board of the City). City and Developer acknowledge that adverse changes in economic conditions, either of the affected Party specifically or the economy generally, changes in market conditions or demand, and/or inability to obtain financing to complete the work of Improvements shall not constitute grounds of enforced delay pursuant to this Section. Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

13.3 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by:

- (i) personal delivery, in which case notice is effective upon delivery;
- (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;
- (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;
- (iv) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a non-business day.

City: City of Rancho Cordova
 2729 Prospect Park Drive
 Rancho Cordova, CA 95670
 Attention: City Manager [or designee]
 Facsimile: (916) 851-8787

Developer: UHC 00575 Rancho Cordova L.P.
 2000 E. Fourth Street
 Suite 205
 Santa Ana, CA 92705
 Attn: John Bigley
 Facsimile: 714.835.3275

13.4 Attorneys' Fees. If either Party fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties concerning the meaning or interpretation of any provision hereof, then the prevailing Party in any proceeding in connection with such dispute shall be entitled to the costs and expenses it incurs on account thereof and in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

13.5 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the Party granting the extension. This Agreement may be amended or modified only by a written instrument executed by the Parties.

13.6 Binding on Successors. Subject to the restrictions on Transfers set forth in Article VIII, this Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement or under law.

13.7 Survival. All representations made by Developer hereunder and Developer's obligations pursuant to Sections 5.14, 5.17, 5.18, 10.2, 12.1, 13.1 and 13.18 shall survive the expiration or termination of this Agreement and the issuance and recordation of a Certificate of Completion.

13.8 Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

13.9 Action or Approval. Whenever action and/or approval by City is required under this Agreement, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to the City Council for consideration.

13.10 Entire Agreement. This Agreement, including Exhibits A through J attached hereto and incorporated herein by this reference, together with other City Documents contains the

entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

13.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Party. Any executed counterpart of this Agreement may be delivered to the other Party by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

13.12 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

13.13 No Third Party Beneficiaries. Nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

13.14 Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

13.15 Non-Liability of Officials, Employees and Agents. No officer, official, employee or agent of City shall be personally liable to Developer or its successors in interest in the event of any default or breach by City for any amount which may become due to Developer or its successors in interest pursuant to this Agreement.

13.16 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Property. For purposes of this Agreement, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of California.

13.17 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of Sacramento County, California or in the Federal District Court for the Eastern District of California.

13.18. General Indemnification. Developer shall indemnify, defend (with counsel approved by City) and hold harmless Indemnitees from all Claims (including without limitation, reasonable attorneys' fees) arising in connection with any claim, action or proceeding to attack,

set aside, void, or annul any approval by the City or any of its agencies, departments, commissions, agents, officers, employees or legislative body concerning the Project or this Agreement. The City will promptly notify Developer of any such claim, action or proceeding, and will cooperate fully in the defense. The City may, within the unlimited discretion of each, participate in the defense of any such claim, action or proceeding, and if the City chooses to do so, Developer shall reimburse City for reasonable attorneys' fees and expenses incurred.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

CITY

THE CITY OF RANCHO CORDOVA, a California municipal corporation, as Housing Successor to the former Community Redevelopment Agency of the City of Rancho Cordova

By: _____

Name: _____

Title: _____

ATTEST:

By: _____
, City Clerk

APPROVED AS TO FORM:

By: _____
, City Attorney

DEVELOPER

UHC 00575 Rancho Cordova, L.P.

By: UHC 00575 Rancho Cordova Holdings LLC

By: _____

Name: _____

Title: _____

Exhibit A

LEGAL DESCRIPTION OF PROPERTY
(Attach legal description.)

Exhibit B

**FORM OF MEMORANDUM OF AMENDED AND RESTATED DISPOSITION AND
DEVELOPMENT AGREEMENT**
(Attach form of Memorandum.)

Exhibit C

FORM OF CERTIFICATE OF COMPLETION
(Attach form of Certificate.)

Exhibit D

FINANCING PLAN
(Attach Financing Plan.)

Exhibit E

DEVELOPMENT AND PERFORMANCE SCHEDULE
(Attach Schedule)

Exhibit F

REGULATORY AGREEMENT
(Attach Regulatory Agreement)

Exhibit G

APPROVED PLANS PER DESIGN REVIEW
(Attach Approved Plans and Conditions)

Exhibit H

ASSIGNMENT OF AGREEMENTS, PLANS AND SPECIFICATIONS
(Attach form of Assignment Agreement)

Exhibit I

SECURED PROMISSORY NOTE
(Attach form of Note)

Exhibit J
DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING
(Attach form of Deed of Trust)

2287111.1

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY



Fidelity National Title Company

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, Fidelity National Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

[Signature]
Countersigned



Fidelity National Title Company

BY

[Signature]
President

ATTEST

[Signature]
Secretary



Fidelity National Title Company

ISSUING OFFICE: 11050 Olson Dr., Suite 200 • Rancho Cordova, CA 95670

FOR SETTLEMENT INQUIRIES, CONTACT: Fidelity National Title Company - Sacramento Commercial & Industrial
8950 Cal Center Drive, Bldg. 3, Suite 100 • Sacramento, CA 95826
916 364-4070 • FAX 916 364-4093

PRELIMINARY REPORT

Amended

Title Officer: Craig Donner
Escrow Officer: Paul Avila
Escrow No.: 11-**5011627**-PA

Title No.: 11-**5011627**-L-CD
Locate No.: CAFNT0934-0934-0010-0005011627

TO: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

ATTN: Reed Flory

PROPERTY ADDRESS: Unimproved land

EFFECTIVE DATE: May 28, 2014, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee
2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

City of Rancho Cordova, a municipal corporation, as housing successor to the Community Redevelopment Agency of the City of Rancho Cordova, a dissolved public body
3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

CD\CD 06/21/2011

LEGAL DESCRIPTION**EXHIBIT "A"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel B of boundary line adjustment recorded in Book 20101025 at Page 0516 of Official Records, County of Sacramento, said Parcel B being the Southeasterly 45.44 feet of Lot 34 as shown on the Plat of Cordova Court Unit No. 2, recorded in Book 53 of Maps, at Page 8, in the Records Office of the County of Sacramento, State of California.

Together with that certain parcel recorded in Book 20100505 at Page 1019 on May 5, 2010 and in Book 20100910 at Page 717 on September 10, 2010 of Official Records in the Records Office of the County of Sacramento, State of California. Said Parcel being the West 170.00 feet of Lot 35 of the plat of Cordova Court Unit No. 2 filed in Book 53 of Maps at Page 8 in the Records Office of the County of Sacramento, State of California. Said West 170.00 feet being measured at right angles from the Southwesterly line of said lot.

Being further described as follows:

Beginning at the most Southerly corner of aforesaid Lot 35 the following five (5) courses:

- 1) North 32° 00' 00" West 287.43 feet to the most Southerly corner of Parcel A of that certain Lot Merger as Recorded in Book 20101025 at Page 0516 of Official Records in the Records Office of the County of Sacramento, State of California.
- 2) Along said Southerly line of Parcel A North 58° 02' 20" East 133.32 feet (133.37 per aforesaid Lot Merger) to the Westerly right of way of Woodberry Way to a non-tangent curve to the left with a radius bearing of North 78° 13' 30" East 50.00 feet to the radius point.
- 3) Along said right of way along said curve to the left with a radius of 50.00 feet having a central angle of 98° 24' 46" with an arc length of 85.88 subtended by a chord of South 60° 58' 53" East 75.70 feet;
- 4) Leaving said right of way South 32° 00' 00" East 221.12 feet to the Southeasterly line of aforesaid Lot 35 said line also being the Northwesterly right of way of Folsom Boulevard;
- 5) Along said Southerly line of said Lot 35 South 58° 00' 00" West 170.00 feet to the point of beginning.

Containing 46,729.00 Square feet or 1.07 acres

Basis of bearings for this description is identical as Cordova Unit No. 2 Recorded in Book 53 of Maps at Page 8, Official Records in the Records Office of the County of Sacramento, State of California.

APN: 057-0221-022

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015.
2. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
3. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
4. **Any unpaid amounts now owing for municipal services**, of record or not, amounts can be ascertained by contacting the following:

County of Sacramento at (916) 875-5555, **and/or including :**

City of Sacramento at (916) 808-5454.

City of Folsom at (916) 355-7200.

City of Galt at (209) 366-7150.

City of Elk Grove at (916) 478-3642

City of Rancho Cordova at (916) 638-9000

City of Isleton at (916) 777-7770

City of Citrus Heights at (916) 725-2448, and for waste charges - Allied Waste at (916) 725-9060, and as required, fax request to (916) 463-0297

5. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Gas and Electric Company

Purpose: Underground pipeline

Recorded: April 7, 1955, Book 2806, Page 413, of Official Records

Affects: The Southeasterly 10 feet adjacent to Folsom Blvd. of Parcel One and Two

6. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: Public utilities

Affects: Southwesterly 5 feet of Parcel One; the Northwesterly and Southwesterly 5 feet of Parcel Three

7. Covenants, conditions and restrictions as contained in the Deed recorded July 11, 1958, in Book 3544, Page 568, of Official Records.

ITEMS: (continued)

Title No. 11-5011627-L-CD
Locate No. CAFNT0934-0934-0010-0005011627

8. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: June 20, 1961, Book 4263, Page 440, of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

9. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Sacramento Municipal Utility District and Pacific Telephone and Telegraph Company
Purpose: Electrical and Communication Facilities
Recorded: October 19, 1961, Book 4329, Page 637, of Official Records
Affects: The Southeasterly 5 feet of Parcel Three

10. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Sacramento Municipal Utility District and Pacific Telephone and Telegraph Company
Purpose: Electrical and Communication Facilities
Recorded: October 19, 1961, Book 4329, Page 639, of Official Records
Affects: Northwesterly 5 feet

11. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Telephone and Telegraph Company
Purpose: Communication facilities
Recorded: February 22, 1978, Book 780222, Page 960, of Official Records
Affects: The Southeasterly 5 feet and the Southwesterly 10 feet of the Southeasterly 10 feet of Parcel Three

12. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Telephone and Telegraph Company
Purpose: Communication facilities
Recorded: June 15, 1978, Book 780615, Page 814, of Official Records
Affects: The Southeasterly 16 feet and the Southwesterly 16 feet of the Southwesterly 10 feet of Parcel Three

ITEMS: (continued)

Title No. 11-5011627-L-CD
Locate No. CAFNT0934-0934-0010-0005011627

13. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: County of Sacramento
Purpose: Sanitary sewer pipeline
Recorded: April 11, 1986, Book 860411, Page 1602, of Official Records
Affects: The Southerly 5 feet of Parcel Two

14. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Bell
Purpose: Communication facilities and incidental purposes
Recorded: April 23, 1990, Book 900423, Page 813, of Official Records
Affects: Northerly 10 feet of the Westerly 15 feet of Parcel One

15. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Sacramento Municipal Utility District
Purpose: Electrical Facilities and incidental purposes
Recorded: August 19, 1992, Book 920819, Page 1372, of Official Records
Affects: the route of said right-of-way shall be within a strip of land 2 feet in width the centerline of which is described as follows:
Beginning at a point in the Northerly right-of-way of the public road now known as Folsom Blvd. located North 58°00'00" East 4.69 feet from the Southwest corner of said Lot 35; thence from said point of beginning North 12°01'43" East 11.00 feet

Affects: Parcel One

16. **Matters** contained in that certain document entitled "BOUNDARY LINE ADJUSTMENT" dated February 13, 2012, executed by City of Rancho Cordova recorded February 14, 2012, Book 20120214, Page 985, of Official Records.

Reference is hereby made to said document for full particulars.

17. Any claim that the transaction vesting the Title as shown in Schedule A or creating the lien of the Insured Mortgage, or any other transaction occurring on or prior to Date of Policy in which Community Redevelopment Agency of the City of Rancho Cordova, a public body, corporate and politic or its successors transferred, acquired, or made any agreement affecting the title to or any interest in the Land, is void or voidable, or subject to termination, renegotiation, or judicial review, under California Assembly Bill 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session). and California Assembly Bill 1484 (Chapter 26, Statutes of 2011-12).

ITEMS: (continued)

Title No. 11-**5011627**-L-CD
Locate No. CAFNT0934-0934-0010-0005011627

- 18. Any rights of the parties in possession** of a portion of, or all of, said land, which rights are not disclosed by the public record.

This Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

- 19.** Approval of the Policy or Commitment by the Regional Counsel is required prior to recordation of the instruments required to complete this transaction, and issuance of the Title Insurance Policy. The right is reserved to make additional exceptions and/or requirements upon their review.

END OF ITEMS

- Note 1.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

- Note 2.** Wiring instructions for Fidelity National Title Company, Sacramento, CA, are as follows:

Receiving Bank:	Citibank (West), F.S.B. 1116 Alhambra Blvd. Sacramento, CA 95816
ABA Routing No.:	321171184
Credit Account Name:	Fidelity National Title Company - Sacramento Commercial & Industrial 8950 Cal Center Drive, Bldg. 3, Suite 100, Sacramento, CA 95826
Credit Account No.:	202125712
Escrow No.:	11- 5011627 -PA

These wiring instructions are for this specific transaction involving the Title Department of the Rancho Cordova office of Fidelity National Title Company . These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

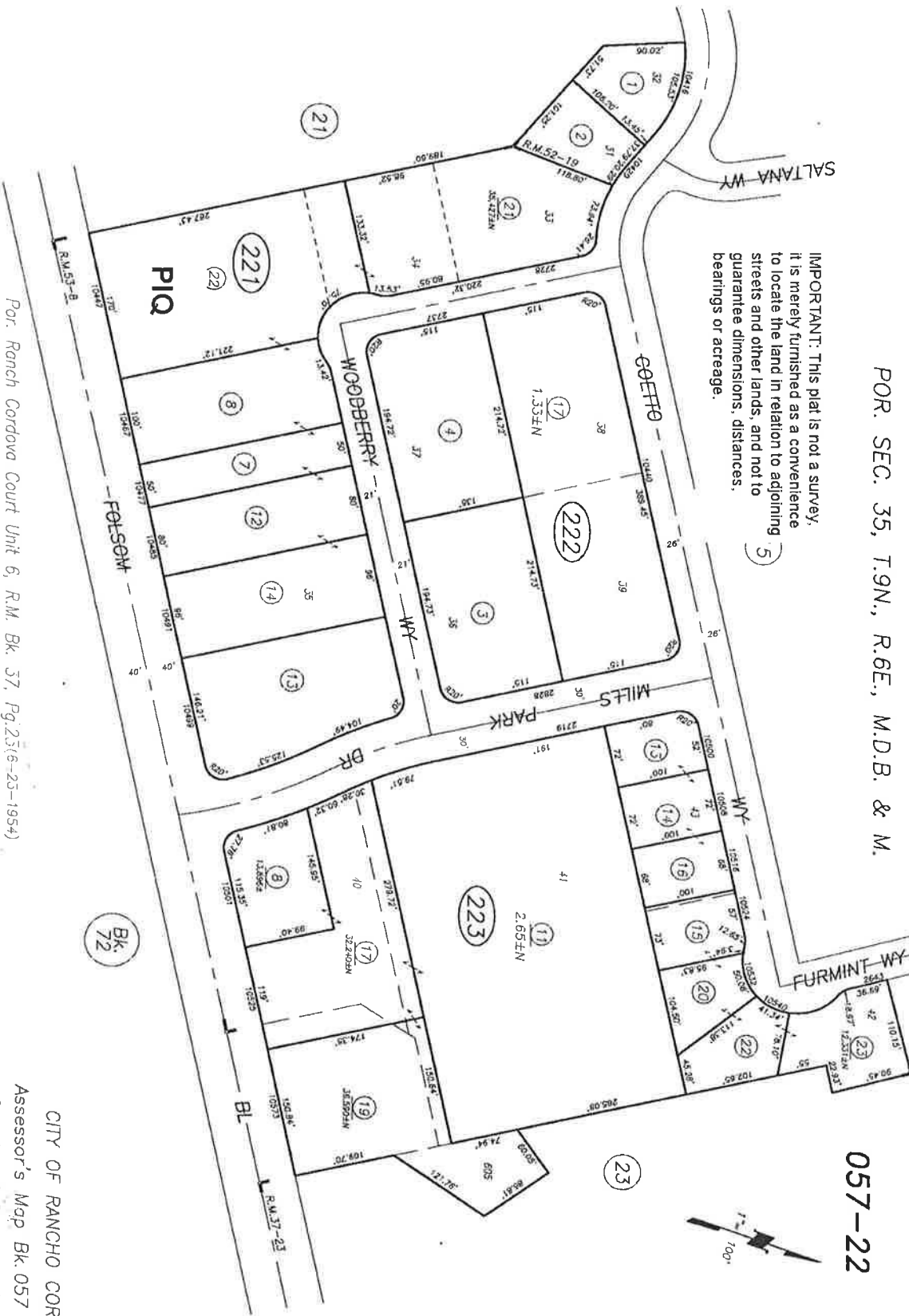
- Note 3.** Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

POR. SEC. 35, T.9N., R.6E., M.D.B. & M.

057-22

IMPORTANT: This plat is not a survey, it is merely furnished as a convenience to locate the land in relation to adjoining streets and other lands, and not to guarantee dimensions, distances, bearings or acreage.



Por. Ranch Cordova Court Unit 6, R.M. Bk. 57, Pg. 23(6-23-1954)

Por. Cordova Court Unit 1, R.M. Bk. 52, Pg. 19(2-19-1959)

Por. Cordova Court Unit 2, R.M. Bk. 51, Pg. 8(5-51-1959)

CITY OF RANCHO CORDOVA

Assessor's Map Bk. 057 Pg. 022

County of Sacramento, Calif.

EXHIBIT B

**FORM OF MEMORANDUM OF DISPOSITION,
DEVELOPMENT AND LOAN AGREEMENT**

Recording Requested by
and when Recorded, return to:

The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

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

MEMORANDUM OF AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AND LOAN AGREEMENT

This Memorandum of Amended and Restated Disposition and Development and Loan Agreement (this "**Memorandum**") dated as of _____, 2014, is entered into by and between the City of Rancho Cordova, a California municipal corporation ("**City**") and UHC 00575 Rancho Cordova, L.P., a California limited partnership ("**Developer**"). City and Developer are hereinafter collectively referred to as the "**Parties**."

1. The Parties have entered into that certain Amended and Restated Disposition and Development and Loan Agreement dated as of _____, 2014 (the "**DDLA**"), pursuant to which upon Developer's satisfaction of certain conditions precedent City has agreed to convey that certain real property (the "**Property**") located within the City and more particularly described in Exhibit A attached hereto and incorporated herein by this reference, to Developer for the development of up to forty-eight (48) units of multi-family senior rental housing affordable to households whose income does not exceed sixty percent (60%) of Area Median Income, as defined in that certain Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (the "**Regulatory Agreement**") to be executed by the Parties and recorded in the Official Records of Sacramento County substantially concurrently therewith (the "**Project**").

2. Among other conditions, the DDLA provides that Developer shall commence construction of the Project, which will be subject to certain maintenance obligations pursuant to the terms of the DDLA and the Regulatory Agreement, no later than December 31, 2015, and shall complete construction of the Project in order to allow City to issue a final certificate of occupancy no later than twelve (12) months from the commencement of construction.

3. The DDLA further provides that (i) except as permitted therein, Developer shall not voluntarily or involuntarily make or attempt any total or partial sale, transfer, conveyance, assignment or lease of the whole or any part of Developer's interest in the Property or the improvements located thereon without the prior written approval of the City; and (ii) any transferee of all or part of the Property shall be subject to and shall expressly assume all of the covenants, obligations and restrictions of the DDLA which

pertain to the portion of the Property transferred, including without limitation, the provisions of the Regulatory Agreement.

4. The Parties have executed and recorded this instrument to give notice of the DDLA and the respective rights of the Parties thereunder. Copies of the unrecorded DDLA are available at the offices of the City, 2729 Prospect Park Drive, Rancho Cordova, California 95670, and such document is incorporated by reference in its entirety in this Memorandum. This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the DDLA. In the event of any inconsistency between this Memorandum and the DDLA, the DDLA shall control.

5. This Memorandum shall be interpreted and enforced in accordance with California law without regard to principles of conflict of laws. This Memorandum may be executed in counterparts.

6. The DDLA shall bind and inure to the benefit of the Parties and their respective successors and assigns.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first set forth above.

CITY

The City of Rancho Cordova,
a California municipal corporation

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

DEVELOPER

UHC 00575 Rancho Cordova, L.P.,
a California limited partnership

By: _____

Its: _____

SIGNATURES MUST BE NOTARIZED.

Exhibit A

PROPERTY

(Attach legal description.)

STATE OF CALIFORNIA)
)
 COUNTY OF _____)

On _____, 20__, 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)

STATE OF CALIFORNIA)
)
 COUNTY OF _____)

On _____, 20__, 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 _____

2286139.1

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY



Fidelity National Title Company

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, Fidelity National Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

[Signature]
Countersigned



Fidelity National Title Company

BY

[Signature]
President

ATTEST

[Signature]
Secretary



Fidelity National Title Company

ISSUING OFFICE: 11050 Olson Dr., Suite 200 • Rancho Cordova, CA 95670

FOR SETTLEMENT INQUIRIES, CONTACT: Fidelity National Title Company - Sacramento Commercial & Industrial
8950 Cal Center Drive, Bldg. 3, Suite 100 • Sacramento, CA 95826
916 364-4070 • FAX 916 364-4093

PRELIMINARY REPORT

Amended

Title Officer: Craig Donner
Escrow Officer: Paul Avila
Escrow No.: 11-**5011627**-PA

Title No.: 11-**5011627**-L-CD
Locate No.: CAFNT0934-0934-0010-0005011627

TO: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

ATTN: Reed Flory

PROPERTY ADDRESS: Unimproved land

EFFECTIVE DATE: May 28, 2014, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee
2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

City of Rancho Cordova, a municipal corporation, as housing successor to the Community Redevelopment Agency of the City of Rancho Cordova, a dissolved public body
3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

CD\CD 06/21/2011

LEGAL DESCRIPTION**EXHIBIT "A"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel B of boundary line adjustment recorded in Book 20101025 at Page 0516 of Official Records, County of Sacramento, said Parcel B being the Southeasterly 45.44 feet of Lot 34 as shown on the Plat of Cordova Court Unit No. 2, recorded in Book 53 of Maps, at Page 8, in the Records Office of the County of Sacramento, State of California.

Together with that certain parcel recorded in Book 20100505 at Page 1019 on May 5, 2010 and in Book 20100910 at Page 717 on September 10, 2010 of Official Records in the Records Office of the County of Sacramento, State of California. Said Parcel being the West 170.00 feet of Lot 35 of the plat of Cordova Court Unit No. 2 filed in Book 53 of Maps at Page 8 in the Records Office of the County of Sacramento, State of California. Said West 170.00 feet being measured at right angles from the Southwesterly line of said lot.

Being further described as follows:

Beginning at the most Southerly corner of aforesaid Lot 35 the following five (5) courses:

- 1) North 32° 00' 00" West 287.43 feet to the most Southerly corner of Parcel A of that certain Lot Merger as Recorded in Book 20101025 at Page 0516 of Official Records in the Records Office of the County of Sacramento, State of California.
- 2) Along said Southerly line of Parcel A North 58° 02' 20" East 133.32 feet (133.37 per aforesaid Lot Merger) to the Westerly right of way of Woodberry Way to a non-tangent curve to the left with a radius bearing of North 78° 13' 30" East 50.00 feet to the radius point.
- 3) Along said right of way along said curve to the left with a radius of 50.00 feet having a central angle of 98° 24' 46" with an arc length of 85.88 subtended by a chord of South 60° 58' 53" East 75.70 feet;
- 4) Leaving said right of way South 32° 00' 00" East 221.12 feet to the Southeasterly line of aforesaid Lot 35 said line also being the Northwesterly right of way of Folsom Boulevard;
- 5) Along said Southerly line of said Lot 35 South 58° 00' 00" West 170.00 feet to the point of beginning.

Containing 46,729.00 Square feet or 1.07 acres

Basis of bearings for this description is identical as Cordova Unit No. 2 Recorded in Book 53 of Maps at Page 8, Official Records in the Records Office of the County of Sacramento, State of California.

APN: 057-0221-022

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015.
2. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
3. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
4. **Any unpaid amounts now owing for municipal services**, of record or not, amounts can be ascertained by contacting the following:

County of Sacramento at (916) 875-5555, **and/or including :**

City of Sacramento at (916) 808-5454.

City of Folsom at (916) 355-7200.

City of Galt at (209) 366-7150.

City of Elk Grove at (916) 478-3642

City of Rancho Cordova at (916) 638-9000

City of Isleton at (916) 777-7770

City of Citrus Heights at (916) 725-2448, and for waste charges - Allied Waste at (916) 725-9060, and as required, fax request to (916) 463-0297

5. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Gas and Electric Company

Purpose: Underground pipeline

Recorded: April 7, 1955, Book 2806, Page 413, of Official Records

Affects: The Southeasterly 10 feet adjacent to Folsom Blvd. of Parcel One and Two

6. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: Public utilities

Affects: Southwesterly 5 feet of Parcel One; the Northwesterly and Southwesterly 5 feet of Parcel Three

7. Covenants, conditions and restrictions as contained in the Deed recorded July 11, 1958, in Book 3544, Page 568, of Official Records.

ITEMS: (continued)

Title No. 11-5011627-L-CD
Locate No. CAFNT0934-0934-0010-0005011627

8. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: June 20, 1961, Book 4263, Page 440, of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

9. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Sacramento Municipal Utility District and Pacific Telephone and Telegraph Company
Purpose: Electrical and Communication Facilities
Recorded: October 19, 1961, Book 4329, Page 637, of Official Records
Affects: The Southeasterly 5 feet of Parcel Three

10. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Sacramento Municipal Utility District and Pacific Telephone and Telegraph Company
Purpose: Electrical and Communication Facilities
Recorded: October 19, 1961, Book 4329, Page 639, of Official Records
Affects: Northwesterly 5 feet

11. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Telephone and Telegraph Company
Purpose: Communication facilities
Recorded: February 22, 1978, Book 780222, Page 960, of Official Records
Affects: The Southeasterly 5 feet and the Southwesterly 10 feet of the Southeasterly 10 feet of Parcel Three

12. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Telephone and Telegraph Company
Purpose: Communication facilities
Recorded: June 15, 1978, Book 780615, Page 814, of Official Records
Affects: The Southeasterly 16 feet and the Southwesterly 16 feet of the Southwesterly 10 feet of Parcel Three

ITEMS: (continued)

Title No. 11-5011627-L-CD

Locate No. CAFNT0934-0934-0010-0005011627

- 13. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: County of Sacramento
 Purpose: Sanitary sewer pipeline
 Recorded: April 11, 1986, Book 860411, Page 1602, of Official Records
 Affects: The Southerly 5 feet of Parcel Two

- 14. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Bell
 Purpose: Communication facilities and incidental purposes
 Recorded: April 23, 1990, Book 900423, Page 813, of Official Records
 Affects: Northerly 10 feet of the Westerly 15 feet of Parcel One

- 15. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Sacramento Municipal Utility District
 Purpose: Electrical Facilities and incidental purposes
 Recorded: August 19, 1992, Book 920819, Page 1372, of Official Records
 Affects: the route of said right-of-way shall be within a strip of land 2 feet in width the centerline of which is described as follows:
 Beginning at a point in the Northerly right-of-way of the public road now known as Folsom Blvd. located North 58°00'00" East 4.69 feet from the Southwest corner of said Lot 35; thence from said point of beginning North 12°01'43" East 11.00 feet

Affects: Parcel One

- 16. Matters** contained in that certain document entitled "BOUNDARY LINE ADJUSTMENT" dated February 13, 2012, executed by City of Rancho Cordova recorded February 14, 2012, Book 20120214, Page 985, of Official Records.

Reference is hereby made to said document for full particulars.

- 17.** Any claim that the transaction vesting the Title as shown in Schedule A or creating the lien of the Insured Mortgage, or any other transaction occurring on or prior to Date of Policy in which Community Redevelopment Agency of the City of Rancho Cordova, a public body, corporate and politic or its successors transferred, acquired, or made any agreement affecting the title to or any interest in the Land, is void or voidable, or subject to termination, renegotiation, or judicial review, under California Assembly Bill 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session). and California Assembly Bill 1484 (Chapter 26, Statutes of 2011-12).

ITEMS: (continued)

Title No. 11-**5011627**-L-CD
Locate No. CAFNT0934-0934-0010-0005011627

- 18. Any rights of the parties in possession** of a portion of, or all of, said land, which rights are not disclosed by the public record.

This Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

- 19.** Approval of the Policy or Commitment by the Regional Counsel is required prior to recordation of the instruments required to complete this transaction, and issuance of the Title Insurance Policy. The right is reserved to make additional exceptions and/or requirements upon their review.

END OF ITEMS

- Note 1.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

- Note 2.** Wiring instructions for Fidelity National Title Company, Sacramento, CA, are as follows:

Receiving Bank:	Citibank (West), F.S.B. 1116 Alhambra Blvd. Sacramento, CA 95816
ABA Routing No.:	321171184
Credit Account Name:	Fidelity National Title Company - Sacramento Commercial & Industrial 8950 Cal Center Drive, Bldg. 3, Suite 100, Sacramento, CA 95826
Credit Account No.:	202125712
Escrow No.:	11- 5011627 -PA

These wiring instructions are for this specific transaction involving the Title Department of the Rancho Cordova office of Fidelity National Title Company . These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

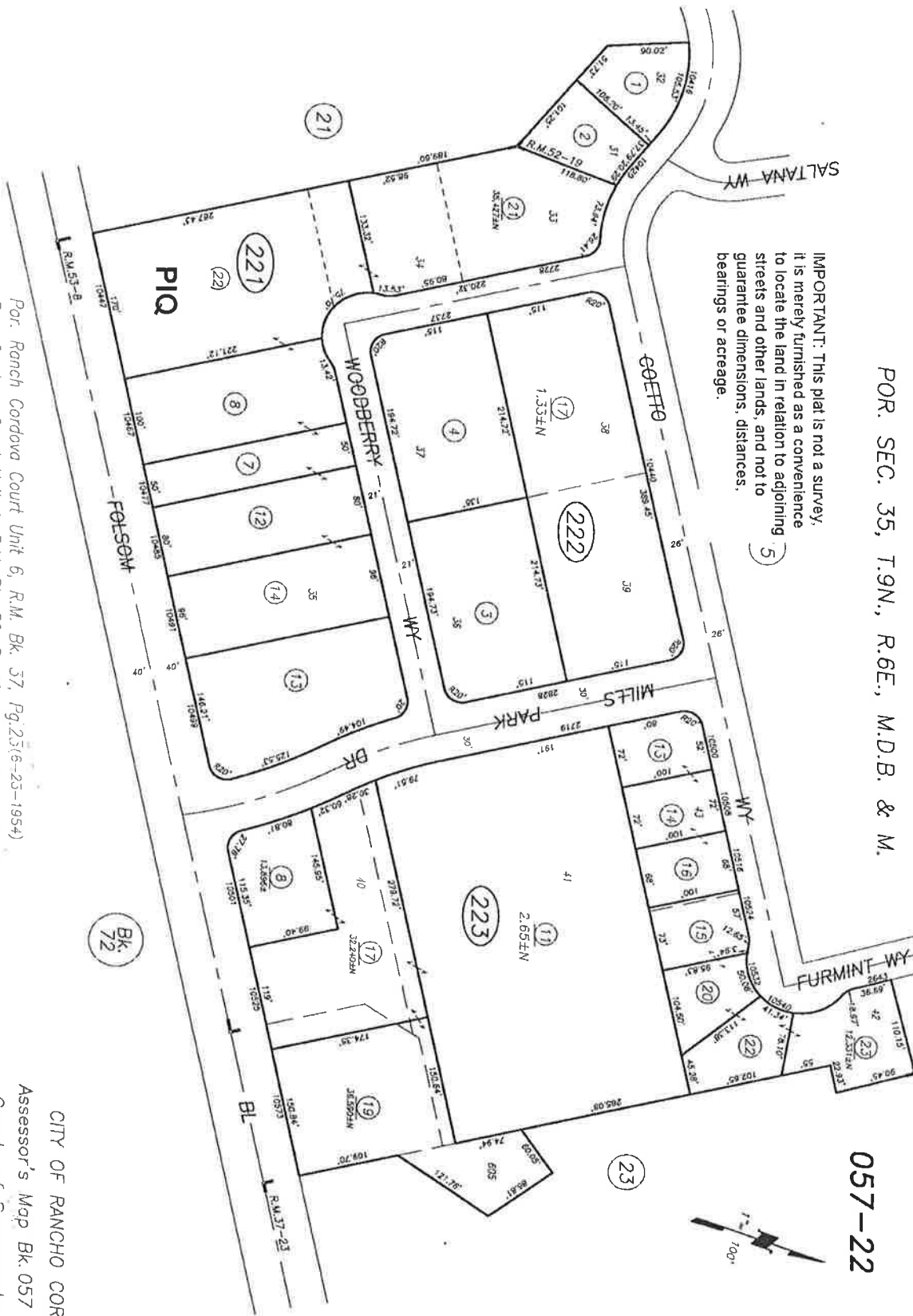
- Note 3.** Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

POR. SEC. 35, T.9N., R.6E., M.D.B. & M.

057-22

IMPORTANT: This plat is not a survey, it is merely furnished as a convenience to locate the land in relation to adjoining streets and other lands, and not to guarantee dimensions, distances, bearings or acreage.



Por. Ranch Cordova Court Unit 6, R.M. Bk. 57, Pg. 23(6-23-1954)
 Por. Cordova Court Unit 1, R.M. Bk. 52, Pg. 19(2-19-1959)
 Por. Cordova Court Unit 2, R.M. Bk. 51, Pg. 8(5-51-1959)

CITY OF RANCHO CORDOVA
 Assessor's Map Bk. 057 Pg. 022
 County of Sacramento, Calif.

EXHIBIT B

**FORM OF MEMORANDUM OF DISPOSITION,
DEVELOPMENT AND LOAN AGREEMENT**

Recording Requested by
and when Recorded, return to:

The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

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

MEMORANDUM OF AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AND LOAN AGREEMENT

This Memorandum of Amended and Restated Disposition and Development and Loan Agreement (this "**Memorandum**") dated as of _____, 2014, is entered into by and between the City of Rancho Cordova, a California municipal corporation ("**City**") and UHC 00575 Rancho Cordova, L.P., a California limited partnership ("**Developer**"). City and Developer are hereinafter collectively referred to as the "**Parties**."

1. The Parties have entered into that certain Amended and Restated Disposition and Development and Loan Agreement dated as of _____, 2014 (the "**DDLA**"), pursuant to which upon Developer's satisfaction of certain conditions precedent City has agreed to convey that certain real property (the "**Property**") located within the City and more particularly described in Exhibit A attached hereto and incorporated herein by this reference, to Developer for the development of up to forty-eight (48) units of multi-family senior rental housing affordable to households whose income does not exceed sixty percent (60%) of Area Median Income, as defined in that certain Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (the "**Regulatory Agreement**") to be executed by the Parties and recorded in the Official Records of Sacramento County substantially concurrently therewith (the "**Project**").

2. Among other conditions, the DDLA provides that Developer shall commence construction of the Project, which will be subject to certain maintenance obligations pursuant to the terms of the DDLA and the Regulatory Agreement, no later than December 31, 2015, and shall complete construction of the Project in order to allow City to issue a final certificate of occupancy no later than twelve (12) months from the commencement of construction.

3. The DDLA further provides that (i) except as permitted therein, Developer shall not voluntarily or involuntarily make or attempt any total or partial sale, transfer, conveyance, assignment or lease of the whole or any part of Developer's interest in the Property or the improvements located thereon without the prior written approval of the City; and (ii) any transferee of all or part of the Property shall be subject to and shall expressly assume all of the covenants, obligations and restrictions of the DDLA which

pertain to the portion of the Property transferred, including without limitation, the provisions of the Regulatory Agreement.

4. The Parties have executed and recorded this instrument to give notice of the DDLA and the respective rights of the Parties thereunder. Copies of the unrecorded DDLA are available at the offices of the City, 2729 Prospect Park Drive, Rancho Cordova, California 95670, and such document is incorporated by reference in its entirety in this Memorandum. This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the DDLA. In the event of any inconsistency between this Memorandum and the DDLA, the DDLA shall control.

5. This Memorandum shall be interpreted and enforced in accordance with California law without regard to principles of conflict of laws. This Memorandum may be executed in counterparts.

6. The DDLA shall bind and inure to the benefit of the Parties and their respective successors and assigns.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first set forth above.

CITY

The City of Rancho Cordova,
a California municipal corporation

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

DEVELOPER

UHC 00575 Rancho Cordova, L.P.,
a California limited partnership

By: _____

Its: _____

SIGNATURES MUST BE NOTARIZED.

Exhibit A

PROPERTY

(Attach legal description.)

STATE OF CALIFORNIA)
)
 COUNTY OF _____)

On _____, 20__, 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)

STATE OF CALIFORNIA)
)
 COUNTY OF _____)

On _____, 20__, 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 _____

2286139.1

EXHIBIT C

FORM OF CERTIFICATE OF COMPLETION

Recording requested by
and when recorded mail to:

The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Clerk

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for Recorder's use.

CERTIFICATE OF COMPLETION

This Certificate of Completion (this "**Certificate**") is made by the City of Rancho Cordova, a California municipal corporation ("**City**") effective as of _____, 20____.

RECITALS

A. City and UHC Rancho Cordova 00575, L.P., a California limited partnership ("**Owner**"), entered into that certain Disposition and Development Loan Agreement (the "**DDLA**") dated as of _____, 2014 concerning the construction of an affordable multi-family senior rental residential project (the "**Project**") on certain real property located in the City of Rancho Cordova, California and more particularly described in Exhibit A attached hereto (the "**Property**"). A Memorandum of the DDLA was recorded in the Official Records of Sacramento County ("**Official Records**") as Instrument No. _____, Book _____, Page _____. Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the DDA.

B. Pursuant to Section 5.15 of the DDLA, the Agency is required to furnish the Owner or its successors with a Certificate of Completion upon completion of construction of the Project in accordance with the DDLA.

C. The City has determined that the construction of the Project has been satisfactorily completed in accordance with the DDLA.

NOW, THEREFORE, the City hereby certifies as follows:

1. Construction of the Project has been satisfactorily completed in conformance with the DDLA.
2. All use, maintenance and nondiscrimination covenants contained in the DDLA shall remain in effect and enforceable in accordance with the DDLA. This Certificate does not constitute evidence of Owner's compliance with those covenants in the DDLA that survive the issuance of this Certificate, including without limitation, compliance with the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants entered into pursuant to the DDLA and recorded in the Official Records as Instrument No. ____ Book____, Page____.

3. This Certificate does not constitute evidence of compliance with or satisfaction of any obligation of Owner to any holder of a deed of trust securing money loaned to finance the Improvements or any part thereof and does not constitute a notice of completion under California Civil Code Section 3093.3.

4. Nothing contained in this instrument shall modify any provisions of the DDLA or any other document executed in connection therewith.

IN WITNESS WHEREOF, City has executed and issued this Certificate of Completion as of the date first written above.

THE CITY OF RANCHO CORDOVA

By: FORM-DO NOT SIGN

Name: _____

[Title]

ATTEST:

By: FORM- DO NOT SIGN
City Clerk

APPROVED AS TO FORM:

By: FORM-DO NOT SIGN
City Attorney

SIGNATURES MUST BE NOTARIZED.

Exhibit A

PROPERTY
(Attach legal description.)

2049034.1

EXHIBIT D

FINANCING PLAN

6/11/2014
48 Unit Senior Development Final June 11 2014.xlsx
Permanent Sources and Uses

SOURCES OF FUNDS	Total	Per Unit
Permanent Loan	\$ 0	\$ 0
Federal 4% Tax Credit Proceeds	3,973,588	82,783
Perm Loan City of Rancho Cordova	3,539,259	73,735
Income from Operations	36,168	753
State Tax Credits	1,102,874	22,977
Soft Loan Deferred Impact Fee	-	-
Deferred Developer Fee	443,358	9,237
Perm Loan Other	5,500,000	114,583
TOTAL SOURCES OF FUNDS	\$ 14,595,246	\$ 304,068
USES OF FUNDS		
Acquisition Costs	\$ 1,443,176	\$ 30,066
New Construction Rehab	-	-
New Construction	8,775,837	182,830
Contingency	438,792	9,141
Relocation	-	-
Architecture Fees	286,245	5,963
Survey and Engineering	91,143	1,899
Construction Financing	766,496	15,969
Permanent Financing	10,000	208
Legal Fees	339,552	7,074
Reserves	69,000	1,438
Other Soft Costs	1,175,005	24,479
Developer Fees	1,200,000	25,000
TOTAL USES OF FUNDS	\$ 14,595,246	\$ 304,068
SOURCES LESS USES	\$ 0	\$ 0

NOTES:

Tax Credit Pricing at .98 Fed. & .68 State
 Added Admin fee \$10K per year
 Updated construction numbers

6/11/2014
48 Unit Senior Development Final June 11 2014.xlsx
Construction Sources and Uses

SOURCES OF FUNDS	Total	Per Unit
Construction Loan	\$ 7,300,000	\$ 152,083
Construction Bridge Loan	\$ -	\$ -
Federal 4% Tax Credit Proceeds	684,430	14,259
Perm Loan City of Rancho Cordova	3,539,259	
Income from Operations		-
State Tax Credits	110,287	2,298
Soft Loan Deferred Impact Fee	-	-
Deferred Developer Fee	743,358	15,487
Perm Loan Other	2,217,912	46,207
TOTAL SOURCES OF FUNDS	\$ 14,595,246	\$ 304,068
USES OF FUNDS		
Acquisition Costs	\$ 1,443,176	\$ 30,066
Remediation Costs	-	-
New Construction Costs	8,775,837	182,830
Contingency	438,792	9,141
Relocation	-	-
Architecture Fees	286,245	5,963
Survey and Engineering	91,143	1,899
Construction Financing	766,496	15,969
Permanent Financing	10,000	208
Legal Fees	339,552	7,074
Reserves	69,000	1,438
Other Soft Costs	1,175,005	24,479
Developer Fees	1,200,000	25,000
TOTAL USES OF FUNDS	\$ 14,595,246	\$ 304,068
SOURCES LESS USES	\$ -	\$ -

NOTES:

6/11/2014
48 Unit Senior Development Final June 11 2014.xlsx
Development Costs

TCAC Category/Item	Amount	per Unit	per sq ft building	Eligible Basis		
				New	Acq	Not
ACQUISITION COSTS						
Land Cost or Value	\$ 1,407,977	29,333	37.40			\$ 1,407,977
Existing Improvements Value		-	-		-	-
Subtotal Land and Improvements	1,407,977	29,333	37.40	-	-	1,407,977
Closing Costs	35,199	733	0.93			35,199
Subtotal Closing Costs	35,199	733	0.93	-	-	35,199
Total Acquisition Cost	1,443,176	30,066	38.33	-	-	1,443,176
Rehab						
Demolition	-	-	-			-
Off site	-	-	-	-		-
Site Work	-	-	-	-	-	-
Structures	-	-	-	-		-
Hazardous Materials Remediation	-	-	-	-		-
Seismic Reinforcement	-	-	-	-		-
General Requirements	-	-	-	-	-	-
General Contractor Overhead	-	-	-	-		-
General Contractor Profit	-	-	-	-		-
Prevailing Wages	-	-	-	-	-	-
Builders Risk Insurance	-	-	-	-		-
Total Rehabilitation Costs				-	-	-
NEW CONSTRUCTION						
Demolition	147,918	3,082	3.93			147,918
Off-site Improvements	84,877	1,768	2.25	84,877		-
Site Work	812,994	16,937	21.59	812,994	-	-
Structures	3,541,305	73,777	94.06	3,541,305		-
Footings, Elevators, Roof, Siding	2,507,855	52,247	66.61	2,507,855		-
Hazardous Materials Remediation	-	-	-	-		-
Other	30,065	626	0.80	30,065		-
General Requirements	340,307	7,090	9.04	340,307	-	-
General Contractor Profit/Overhead	452,453	9,426	12.02	452,453	-	-
SMUD Allowance	174,020	3,625	4.62	174,020		-
Prevailing Wages	609,230	12,692	16.18	609,230		-
Pmt Perf Bond, Builder's Risk & WC	74,813	1,559	1.99	74,813		-
Total New Construction	8,775,837	182,830	233.11	8,627,919	-	147,918
CONTINGENCY	438,792	9,141	11.66	438,792	-	-
RELOCATION EXPENSES		-	-	-	-	-
ARCHITECTURAL FEES						
Design	240,025	5,001	6.38	240,025	-	-
Supervision	46,220	963	1.23	46,220		-
Total Architectural Costs	286,245	5,963	7.60	286,245	-	-
SURVEY AND ENGINEERING	91,143	1,899	2.42	91,143	-	-
CONSTRUCTION INTEREST AND FEES						
Construction Loan Interest	290,250	6,047	7.71	226,395	-	63,855
Bond or Construction loan fee	139,000	2,896	3.69	109,000	-	30,000
Bridge Loan Fee	-	-	-	-	-	-
Lender Fees	-	-	-	-	-	-
Taxes	13,436	280	0.36	13,436		-
Insurance	108,710	2,265	2.89	108,710		-
Title and Recording	15,000	313	0.40	10,000		5,000
Other-Bridge Loan Fee & Interest	-	-	-	-	-	-
Other-Guarantee Fee	155,100	3,231	4.12	155,100		-
Other-Due Dilligence Fee	45,000	938	1.20	45,000	-	-
Total Construction Interest and Fees	766,496	15,969	20.36	667,641	-	98,855
PERMANENT FINANCING						
Loan Origination Fee	-	-	-			-
Credit Enhancement Application Fee	-	-	-			-
Title and Recording	10,000	208	0.27			10,000
Taxes/Insurance/Other	-	-	-			-
Other-	-	-	-			-
Other-Permanent Credit Enhancement	-	-	-			-
Total Permanent Financing Costs	10,000	208	0.27	-	-	10,000
LEGAL FEES						
Legal Fees Paid by Applicant	100,000	2,083	2.66	100,000	-	-
Other Legal Fees	239,552	4,991	6.36	-		239,552
Total Legal Fees	339,552	7,074	9.02	100,000	-	239,552
RESERVES						
Lease-up Reserves	-	-	-			-
Capitalized Rent Reserves	-	-	-			-
Operating Deficit Reserve	69,000	1,438	1.83			69,000
Total Reserve Costs	69,000	1,438	1.83	-	-	69,000

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Development Costs

TCAC Category/Item	Amount	per Unit	per sq ft building	Eligible Basis		
				New	Acq	Not
OTHER PROJECT COSTS						
Application and Compliance Monitoring Fees	55,000	1,146	1.46			55,000
Appraisal	43,688	910	1.16	43,688	-	
Environmental Audit	38,700	806	1.03	38,700	-	
Owner's Contingency	3,000	63	0.08		-	3,000
Local Development Impact Fees	491,500	10,240	13.06	491,500	-	
Permit Processing Fees	63,292	1,319	1.68	63,292	-	
Capital Fees	-	-	-		-	
Marketing and Sales	52,800	1,100	1.40		-	52,800
Fixtures Furniture and Equipment	84,000	1,750	2.23	84,000	-	
Market Study	54,200	1,129	1.44	54,200	-	
Accounting/Reimbursable	16,800	350	0.45	16,800	-	
Soft Cost Contingency	137,000	2,854	3.64	137,000	-	
Other-Soil Tests	43,723	911	1.16	43,723	-	
Other-Professional Fees	91,302	1,902	2.43	91,302	-	
Total Other Costs	1,175,005	24,479	31.21	1,064,205	-	110,800
SUBTOTAL PROJECT COSTS	13,395,246	279,068	355.81	11,275,945	-	2,119,301
DEVELOPER COSTS						
Developer Overhead Profit	1,200,000	25,000	31.87	1,200,000	-	
Consultant/Processing Agent	-	-	-	-	-	
Project Administration	-	-	-	-	-	
Broker Fees Paid to a Related Party	-	-	-	-	-	
Construction Oversight by Developer	-	-	-	-	-	
Total Developer Costs	1,200,000	25,000	31.87	1,200,000	-	
TOTAL DEVELOPMENT COSTS	14,595,246	304,068	387.68	12,475,945	-	2,119,301

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 Tax Credits

4% SACRAMENTO County Basis			
Unit Size	Limits	No. of Units	Basis
0 bed	\$163,357	0	-
1 bed	\$188,349	41	7,722,309
2 bed	\$227,200	7	1,590,400
3 bed	\$290,816	0	-
4 bed	\$323,987	0	-
Total Unadjusted Basis Limit		48	9,312,709
(A) 1	Plus 20% basis adjustment for projects required to pay state or federal prevailing wages.	Yes	20%
(A) 2	Plus 7% basis adjustment for new construction projects which are required to provide parking beneath residential units (but not "tuck under" parking).	No	0%
(A) 3	Plus 2% basis adjustment for projects where a day care center is part of the development.	No	0%
(A) 4	Plus 2% basis adjustment for projects where 100 percent of the units are for Special Needs populations.	No	0%
(A) 5	Plus 10% basis adjustment for projects wherein at least 95% of the project's upper floor units are serviced by an elevator.	No	0%
Subtotal Category (A) shall not exceed 39%		20%	1,862,542
(B) 1	Project shall have onsite renewable generation estimated to produce 50 percent (50%) or more of annual electricity use (dwelling unit and common area meters combined). If the combined available roof area of the project structures, including carports, is insufficient for provision of 50% of annual electricity use, then the project shall have onsite renewable generation based on at least 90 percent (90%) of the available solar accessible roof area. Available solar accessible area is defined as roof area less north facing roof area for sloped roofs, equipment, solar thermal hot water and required local or state fire department set-backs and access routes. Five percent (5%)	No	0%
(B) 2	Project shall have onsite renewable generation estimated to produce 75 percent (75%) or more of annual electricity. If the combined available roof area of the project structures, including carports, is insufficient for provision of 75% of annual electricity use, then the project shall have onsite renewable generation based on at least 90 percent (90%) of the available solar accessible roof area. Available solar accessible area is defined as roof area less north facing roof area for sloped roofs, equipment, solar thermal hot water and required local or state fire department set-backs and access routes. Two percent (2%)	Yes	2%
(B) 3	Newly constructed project buildings shall be forty-five percent (45%) or more energy efficient than the current Energy Efficiency Standards (California Code of Regulations, Part 6 of Title 24). Four percent (4%)	No	0%
(B) 4	Rehabilitated project buildings shall have eighty percent (80%) decrease (or improvement in energy efficiency) in the building's Home Energy Rating System II estimated annual energy use post rehabilitation, over existing conditions. Four percent (4%)	No	0%

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Tax Credits

(B) 5	Irrigate only with reclaimed water, greywater, or rainwater (excepting water used for Community Gardens). One percent (1%)	No	0%
(B) 6	Community Gardens of at least 60 square feet per unit. Permanent site improvements that provide a viable growing space within the project including solar access, fencing, watering systems, secure storage space for tools, and pedestrian access. One percent (1%)	No	0%
(B) 7	Install bamboo, cork, salvaged or FSC-Certified wood, natural linoleum, natural rubber, or ceramic tile in all kitchens, living rooms, and bathrooms (where no VOC adhesives or backing is also used. One percent (1%)	Yes	1%
(B) 8	Install bamboo, stained concrete, cork, salvaged or FSC-Certified wood, ceramic tile, or natural linoleum in all common areas. Two percent (2%)	Yes	2%
(B) 9	Meet all requirements of the U.S. Environmental Protection Agency Indoor Air Plus Program. Two percent (2%)	Yes	2%
Subtotal Category (B) shall not exceed 10%		7%	651,890
(C) 1	Plus 1% basis adjustment for each 1% of units income-targeted to 50% to 36% of AMI	96%	8,924,679
(C) 2	Plus 2% basis adjustment for each 1% of units income targeted to 35% of AMI and below	2%	388,030
(D)	Projects requiring seismic upgrading of existing structures, and/or projects requiring toxic or other environmental mitigation may be permitted an increase in basis limit equal to the lesser of the amount of costs associated with the seismic upgrading or environmental mitigation or 15% of the project's unadjusted eligible basis to the extent that the project architect certifies in the application to the costs associated with such work.		1,396,906
(nn)	Local Development Impact Fees. The amount of impact fees, mitigation fees, or capital facilities fees imposed by municipalities, county agencies, or other jurisdictions such as public utility districts, school districts, water agencies, resource conservation districts, etc.	Yes	491,500
TCAC Adjusted Eligible Basis			23,028,256

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Tax Credits

Determination of Credits	Acquisition Basis	New Construction		Total	
		Rehabilitation	Basis		
Sum of Eligible Basis Development Costs	-	12,475,945		12,475,945	
Prorated reduction for Non Section 42 Units	-	-	0%	-	
Prorated reduction for Retail Commercial	-	-	0%	-	
Eligible Basis From Development Costs	-	12,475,945		12,475,945	
Prorata Allocation of Excess Basis	-	-		-	
TCAC adjusted eligible basis	-	12,475,945		12,475,945	
TCAC Eligible Basis or Actual Eligible Basis	-	12,475,945		12,475,945	MIN
Deduct Grants/Recourse Financing	-	-		-	
Reduction in Basis to Enhance Tiebreaker	-	-		-	
Total Unadjusted Eligible Basis	-	12,475,945		12,475,945	
30% increase in Basis if DDA or QCT		-		-	No
Adjusted Eligible Basis	-	12,475,945		12,475,945	
Applicable Percentage	3.25%	3.25%			
Annual Credits Calculated	-	405,468		405,468	
Credits over 10 years	-	4,054,682		4,054,682	
Tax Credit Pricing	\$0.98	\$0.98			
Proceeds From Federal Tax Credit Sales	0	3,973,588		3,973,588	
Investment Partner Share	99.99%	99.99%			
Tax Credits to Syndication	-	3,973,191		3,973,191	
State Credit Eligible Basis Factor		13.00%			
State Credit Eligible Basis		1,621,873			
State Tax Credit Pricing		\$0.68			
Proceeds Raised From State Tax Credits		1,102,874			

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Rents

Tax Credit Income Level	Rent Type	Bed Rooms	Unit Size in SF	Number of Units	Gross TCAC Rent	Utility Allow	90% FMR Section 8 Rent	100% FMR Section 8 Rent	Net Rent	TCAC Monthly Rent	Total Monthly Income	Total Square Feet
30% of AMI		-	700 SF	-	\$ 380	-	\$ -	\$ -	360	-	-	-
40% of AMI		-	1,110 SF	-	481	-	-	-	481	-	-	-
50% of AMI		-	1,200 SF	-	601	-	-	-	601	-	-	-
60% of AMI		-	1,470 SF	-	721	-	-	-	721	-	-	-
30% of AMI		1	608 SF	-	386	24	-	\$ -	362	-	-	-
40% of AMI		1	608 SF	10	515	24	-	\$ -	491	4,910	-	6,080 sq ft
50% of AMI		1	608 SF	31	644	24	-	\$ -	620	19,220	-	18,848 sq ft
60% of AMI		1	828 SF	-	773	24	-	-	749	-	-	-
30% of AMI		2	828 SF	1	464	29	-	-	435	435	-	828 sq ft
40% of AMI		2	828 SF	2	619	29	\$ -	-	590	1,180	-	1,656 sq ft
50% of AMI		2	828 SF	3	773	29	-	-	744	2,232	-	2,484 sq ft
60% of AMI		2	1,200 SF	-	928	29	-	-	899	-	-	-
30% of AMI		3	1,470 SF	-	535	51	-	-	484	-	-	-
40% of AMI		3	1,470 SF	-	714	51	-	-	663	-	-	-
50% of AMI		3	1,470 SF	-	893	51	-	-	842	-	-	-
60% of AMI		3	1,470 SF	-	1,071	51	\$ -	-	1,020	-	-	-
30% of AMI		4	1,470 SF	-	597	59	\$ -	-	538	-	-	-
40% of AMI		4	1,470 SF	-	797	59	\$ -	-	738	-	-	-
50% of AMI		4	1,470 SF	-	996	59	\$ -	-	937	-	-	-
60% of AMI		4	1,470 SF	-	1,195	59	\$ -	-	1,136	-	-	-
Manager Unit		2	828 SF	1	-	-	-	-	-	-	-	828 sq ft
Community Room												3,500 sq ft
Garage Square Footage												1 sq ft
Totals				48						\$ 27,977	\$ -	37,648 sq ft
										6 month net income		
										36,168		

Notes:

Points for lowest income pursuant to Section 10325(9): 37.5

Projected Annual Rental Income	335,724	100% Vouchers	3
Other Income	6,720	110% Vouchers	44
Gross Projected Income	342,444	No vouchers	1
Less 5% Vacancy	17,122	Total Units	48
Net Projected TCAC Rent	325,322		
Less Operating Exp./Reserves	252,987		
Net Operating Income	\$72,335		
NOI / DCR	48,223.44		

Interest Rate	6.25%
Term	30
DCR	1.50

Conventional Loan \$652,673

Monthly Pmt	\$4,018.62
Yearly Pmt	48,223

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Cash Flow

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9
Rental Income	335,724	344,117	352,720	361,538	370,576	379,841	389,337	399,070	409,047
Section 8 Income	-	-	-	-	-	-	-	-	-
Laundry and Vending	6,720	6,888	7,060	7,237	7,418	7,603	7,793	7,988	8,188
Retail Commercial Net Income	-	-	-	-	-	-	-	-	-
Gross Potential Income	342,444	351,005	359,780	368,775	377,994	387,444	397,130	407,058	417,235
Forecasted Vacancies	17,122	17,550	17,989	18,439	18,900	19,372	19,857	20,353	20,862
Total Vacancies & Reductions	325,322	333,455	341,791	350,336	359,094	368,072	377,274	386,705	396,373
Operating Expenses	198,240	205,178	212,360	219,792	227,485	235,447	243,688	252,217	261,044
Property Management Fee	20,547	21,060	21,587	22,126	22,680	23,247	23,828	24,423	25,034
Service Amenities	15,000	15,525	16,068	16,631	17,213	17,815	18,439	19,084	19,752
Replacement Reserves	19,200	19,776	20,369	20,980	21,610	22,258	22,926	23,614	24,322
Total Annual Operating Expenses & Reserves	252,987	261,540	270,384	279,530	288,987	298,767	308,880	319,338	330,152
NET OPERATING INCOME (LOSS) BEFORE DEBT SERVICE	72,335	71,915	71,407	70,806	70,107	69,305	68,394	67,367	66,221
Permanent Loan	0	0	0	0	0	0	0	0	0
Administration Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
n/a	-	-	-	-	-	-	-	-	-
NET CASH FLOW AVAILABLE BEFORE OTHER CHARGES	62,335	61,915	61,407	60,806	60,107	59,305	58,394	57,367	56,221

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Cash Flow

	YR 10	YR 11	YR 12	YR 13	YR 14	YR 15	YR 16	YR 17	YR 18
Rental Income	419,273	429,755	440,499	451,511	462,799	474,369	486,228	498,384	510,844
Section 8 Income	-	-	-	-	-	-	-	-	-
Laundry and Vending	8,392	8,602	8,817	9,038	9,264	9,495	9,733	9,976	10,225
Retail Commercial Net Income	-	-	-	-	-	-	-	-	-
Gross Potential Income	427,666	438,357	449,316	460,549	472,063	483,864	495,961	508,360	521,069
Forecasted Vacancies	21,383	21,918	22,466	23,027	23,603	24,193	24,798	25,418	26,053
Total Vacancies & Reductions	406,282	416,439	426,850	437,522	448,460	459,671	471,163	482,942	495,016
Operating Expenses	270,181	279,637	289,424	299,554	310,039	320,890	332,121	343,745	355,776
Property Management Fee	25,660	26,301	26,959	27,633	28,324	29,032	29,758	30,502	31,264
Service Amenities	20,443	21,159	21,900	22,666	23,459	24,280	25,130	26,010	26,920
Replacement Reserves	25,052	25,803	26,577	27,375	28,196	29,042	29,913	30,810	31,735
Total Annual Operating Expenses & Reserves	341,336	352,901	364,860	377,228	390,018	403,244	416,922	431,067	445,695
NET OPERATING INCOME (LOSS) BEFORE DEBT SERVICE	64,947	63,539	61,990	60,294	58,442	56,427	54,241	51,875	49,320
Permanent Loan	0	0	0	0	0	0	0	0	0
Administration Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
n/a	-	-	-	-	-	-	-	-	-
NET CASH FLOW AVAILABLE BEFORE OTHER CHARGES	54,947	53,539	51,990	50,294	48,442	46,427	44,241	41,875	39,320

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Cash Flow

	YR 19	YR 20	YR 21	YR 22	YR 23	YR 24	YR 25	YR 26	YR 27
Rental Income	523,615	536,705	550,123	563,876	577,973	592,422	607,233	622,414	637,974
Section 8 Income	-	-	-	-	-	-	-	-	-
Laundry and Vending	10,481	10,743	11,012	11,287	11,569	11,858	12,155	12,459	12,770
Retail Commercial Net Income	-	-	-	-	-	-	-	-	-
Gross Potential Income	534,096	547,448	561,134	575,163	589,542	604,280	619,387	634,872	650,744
Forecasted Vacancies	26,705	27,372	28,057	28,758	29,477	30,214	30,969	31,744	32,537
Total Vacancies & Reductions	507,391	520,076	533,078	546,405	560,065	574,066	588,418	603,128	618,207
Operating Expenses	368,229	381,117	394,456	408,262	422,551	437,340	452,647	468,490	484,887
Property Management Fee	32,046	32,847	33,668	34,510	35,373	36,257	37,163	38,092	39,045
Service Amenities	27,862	28,838	29,847	30,891	31,973	33,092	34,250	35,449	36,689
Replacement Reserves	32,687	33,667	34,677	35,718	36,789	37,893	39,030	40,201	41,407
Total Annual Operating Expenses & Reserves	460,823	476,468	492,648	509,381	526,685	544,582	563,090	582,231	602,027
NET OPERATING INCOME (LOSS) BEFORE DEBT SERVICE	46,568	43,607	40,430	37,024	33,379	29,485	25,328	20,897	16,179
Permanent Loan	0	0	0	0	0	0	0	0	0
Administration Fee	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
n/a	-	-	-	-	-	-	-	-	-
NET CASH FLOW AVAILABLE BEFORE OTHER CHARGES	36,568	33,607	30,430	27,024	23,379	19,485	15,328	10,897	6,179

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Cash Flow

	YR 28	YR 29	YR 30
Rental Income	653,923	670,271	687,028
Section 8 Income	-	-	-
Laundry and Vending	13,089	13,416	13,752
Retail Commercial Net Income	-	-	-
Gross Potential Income	667,012	683,688	700,780
Forecasted Vacancies	33,351	34,184	35,039
Total Vacancies & Reductions	633,662	649,503	665,741
Operating Expenses	501,858	519,423	537,603
Property Management Fee	40,021	41,021	42,047
Service Amenities	37,974	39,303	40,678
Replacement Reserves	42,649	43,928	45,246
Total Annual Operating Expenses & Reserves	622,501	643,675	665,574
NET OPERATING INCOME (LOSS) BEFORE DEBT SERVICE	11,161	5,828	167
Permanent Loan	0	0	0
Administration Fee	10,000	10,000	10,000
n/a	-	-	-
NET CASH FLOW AVAILABLE BEFORE OTHER CHARGES	1,161	(4,172)	(9,833)

EXHIBIT E

DEVELOPMENT AND PERFORMANCE SCHEDULE

DEVELOPMENT PERFORMANCE SCHEDULE FOR
HORIZONS @ NEW RANCHO
(AP# 057-0221-022)

The following milestones, dates and products, shall constitute performance requirements of the Developer UHC 00575 Rancho Cordova L.P, a California Limited Partnership ("**Developer**") in the application for financing, construction, rent-up and continuing operation of the 48 unit, affordable, senior project known as Horizons @ New Rancho ("**Horizons**").

CONSTRUCTION FINANCING

- Tax Credit Application
 - On or before March 6, 2013 (Rd #1), or July 3, 2013 (Rd #2) if not successful with 3/6/13 application, Developer shall cause the submission of a Tax Credit application satisfactory to the City of Rancho Cordova. This application shall include a construction loan, permanent loan and syndication equity agreement satisfactory to the City of Rancho Cordova.
 - Satisfaction of this requirement shall be met by proof submitted to the City of Rancho Cordova that a Tax Credit application was received by the California Tax Credit Allocation Committee.
- Construction Loan closing
 - On or before the 90th day after the date indicated on the Tax Credit award letter from CTCAC or 30 days from the issuance of building permits whichever occurs first, Developer shall cause a construction loan closing to occur. The closing shall include a construction loan satisfactory to the City of Rancho Cordova, a binding permanent loan commitment satisfactory to the City of Rancho Cordova and a Syndication Agreement satisfactory to the City of Rancho Cordova.
 - Satisfaction of this requirement shall be a timely construction loan closing including the delivery to the City of Rancho Cordova of proof of the recordation of documents within 36 hours of the closing.
- Construction Completion
 - Construction shall be completed within 365 days of the Construction loan closing.
 - Satisfaction of this requirement shall be evidenced by the City's delivery to the Developer of a Certificate of Completion. (Note that the delivery of this certificate requires the determination by the City of Rancho Cordova that the following requirements have been satisfied: Labor Standards requirements, Certificate of occupancy, proof of all lien releases, recorded AIA Notice of Completion, and an initial draft of the Final Budget.
 -
- Permanent Loan Closing
 - Developer shall cause a Permanent loan closing to occur within 45 days of the satisfaction of all of the following: attaining 95% occupancy, a 1.15 DCR for 3 months, completion of audit and receipt from TCAC of 8609 form plus any other requirements of the City or Conventional Permanent Lender consistent with industry standards.

- Satisfaction of this requirement shall be a timely permanent loan closing including the delivery to the City of Rancho Cordova of proof of the recordation of documents within 36 hours of the closing.

EXHIBIT F

REGULATORY AGREEMENT

EXEMPT FROM RECORDING FEES
PER GOVERNMENT CODE §§6103, 27383

Recording requesting by:
and when recorded mail to:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95760
Attention:

____ SPACE ABOVE THIS LINE FOR RECORDER'S USE ____

AFFORDABLE HOUSING REGULATORY AGREEMENT

AND

DECLARATION OF RESTRICTIVE COVENANTS

by and between

THE CITY OF RANCHO CORDOVA,

&

UHC 00575 RANCHO CORDOVA, L.P.

THIS REGULATORY AGREEMENT ("Agreement") is made this _____ day of _____, 2014 ("Effective Date"), by and between UHC 00575 Rancho Cordova, L.P., a California limited partnership (the "**Owner**"); and the City of Rancho Cordova, a California municipal corporation (the "**City**"). The Owner and the City are referred to herein collectively as the "**Parties.**"

RECITALS

A. Pursuant to that certain Amended and Restated Disposition and Development and Loan Agreement dated as of June 16, 2014, between the Parties (the "**DDLA**"), City has conveyed that certain real property located in the City of Rancho Cordova and more particularly described in Exhibit A attached hereto and incorporated by reference (the "**Property**") for the development and construction by Owner of a multi-family affordable senior residential rental project (the "**Project**") on the Property, and has further agreed to provide a permanent loan to Owner in the total principal

amount not to exceed Three Million Five Hundred Thirty Nine Thousand Two Hundred Fifty Nine Dollars and No Cents (\$3,539,259.00) (the "**Permanent Loan**"). The Permanent Loan will be evidenced by a promissory note (the "**Note**") and secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "**Deed of Trust**"). The Project consists of forty-eight (48) units, of which forty-seven (47) units shall be restricted for occupancy by households with incomes at or below sixty percent (60%) of the Area Median Income ("**AMI**") for a period of not less than fifty-five (55) years from issuance of a final certificate of occupancy for the Project.

B. The Property and the Project are located in the Rancho Cordova Redevelopment Project Area (the "**Project Area**"). Pursuant to California Health and Safety Code Section 34176(a)(1), on January 17, 2012, the City Council of the City of Rancho Cordova ("City Council") adopted Resolution No. 7-2012, whereby the City elected to retain the housing assets and functions of the former Community Redevelopment Agency off the City of Rancho Cordova ("**Agency**"), upon the dissolution of the Agency, effective February 1, 2012. As housing successor to the Agency, City has assumed responsibility for implementing the Project.

C. As a condition of the conveyance of the Property and the Permanent Loan, Owner agrees to place specified restrictions upon the use and transfer of the Property in order to ensure continued Project affordability.

D. The Parties intend that the covenants set forth in this Agreement shall run with the land and be binding upon Owner and Owner's successors and assigns as further provided herein.

E. Capitalized terms not defined herein, if any, shall have the meaning ascribed to them in the DDLA.

NOW THEREFORE, in consideration of the promises herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties covenant and agree as follows:

1. Recitals

The foregoing Recitals are incorporated herein by this reference.

2. Definitions

"**Actual Household Size**" means the actual number of persons in the applicable household.

"**Adjusted for Family Size Appropriate for the Unit**" shall be determined consistent with Section 50052.5(h) of the California Health and Safety Code and applicable federal rules, if any.

"**Affordable Rent**" means thirty percent (30%) of fifty percent (60%) of Area Median Income, of Area Median Income, as applicable to the particular Unit, Adjusted for Family Size Appropriate for the Unit.

"Area Median Income" or "AMI" means the median income for Sacramento County, adjusted for Actual Household Size, as published from time to time by the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 8 of the United States Housing Act of 1937.

"Eligible Household" means a household for which household income upon initial occupancy does not exceed the maximum income level for a Restricted Unit, and in which at least one (1) member is age sixty-two (62) or older.

"Extremely Low-Income Household" means a household whose gross income does not exceed thirty percent (30%) of the Area Median Income, Adjusted for Actual Household Size.

"Rent" means all charges, other than deposits, paid by a tenant for the use and occupancy of a Restricted Unit and any mandatory charge for direct or supportive tenant services in a rental housing development, including a utility allowance in an amount determined by the local Housing Authority with jurisdiction over the Project.

"Restricted Unit" means one of the forty-seven (47) dwelling units in the Project that are reserved for occupancy by Households with incomes at or below 60 % of Area Median Income , as applicable.

"Term of this Agreement" means the period through the fifty-fifth (55th) anniversary of the issuance of the final certificate of occupancy for the Project.

"Very Low-Income Household" means a household whose gross income does not exceed fifty percent (50%) of the Area Median Income, adjusted for Actual Household Size.

3. Affordability Restrictions and Unit Schedule

Upon issuance of a final certificate of occupancy and for the entire Period of Affordability (as defined in Section 9, below), the Project shall be rented to, at a Rent no greater than Affordable Rent, and occupied by (or if vacant, available for occupancy by) Households with incomes as described according to the following schedule of Restricted Units:

	1 bedroom	2 bedroom	bedroom	4 bedroom
At or Below 60% AMI	41	6	0	0

4. Tenant Selection Standards

During the Period of Affordability the Owner shall select tenants in conformance with the requirements of California Code of Regulations, Title 25, Division 1, Chapter 7, Subchapter 19, Section 8305.

- a. Owner shall rent vacant Restricted Units only to Eligible Households in accordance with a Management Plan approved by City. Such Management Plan may be periodically altered and such alteration must be submitted to and approved by City prior to use. The Management Plan shall include:
 - (1) Reasonable criteria for selection or rejection of tenant applications which shall not discriminate in violation of any federal, state or local law governing discrimination, or any other arbitrary factor;
 - (2) Prohibition of local residency preferences, except where accompanied by an equal preference for employment in the local area and applied to areas not smaller than municipal jurisdictions or recognized communities within unincorporated areas;
 - (3) Tenant selection procedures that include the following components, and that are available to prospective tenants upon request:
 - (A) Selection of tenants based on order of application, lottery or other reasonable method approved by City;
 - (B) Prompt written notification to tenant applicants of eligibility for residency and, based on turnover history for Restricted Units, the approximate date when a Restricted Unit may be available;
 - (C) Prompt written notification of tenant applicants who are found ineligible to occupy a Restricted Unit of their ineligibility and the reason for the ineligibility, and of their right to appeal this determination;
 - (D) Maintenance of a waiting list of applicant households eligible to occupy Restricted Units designated for various tenant income levels, which shall be made available at no charge to prospective tenants upon request;
 - (E) Targeting specific special needs populations in accordance with this Agreement and applicable laws; and
 - (F) Affirmative fair housing marketing procedures as specified in the Affirmative Fair Housing Marketing Plan Compliance Regulations of HUD, 24 CFR Part 200.620(a)-(c), 24 CFR Part 92.351(a) or similar affirmative fair marketing housing plan as approved by City.
- b. Owner shall rent vacant Restricted Units to households with no less than the number of people specified in the following schedule:

Unit Size	Minimum Number of Persons in Household
1- BR	1
2-BR	2

Owner may assign tenant households to Restricted Units of sizes other than those indicated as appropriate in the table above if Owner reasonably determines that special circumstances warrant such an assignment and the reasons are documented in the tenant's file. Owner's determination is subject to approval by City. Through the Management Plan, Owner may receive advance approval of categorical exceptions to the above schedule.

5. Certification of Tenant Income, Household Size and Age Qualifier

- a. The income and household size of all households occupying Restricted Units, and evidence that at least one (1) member of the household is age sixty-two (62) or older, shall be certified by Owner prior to occupancy and recertified annually thereafter in a manner approved by City and specified in the Project's Management Plan.
- b. If the income of a tenant upon recertification exceeds the upper limit for households at or below sixty percent (60%) of AMI, the tenant must pay as rent the lesser of the amount payable by the tenant under State or local law or thirty percent (30%) of the household's adjusted monthly income for rent and utilities; except that the rent may not exceed the market rent for comparable, unassisted units in the neighborhood.
- c. If at the time of recertification a tenant's household size has changed and no longer meets the occupancy standards pursuant to Section 4b, Owner may require the tenant to move to the next available appropriately sized unit.

6. Marketing Plan

- a. Not later than one hundred and twenty (120) days prior to the anticipated date of issuance of a certificate of occupancy for the Project, Owner shall prepare a Marketing Plan for City's review and approval, and shall implement such plan as approved by the City. The Marketing Plan shall specify how Owner intends to market the Project to prospective tenants in the Project's market area in accordance with fair housing laws and this Agreement. The Marketing Plan shall specifically address how Owner intends to market the Project to underserved populations in the Project's market area and the frequency of marketing efforts. City agrees that Owner may utilize the HUD 935.2 Affirmative Fair Housing Marketing Plan for these purposes.
- b. Owner agrees to evaluate the effectiveness of the Marketing Plan in reaching underserved populations on an annual basis and to revise it as necessary to better

reach underserved populations that are not being reached. Any revised Marketing Plan shall be submitted to City for approval prior to implementation.

7. Unit Standards

For the full Permanent Loan term, the number, size, type, and amenity level of Restricted Units shall not be fewer than the number nor different from the size, type and amenity level described in Section 3 and Recital A, above.

8. Rental Agreement and Grievance Procedures

The rental agreement and grievance procedures shall be in accordance with California Code of Regulations, Title 25, Division 1, Chapter 7, Subchapter 19, Section 8307.

- a. One-year Term All rental or occupancy agreements shall be for a term of not less than one (1) year unless by mutual agreement between the tenant and Owner.
- b. City Approval All rental or occupancy agreements are subject to City approval; and shall include the following:
 1. Provisions requiring good cause for termination of tenancy;
 2. A provision requiring that the facts constituting the grounds for any eviction be set forth in the notice provided to the tenant pursuant to state law;
 3. A notice of grievance procedures for hearing complaints of tenants and appeal of management action; and
 4. A requirement that the tenant annually recertify household income and size.
- c. Termination of Tenancy Owner shall not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violations of the terms and conditions of the lease; for violation of applicable federal, state, or local law; or for other good cause.
- d. Written Notice To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant in compliance with State law, specifying the grounds for the action, and served at least thirty (30) days prior to the termination of the tenancy.
- e. "Good Cause" One or more of the following, without limitation, may constitute "good cause":
 1. Failure by the tenant to maintain applicable eligibility requirements as imposed by City or other state or federal funding sources or tax credits;

2. Material noncompliance by the tenant with the lease, including one or more substantial violations of the lease or habitual minor violations of the lease which:
 - A. Adversely affect the health and safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related Project facilities;
 - B. Substantially interfere with the management, maintenance, or operation of the Project; or
 - C. Result from the failure or refusal to pay, in a timely fashion, Rent or other permitted charges when due. Failure or refusal to pay in a timely fashion is a minor violation if payment is made during the three- (3-) day notice period;
 3. Material failure by the tenant to carry out obligations under federal, State, or local law;
 4. Subletting by the tenant of all or any portion of any Project Unit;
 5. Any other action or conduct of the tenant constituting significant problems which can be reasonably resolved only by eviction of the tenant, provided Owner has previously notified the tenant that the conduct or action in question would be considered cause for eviction. Examples of action or conduct in this category include the refusal of a tenant, after written notice, to accept reasonable rules or any reasonable changes in the lease or the refusal to recertify income or household size.
 6. Notwithstanding the foregoing, if any part of this Section 7(e) is determined to not be "good cause" pursuant to Section 42 of the Internal Revenue Code of 1986, Section 42 of the Internal Revenue Code of 1986 shall control
- f. Prohibited Lease Provisions The lease may not contain any of the following provisions:
1. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of Owner or Owner's agent in a lawsuit brought in connection with the lease;
 2. Agreement by the tenant that Owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, shall not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Owner may dispose of this personal property in accordance with State law;

3. Agreement by the tenant not to hold Owner or Owner's agent(s) legally responsible for any action or failure to act, whether intentional or negligent;
 4. Agreement of the tenant that Owner or Owner's agent may institute a lawsuit without notice to the tenant;
 5. Agreement by the tenant that Owner or Owner's agent may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 6. Agreement by the tenant to waive any right to a trial by jury;
 7. Agreement by the tenant to waive tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 8. Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- g. Rules of Conduct Owner shall establish reasonable rules of conduct and occupancy. Such rules shall be consistent with state law and regulations. Said rules shall be in writing and shall be given to each tenant upon occupancy. Any changes shall become effective no fewer than thirty (30) days after giving written notice thereof to each tenant household.
- h. Appeal & Grievance Procedures Owner shall adopt an appeal and grievance procedure to resolve grievances filed by tenants and appeals of actions taken by Owner with respect to tenants' occupancy in the Project, and prospective tenants' applications for occupancy. Owner's appeal and grievance procedures shall be subject to City's approval and, at a minimum, shall include the following:
1. A requirement for delivery to each tenant and applicant of a written copy of the appeal and grievance procedure;
 2. Procedures for informal dispute resolution;
 3. A right to a hearing before an impartial body, which shall consist of one or more persons with the power to render a final decision on the appeal or grievance; and
 4. Procedures for the conduct of an appeal or grievance hearing and the appointment of an impartial hearing body.
- i. Security Deposits Security deposits shall be required by tenants only in accordance

with State law and this Agreement. Any security deposits collected by Owner or Owner's agent shall be kept separate and apart from all other funds of the Project in a trust account with a depository insured by the Federal Insurance Deposit Corporation ("F.D.I.C") or comparable federal deposit insurance program, and shall be held and disbursed in accordance with State law. The balance of such account shall at all times equal or exceed the aggregate of all outstanding obligations under such account, plus accrued interest thereon.

9. Period of Affordability

Owner acknowledges that the Permanent Loan is being made to Owner under the terms and conditions of the DDLA to ensure affordable housing for Project tenants. To preserve affordability of the Restricted Units, Owner covenants that the Restricted Units shall remain affordable for a period of fifty-five (55) years (hereinafter referred to as the "**Period of Affordability**") from the date of "Project Completion" as specified at 24 CFR 92.2. It is intended by the parties to this Agreement, that this covenant shall run with the land in accordance with the provisions of 24 CFR 92.252, with the benefit of this covenant running to the City, in order to preserve the public interest in maintaining the affordability of the Restricted Units. The Period of Affordability will remain without regard to the term of any mortgage or the transfer of the Property ownership, other than by foreclosure or deed in lieu of foreclosure.

10. Restrictions on Sale, Transfer or Conversion

- a. Upon any sale or transfer, including transfer by gift, devise, descent, foreclosure, assignment, deed in lieu of foreclosure, condemnation, or voluntary or involuntary bankruptcy, of the Property without the prior written approval of City, all principal, interest and costs then owing upon the Permanent Loan will become immediately due and payable to City.
- b. City may approve a sale, transfer or conveyance of the Property provided that all of the following conditions are met: (i) the existing Owner is in compliance with this Agreement or the sale, transfer or conveyance will result in the cure of any existing violations of this Agreement; (ii) the successor-in-interest to Owner agrees to assume all obligations of the existing Owner pursuant to this Agreement; (iii) the successor-in-interest demonstrates to City's satisfaction that it can own and operate the Project in full compliance with all City requirements; and (iv) City determines, in the sole exercise of its reasonable discretion, that no terms of the sale transfer or conveyance threaten City's security or the successor's ability to comply with all requirements of this Agreement.
- c. Owner shall not convert the Project to condominium or cooperative ownership or sell condominium or cooperative rights to the Project or any part thereof during the Period of Affordability.
- d. Nothing contained in this Section 10 shall prohibit the transfer of the Property or Owner's interest therein that is permitted under Article VIII of the DDLA.

11. Restrictions on Encumbrances.

Owner covenants that Owner has not, and shall not enter into or execute any other agreement with provisions contrary to the provisions of this Agreement, or contrary to the intent of maintaining the affordability of the Property for the full Period of Affordability described in Section 9, above; provided, however, that Owner may, without the written consent of City, enter into a Regulatory Agreement with CTCAC with regard to tax credits. In all cases, the provisions of 24 CFR 92.252(e) shall continue to apply to the Project. Owner further covenants that it has not, and shall not, otherwise encumber the Property, including without limitation by way of mortgage or deed of trust, or by judgment, mechanic's, tax or other lien without City's prior written consent.

12. Reserve Accounts

- a. Replacement Reserve. Commencing no later than the end of the second month following the initial occupancy of the Project or such other date as the City shall designate in writing, Owner shall establish a segregated interest-bearing replacement reserve account in an F.D.I.C. or other comparable federally-insured financial institution. Funds from the replacement reserve are to be used for defraying the cost of infrequent major repairs, and replacement of building components that are too costly to be absorbed by the Project's annual operating budget.
 - (1) Withdrawals from the replacement reserve shall require prior written approval of the City. Should the City fail to take action on a request for an eligible withdrawal from the replacement reserve within thirty (30) days of documented receipt of the request, that request shall be deemed approved.
 - (2) Withdrawals shall only be made for capital improvements, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Project that are reasonably required to preserve the Property.
 - (3) The replacement reserve shall be funded from Operating Income or a combination of Operating Income and development sources as required by lenders and other funding sources. The City may periodically adjust the amount of required deposits to the replacement reserve for the Project based on the results of reserve studies or other reliable indicators of the need for replacement reserve funds over time.
- b. Operating Reserve. Commencing no later than the end of the second month following the initial occupancy of the Project, or such other date as the City shall designate in writing, Owner shall establish an operating reserve account or subaccount within the Project's general operating account in an amount required by lenders and other funding sources.
 - (1) Funds from the operating reserve shall be used for defraying operating shortfalls arising from unforeseen circumstances beyond the rent-up period.

- (2) Withdrawals from the operating reserve shall require prior written approval of the City. Should the City fail to take action on a request for an eligible withdrawal from the operating reserve within thirty (30) days from documented receipt of the request, that request shall be deemed approved.
- (3) Owner shall fully replace any withdrawals from the operating reserve using available cash flow prior to use of any cash flow to pay deferred developer fee, asset management, partnership management or similar fees, or distributions.
- (4) Upon occurrence of both of the following events, the City may reduce the required minimum balance: (i) operation at a debt service coverage ratio of 1.15 or greater for five (5) years; and (ii) operation at an Operating Expense coverage ratio of 1.08, where Operating Expense ratio is defined to equal effective gross income, less required replacement reserve deposits and non-contingent debt service, divided by total Operating Expenses, not including the approved cost of supportive services coordination.
- (5) Where all development funding sources are legally precluded from using their funds to capitalize the operating reserve as required by lenders and other funding sources, the operating reserve may be funded from Operating Income, provided that cash flow is sufficient to reasonably ensure that the required balance can be accumulated within six (6) years of initial occupancy.

13. Accounting Records, Audits. In a manner subject to City approval, Borrower shall maintain on an accrual or modified accrual basis, a general ledger accounting system that is posted monthly and that accurately and fully shows all assets, liabilities, income and expenses of the Project. All records and books relating to this system shall be kept for a period of at least seven (7) years and in such a manner as to ensure that the records are reasonably protected from destruction or tampering. All records shall be subject to City inspection and audit. In addition, Borrower shall obtain and provide to City an annual independent audit performed by a certified public accountant using generally accepted accounting principles.

14. Use of Income from Operations.

- a. Owner, or Owner's management agent, shall promptly deposit all Operating Income in a segregated account established exclusively for the Project with an F.D.I.C. or other comparable federally-insured financial institution.
- b. Withdrawals from this account shall be made only in accordance with the provisions of this Agreement, and the approved budget, and shall be disbursed, applied, or reserved and set aside for payment when due, in the following priority, to the extent available: (1) salaries, wages, and any other compensation due and payable to the employees or agents of Owner employed on site in connection with the maintenance, administration or operation of the Project, along with all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required in

connection with such employees; (2) all charges incurred in the operation of the Project in connection with utilities, real estate taxes and assessments, and liability, fire and other hazard insurance; (3) payments of required interest, principal, impounds, fees and charges, if any, on loans other than the Permanent Loan that are secured by liens on the Property and that have been approved by the City; (4) all other expenses incurred to cover operating costs, including the fee of the managing agent and any extraordinary expenses, in accordance with the approved annual operating budget of the City or as otherwise approved in advance by the City; (5) deposits to required operating and replacement reserve accounts.

- c. The balance of Operating Income remaining after the payments described in Section 21(b) above shall be deemed "Residual Receipts" to be paid and applied as provided in Section 15 below.

15. Surplus Cash and Distributions.

Surplus Cash (or Residual Receipts) shall be applied as described in the Note.

16. Non-Discrimination; Compliance with Fair Housing Laws

a. Fair Housing. Owner shall comply with State and Federal fair housing laws in the marketing and rental of the units in the Project.

b. Non-Discrimination. Owner shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Owner covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or part thereof. Owner shall include such provision in all deeds, leases, contracts and other instruments executed by Owner, and shall enforce the same diligently and in good faith.

All deeds, leases or contracts made or entered into by Owner, its successors or assigns, as to any portion of the Property or the Improvements shall contain the following language:

- (1) In Deeds, the following language shall appear:

“Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.”

Notwithstanding the above paragraph, with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(2) In Leases, the following language shall appear:

“The lessee herein covenants by and for the lessee and lessee’s heirs, personal representatives and assigns, and all persons claiming under the lessee or through the lessee, that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein leased.”

Notwithstanding the above paragraph, with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(3) In Contracts

“There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the land.”

17. Default and Remedies

a. Events of Default The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") hereunder:

(1) The occurrence of a transfer, sale or conversion in violation of Section 10 hereof or an encumbrance in violation of Section 11 hereof;

(2) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("Bankruptcy Law"), Owner or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Owner or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Owner or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(3) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging the Owner to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Owner or seeking any arrangement for Owner under bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of Owner in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Owner;

(4) Owner shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the property or the improvements thereon, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(5) Owner shall have voluntarily suspended its business or Owner shall have been dissolved or terminated; or

(6) Any material breach by Owner or any of its successors of any representation, warranty or covenant hereunder, which is not cured within thirty (30) days after notice thereof given by the City or Agency, or, if a cure is not possible within thirty (30) days, where cure is not commenced within thirty (30) days and thereafter diligently prosecuted to completion.

b. Remedies If an Event of Default occurs under the DDLA, this Agreement or documents for the Permanent Loan, City may give written notice to the Owner by certified mail or any express delivery service with a delivery receipt requested. If the breach or violation is not cured to the satisfaction of the Party so notifying Owner within the time period specified in the notice, which shall not be fewer than thirty (30) days, the notifying Party may declare a default and may seek legal remedies including the following:

(1) Collect all rents and income in connection with the operation of the Project and use the same and the reserve funds for the operation and maintenance of the Project.

(2) Take possession of the Project and bring any action necessary to enforce any rights of the Owner arising from the operation of the Project, and operate the Project in accordance with the terms of this Agreement until such time as the City, in its sole discretion, shall determine that the Owner is again in a position to operate the Project in accordance with the terms of this Agreement.

(3) Apply to the applicable State or federal court for an order of specific performance of this Agreement, or for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, or for such other relief as may be appropriate. It is agreed by the Owner that the injury to the City arising from a default under any of the terms of this Agreement would be irreparable, and that the amount of compensation which would provide adequate relief to the City, would be impossible to ascertain.

(4) Accelerate all amounts, including outstanding principal and interest, due under the Permanent Loan, and demand immediate repayment thereof. Upon a failure to repay such accelerated amount in full, the City may proceed with a foreclosure in accordance with the provisions of the Deed of Trust and State law regarding foreclosures. However, in the event of a nonmonetary breach that cannot reasonably be cured within the time period set forth in the notice, the Permanent Loan may not be accelerated hereunder if within said designated time Owner gives written notice to City of Owner's intention to cure said breach, and diligently prosecutes and effects such cure no later than sixty (60) days from the date such notice of breach is given.

(5) The City may seek such other remedies as may be available under law or equity.

(6) In the event that the breach or violation involves the rents to tenants or other charges in excess of those permitted under this Agreement, the City may demand, and seek as an additional remedy, the return of such excess rents or other charges to the affected households.

(7) The tenants of the Restricted Units shall be considered to be third-party beneficiaries of this Agreement, and shall have such rights and remedies to enforce the requirements of this Agreement as may be available to third-party beneficiaries under the law.

c. Remedies Cumulative The remedies of the City hereunder are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the City of any one or more of its other remedies.

d. Rights of Limited Partners. Owner's limited partners shall have the right to cure any default of Owner hereunder upon the same terms and conditions afforded to Owner. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to Developer's limited partner(s) at the following address (or such alternate address designated by such limited partner(s) from time to time in a written notice to City).

18. Recordkeeping and Reports

Owner or the management agent designated by Owner, as approved by City, will be responsible for recordkeeping and reports, including those required to comply with Fair Housing and Equal Opportunity requirements, as may be required by City. The management agent will establish and maintain a comprehensive system of records, books, and accounts in a manner conforming to the directives of Owner in order to assist City in meeting Federal and State recordkeeping and reporting requirements, as applicable. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of City. All such records and books shall be kept for a period of at least seven (7) years in a manner designed to protect them from destruction or tampering, and shall be subject to inspection and audit by the City, or its authorized agents.

19. Maintenance & Management

- a. Owner is solely and specifically responsible for all maintenance, repair, and management functions for the Project, including without limitation, selection of tenants, certification and recertification of household income and size, evictions, collection of rents, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. Owner shall maintain units and common areas in a safe and sanitary manner in accordance with local health, building, and housing codes, HUD housing quality standards pursuant to 24 CFR 882.109. City shall not have any responsibility for management or maintenance of the Property or the Project, but shall have the remedies provided for in Section 14 hereof, which they may exercise at their option as applicable.
- b. Owner may contract with a management agent for the performance of the services or duties required in Section 19a above. However, doing so shall not relieve Owner of responsibility for proper performance of said duties. Any such contract shall contain a provision allowing Owner to terminate the contract without penalty with no more than thirty (30) days notice. Upon determination by City and notice to Owner that the contracted management agent has failed to operate the Project in accordance with this Agreement, Owner shall exercise such right of termination forthwith and shall

immediately make arrangements, subject to City approval, for continuing performance of the requirements of this Agreement.

- c. If Owner operates the Project directly without contracting with a management agent and City determines that the Project is not being operated in accordance with this Agreement, City may provide notice to Owner thereof, and may require Owner to contract with a management agent to operate the Project, or to make such other arrangements as City deems necessary to ensure performance of the requirements of this Agreement.

20. Inspections

- a. Owner shall allow City access to the Project to conduct inspections on an annual basis, or more frequently, with fourteen (14) days written notice to Owner.
- b. Owner shall provide tenants with a minimum of twenty-four (24) hours written notice prior to seeking access to a tenant unit for inspection purposes. In said notice, Owner shall clearly inform tenant of the purposes of the inspection.

21. Hazard & Liability Insurance

- a. Owner shall at all times keep the development insured against loss by fire, flood (as required pursuant to 24 CFR 92.358), and other such hazards, casualties, liabilities and contingencies, and in such amounts and for such periods as set forth in the DDLA. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to City. Property insurance policies shall name City as an additional insured in a manner approved by City.
- b. Insurance proceeds and condemnation awards for any loss to or taking of the Project, or any portion thereof, shall be applied or utilized by Owner as provided in the Deed of Trust for the Permanent Loan.

22. Governing Law

This Agreement shall be construed in accordance with and be governed by the laws of the State of California.

23. Successors and Assigns

This Agreement and all the covenants, promises, and agreements contained in it shall be binding on and inure to the benefit of the Parties and their respective legal and personal representatives, devisees, heirs, successors, and assigns.

24. Severability

If any provision of this Agreement shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby unless, in the sole discretion of City, the invalidity, or unenforceability of the provision negates the purpose of this Agreement and/or threatens the security for the City's Permanent Loan.

25. Venue

If either Party to this Agreement initiates any legal or equitable action to enforce the terms of this Agreement, to declare the rights of the parties under this Agreement, or which relates to this Agreement in any manner, the Parties agree that the proper venue for any such action is the Superior Court of the State of California of and for the County of Sacramento or in the United States District Court for the Eastern District of California, as applicable.

26. Attorneys' Fees and Costs of Enforcement

Owner agrees to pay any and all of City's costs with respect to enforcement of this Agreement, including City's reasonable attorneys' fees, costs and expenses. Furthermore, the prevailing party in any action to enforce this Agreement, including the tenants of Restricted Units, shall be entitled to reasonable attorneys' fees as determined by the trier of fact in that forum.

27. Counterparts/Originals

This Agreement may be executed in counterparts, each of which shall be an original and all of which together shall constitute one (1) entire Agreement.

28. Amendment

This Agreement shall not be altered or amended except in a writing executed by the Parties.

29. No Waiver

No waiver by the City of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach or default hereunder.

30. Captions

The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement.

31. Parties Not Co-Venturers

Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

32. Notice

Written notices and other written communications between the Parties shall be addressed to their principal place of business unless or until a Party communicates in writing to the other party that a different address should be used.

33. Hold Harmless

Except to the extent arising from the City's willful misconduct, Owner agrees to indemnify, defend and hold harmless the City and its agents, employees and officers (collectively, "**Indemnitees**") from and against any and all claims, losses, liabilities, causes of action or costs (including reasonable attorneys' fees) arising from or in connection with Owner's development, management, maintenance or operation of the Project.

34. Affordability Protocols

To the extent that State, Federal and local laws and regulations may conflict with respect to household income levels, rent levels, or similar provisions relating to affordability of the Project, the Parties acknowledge and agree that the intent of this Agreement is to provide the maximum affordability restrictions.

35. Entire Agreement

This Agreement, including Exhibit A, attached hereto and incorporated herein by this reference, together with the other City Documents, contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

SIGNATURES ON FOLLOWING PAGE.

By signing below, Owner accepts and agrees to the terms and covenants contained in this Agreement.

CITY:

The City of Rancho Cordova,
a California municipal corporation

By: _____

Name: _____

Title: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

OWNER:

UHC 00575 Rancho Cordova, L.P.,
a California limited partnership

By: _____

Its: _____

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 2014, before me, _____ 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)

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 2014, before me, _____ 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)

LEGAL DESCRIPTION

2286847.1

Exhibit G

Approved Plans per Design Review

MEMORANDUM



DATE: July 24, 2012

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator
William Campbell, Principal Planner

SUBJECT: RESOLUTION APPROVING A DESIGN REVIEW FOR HORIZONS @ NEW RANCHO – PROJECT NO. DD7563; LOCATED AT 2738 WOODBERRY WAY

APPLICANT/DEVELOPER: UHC 00516 Rancho Cordova, L.P. 2000 E Fourth Street, Suite 205 Santa Ana, CA 92705	ARCHITECTS: KTG Architecture + Planning 17992 Mitchell South Irvine, CA 92614 Stricker Cato Murphy Architects, P.S. 311 First Avenue South, Suite 300 Seattle, WA 98104
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PROJECT: FILE: LOCATION: APN: PLANNER:	Horizons @ New Rancho Design Review- Design Review approval for a 48 unit age restricted senior housing project. The City of Rancho Cordova and Urban Housing Communities will sponsor the development of this modular, three-story apartment project, consisting of 42 one-bedroom, 608 square feet, units and 6 two-bedroom, 828 square feet units. DD7563- Major Design Review 2738 Woodberry Way 057-0221-022 William Campbell, Principal Planner
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RECOMMENDATION

Adopt Resolution 75-2012

RESULT OF RECOMMENDED ACTION

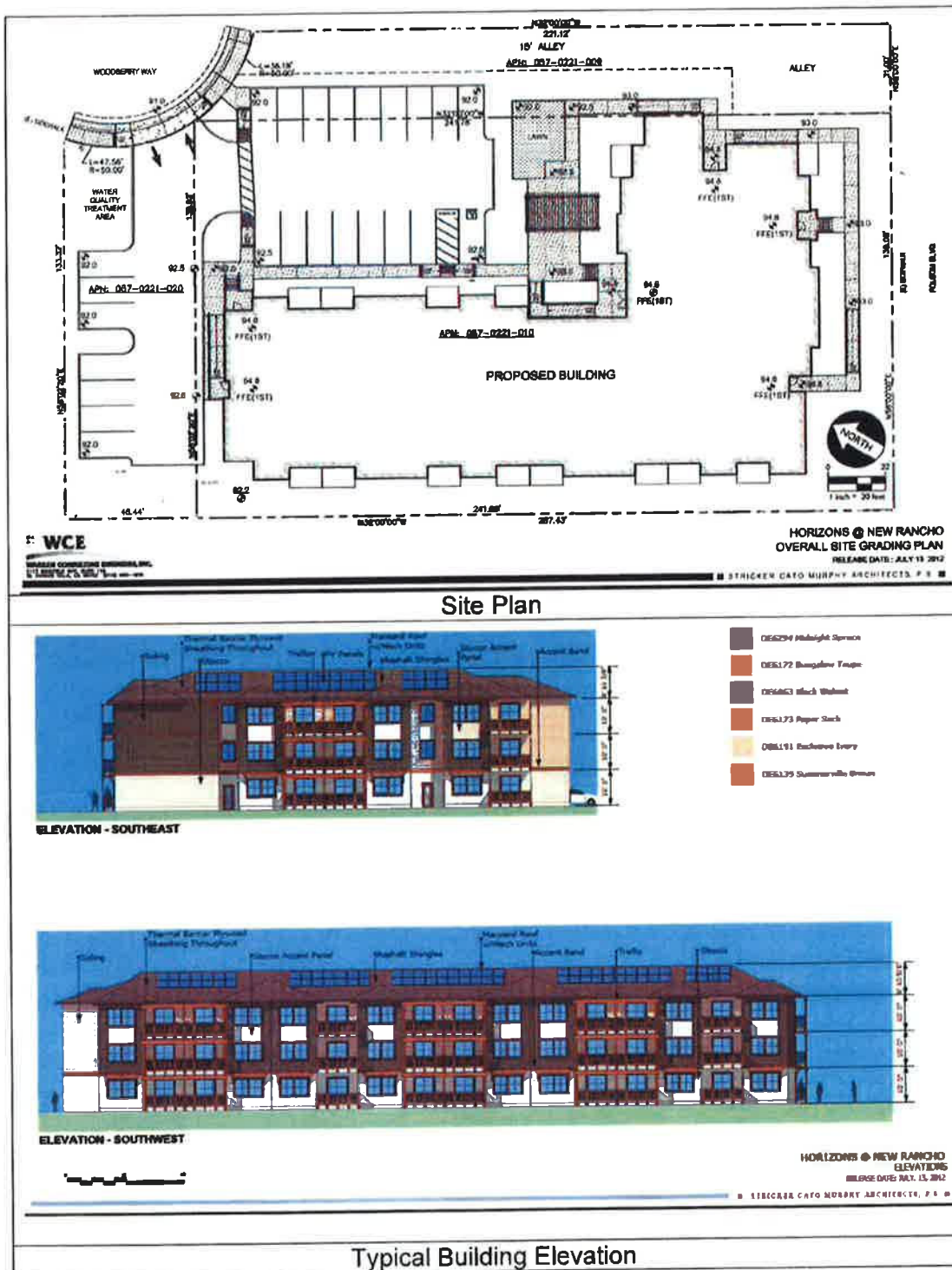
The proposed project is the second phase of the "New Rancho" project (the first phase being Crossings @ New Rancho) and will provide a total of 48 affordable units in an area close to transit and existing commercial establishments. The two projects, Crossings and Horizons, replace several severely deteriorated structures that negatively impacted the immediate area. The Horizons project will provide residential development on Folsom Boulevard, and will promote one of the major goals of the Folsom Boulevard Specific Plan to reduce substandard buildings along Folsom Boulevard.

ADVANCES GOALS: 1 and 2**BACKGROUND**

The City and Rancho Cordova Redevelopment Agency, before its demise, assisted its developer partner, Urban Housing Communities, to acquire seven properties which comprised the New Rancho Redevelopment Project. These actions were necessary in order to clear the old, deteriorated, and foreclosed housing units and commercial structures. The developer subsequently received approval for the construction of the first phase of the project plan – Crossings @ New Rancho. This development has been completed and is now fully occupied. With this application, Urban Housing Communities has initiated the second phase of the overall development plan, Horizons @ New Rancho. The City and Developer have entered into an Exclusive Negotiation Rights Agreement and plan to enter into a Development Disposition Agreement in November of this year to fully improve the remaining 1.07 acres. The Horizons will supply housing for 48 senior households and ultimately will be totally financed through private investment, State and Federal Grant funds and Tax Credit monies.



Figure 1- Location Map



The project is designed to be a single, three-story, apartment building served by an elevator and interior corridors. This project is unique for the City, in that the unit modules will be manufactured off-site, transported to the site, and then stacked. As such, the units provide

City Council Staff Report
July 24, 2012

3 of 5

Major Design Review
Horizons @ New Rancho

an interesting design option by allowing greater offsets to the building walls over conventional stick framing. The merits of the design are addressed in the finding and evidence section of the accompanying resolution. Staff believes the design will provide an attractive new concept for the area that can be used as a template for other new developments. The project design will incorporate energy saving features with the goal of a "Net Zero" electric use rating. The project will provide solar water heating and solar photovoltaic arrays to offset the energy needs of the units and the common area. The panels are proposed to be installed on the roof and on the top surface of the parking carports.

FOLSOM BOULEVARD SPECIFIC PLAN CONSISTENCY

The Folsom Boulevard Specific Plan is the regulatory document that guides development of the proposed project site. The Specific Plan includes both high level expectations for revitalizing Folsom Boulevard and specific development regulations that apply to individual projects.

Overall Specific Plan Goals

The Folsom Boulevard Specific Plan includes 11 specific goals that guide the transformation of development along the Boulevard. The following six goals from the Specific Plan pertain to the proposed project.

- *Create a Boulevard that will serve as the high-intensity development center of the City.*
- *Develop transit-oriented activity nodes strategically located at light rail stations and freeway interchanges; these nodes will serve as catalyst sites for redevelopment.*
- *Provide additional housing opportunities and developments that support transit ridership.*
- *Ensure development will take advantage of the proximity and availability of light rail to and from the Area.*
- *Create opportunity for identifiable project design that contributes to the enhanced character of the City.*
- *Enrich the pedestrian environment along the Boulevard through well designed and appropriately scaled/articulated projects.*

Staff has evaluated the proposed project against the relevant Specific Plan goals and found the project to be consistent with the intent of these goals. However, as initially proposed, the project does not appear to have an adequately strong relationship to Folsom Boulevard. The project should create a strong relationship and connection to Folsom Boulevard that would enhance pedestrian circulation, promote light rail ridership and encourage shopping at adjacent businesses. Therefore, staff has proposed conditions of approval to address improvements of the south face of the proposed building, adjacent landscape improvements and the fencing/gates along Folsom Boulevard to improve the connection between the project and Folsom Boulevard.

Consistency with Development Standards

The project is located within the UR-2 zone of the Folsom Boulevard Specific Plan and the development standards that apply to the UR-2 zone are listed in the RMU Residential Mixed Use category of the Zoning Code, they include:

1. *Building Setbacks:*
 - *Front- 10 ft minimum*
 - *Interior side- 0 ft.*
 - *Rear- 10 ft. minimum*
2. *Building Height- 50 feet maximum*
3. *Floor Area Ratio- (na)*
4. *Density- 6 (min.) to 40 (max.) units/acre- current project is 44.85 units/acre.* City Council approved a density bonus for this site by Resolution 15-2010.
5. *Parking Standards:* The Specific Plan defers to the Rancho Cordova Zoning Code for determining required on-site parking. Consistent with Zoning Code requirements, the project is providing a total of 24 onsite parking spaces that provides approximately .5 parking spaces per unit. 18 of the 24 spaces are covered and the structures will support some of the solar panels.

The proposed project will meet the minimum development standards.

CONCLUSION

The approval of this project will allow the Developer to submit for State grant funding and to receive tax credits for the development. This project will also contribute to the stated goals and policies of the Housing Element in meeting the targeted objectives towards providing housing for all economic groups while satisfying certain City obligations for the timely replacement of substandard housing demolished within the Redevelopment area.

ENVIRONMENTAL ANALYSIS

This project is Categorically Exempt under Section 15332, In-Fill Development, of the California Environmental Quality Act Guidelines. A full Environmental Assessment has been conducted and updated that fulfills the NEPA requirements for this project and it has been approved by both the Federal Department of Housing and Urban Development and the California Department of Housing and Community Development.

RECOMMENDED MOTION

"Move the City Council adopts Resolution 75-2012 approving the design of the 48 unit senior housing project as submitted, subject to the design package, Exhibit A and the Conditions of Approval, Exhibit B."

ATTACHMENTS

1. Resolution 75-2012, including Design Package (Exhibit A) and Conditions of Approval (Exhibit B).
2. 500' radius map
3. Mailing labels used for Public Hearing Notice

CITY OF RANCHO CORDOVA

RESOLUTION NO. 75-2012

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING A DESIGN REVIEW FOR THE HORIZONS @ NEW RANCHO,
PROJECT DD7563**

WHEREAS, UHC 00575 Rancho Cordova, L.P. (hereinafter referred to as Applicant) filed an application with the City of Rancho Cordova to approve a Design Review for a new three story 48 unit affordable housing senior project, known has the Horizons @ New Rancho; and

WHEREAS, The City Council previously approved a density bonus for the development of this site by Resolution 15-2010; and

WHEREAS, the City Council is the appropriate authority to hear and take action on this project; and

WHEREAS, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code section 65090 and has duly considered all written and verbal testimony presented during the hearing.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
HEREBY RESOLVES AS FOLLOWS:**

1. Determine the project assessment is adequate and complete according to the Guidelines of the California Environmental Quality Act.
 - a) ***Finding:** The project site has been analyzed in compliance with the California Environmental Quality Act. **Evidence:** The City of Rancho Cordova adopted an Environmental Impact Report for the Folsom Boulevard Specific Plan, and issues of aesthetics of the development for the project site were adequately addressed within the document. The project has further been determined to be categorically exempt, according to Section 15332 and the project will not create any significant adverse impact on the environment.*
2. Approve the Major Design Review, subject to the Project Plans (**Exhibit A**) and the Conditions of Approval (**Exhibit B**); supported by the following Findings and Evidence, as required by Zoning Code Section 23.141.050:
 - a) ***Finding:** The proposed project is consistent with the objectives of the General Plan, complies with applicable zoning regulations, Specific Plan provisions, and Special Planning Area provisions, and is consistent with the applicable Rancho Cordova Design Guidelines. **Evidence:** The General Plan designation and Folsom Boulevard Specific Plan designation for this property is Urban Reserve-2, wherein high density multi-family residential units are consistent with both designations. The proposed project has been designed to meet the applicable regulations of the Specific Plan and Design Guidelines, including setbacks, height regulations, and density for this site.*
 - b) ***Finding:** The proposed architecture, site design, and landscape are suitable for the purposes of the building and the site and will enhance the character of the neighborhood and community. **Evidence:** The Developer has provided a design package that clearly illustrates the composition and form of the new units. The basic structure is composed of modular units stacked to create the building form. A roof structure has been*

designed to give the appearance of a full roof, however a mechanical equipment well has been provided to hide the A/C units (see roof plan, Exhibit A). The new plan emulates characteristics of the Craftsman style and uses complementary materials and colors to coordinate with the "Crossings" project to the north. The three story structure is treated with a veneer of stucco on the ground floor and a combination of horizontal siding and stucco panels to accent the wall panels. The unit floor plans provide an opportunity to create offsets to the exterior walls of the building and the projecting balcony structure adds to the articulation of the structure. The Applicant has submitted preliminary landscape plans with the Design Review package (Exhibit A). A condition has been placed on the project that will require approval from the Planning Director, in order to accommodate refinements to the site improvement plans, prior to building permits are issued.

- c) **Finding:** *The architecture, including the character, scale, and quality of the design, relationship with the site and other buildings, building materials, screening of exterior appurtenances, exterior lighting and signing, and similar elements establishes a clear design concept and is compatible with the character of existing or anticipated buildings on adjoining and nearby properties.* **Evidence:** The architectural style is distinctive in mass and in its details for a structure that is modular and stacked. The color and material palettes are complementary to the Crossings project, which include stucco, horizontal sidings, and heavy timber balcony railings and support structure to add to the overall design of the building. The building wall mass is offset to provide greater articulation to the vertical mass, along with changing roof sheds to break the monotony of a single ridge roof system. The southern elevation, facing Folsom Blvd will be an attractive addition to the street front by incorporating the conditions of approval to that elevation and provide a better pedestrian connection to the boulevard.
- d) **Finding:** *The proposed project will not create conflicts with vehicular, bicycle, or pedestrian transportation modes of circulation.* **Evidence:** The units and site configuration have been designed to provide dedicated pedestrian walkways from the units to the public sidewalk. The on-site parking lot is appropriately configured to serve the units and reduce the conflict between vehicle and pedestrian movement. The project will also be linked to a more accessible path to Folsom Boulevard and the commercial businesses and transit opportunities along the corridor.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 24th day of July, 2012 by the following vote:

AYES: McGarvey, Cooley, and Vice Mayor Budge

NOES: None

ABSENT: Sander and Skoglund

ABSTAIN: None


 Linda Budge, Vice Mayor

ATTEST:


 Mindy Cuppy, CMC, City Clerk

Resolution No. 75-2012

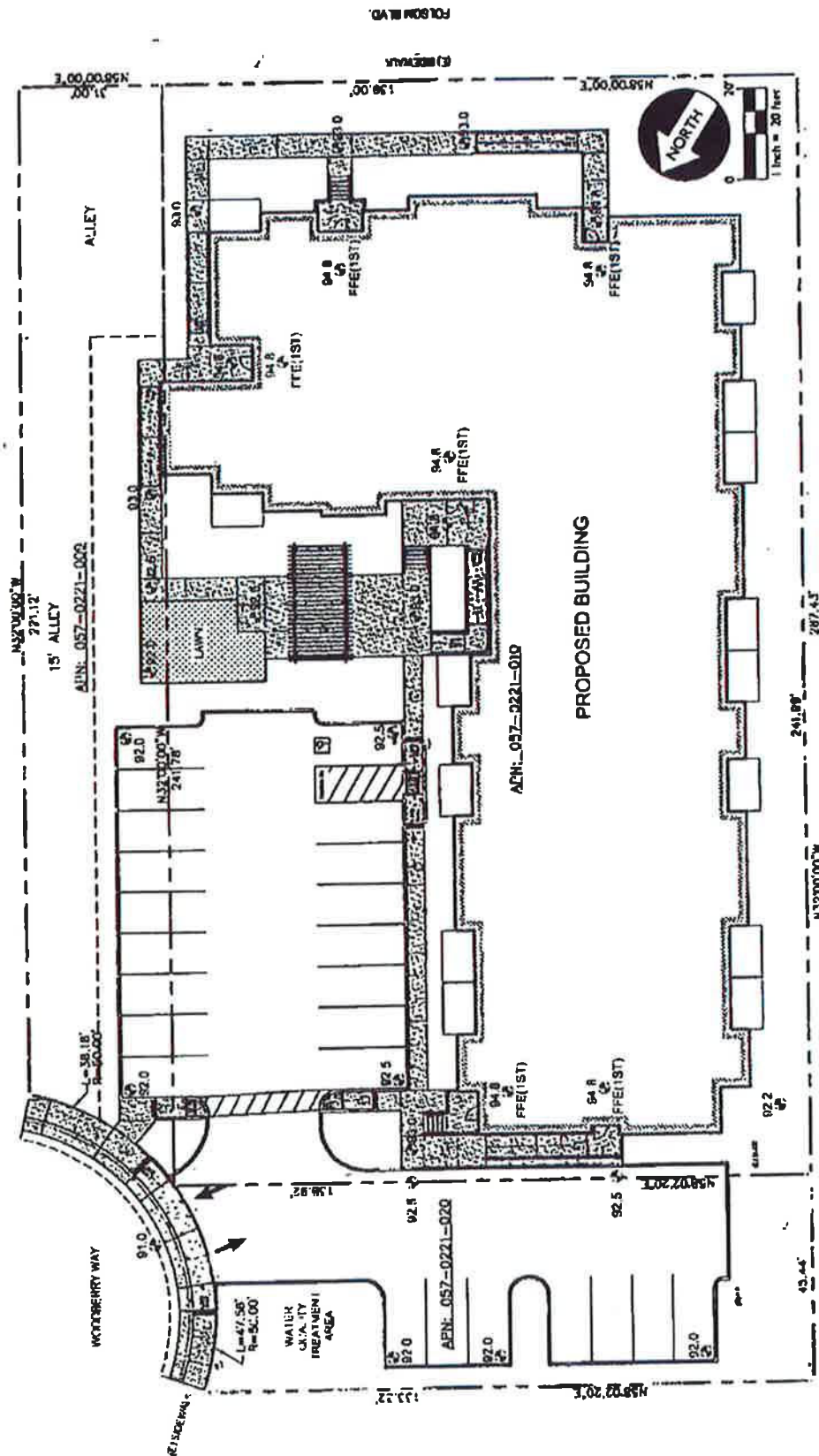
Page 2 of 2

EXHIBIT A

**HORIZONS @ NEW RANCHO
OVERALL SITE GRADING PLAN**

RELEASE DATE: JULY 13, 2012

■ SINKER CALQ MURPHY ANCHIECT3, P.S. ■



WCE

WILKINSON CONSULTING ENGINEERS, INC.
11111 JACOBSON AVE., SUITE 114
COLUMBIA, MD. 21046 (301) 988-1830

EXHIBIT A

STICKER CATO MURPHY ARCHITECTS 311 1st AVE. S., STE. 300 SEATTLE, WA 98101 TEL (206) 222-4800 FAX (206) 322-2875 WWW.SCM-ARCH.COM

505 V

HORIZONS @ NEW RANCHO
URBAN HOUSING COMMUNITIES

HORIZONS @ NEW RANCHO

A2.01

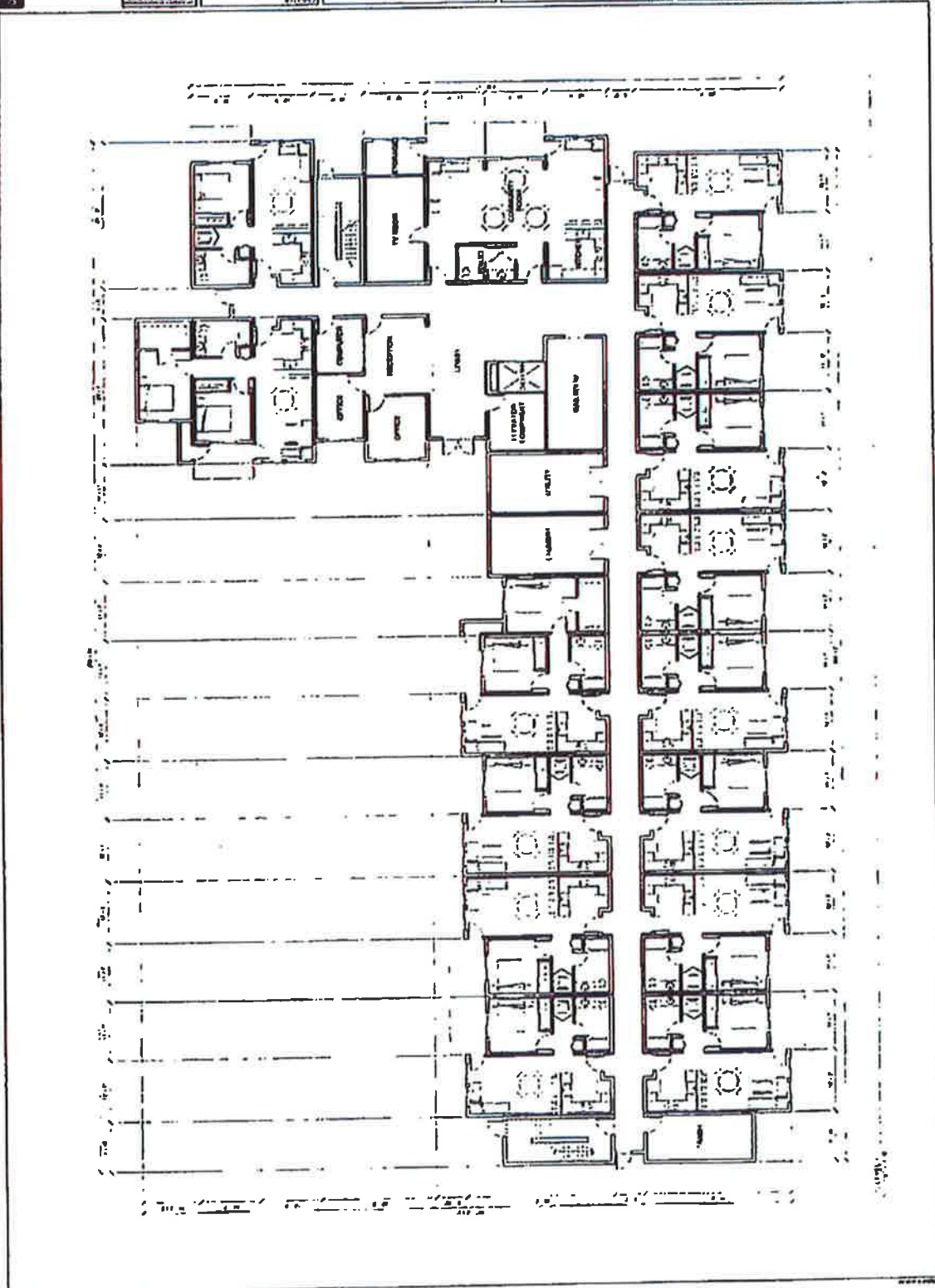


EXHIBIT A

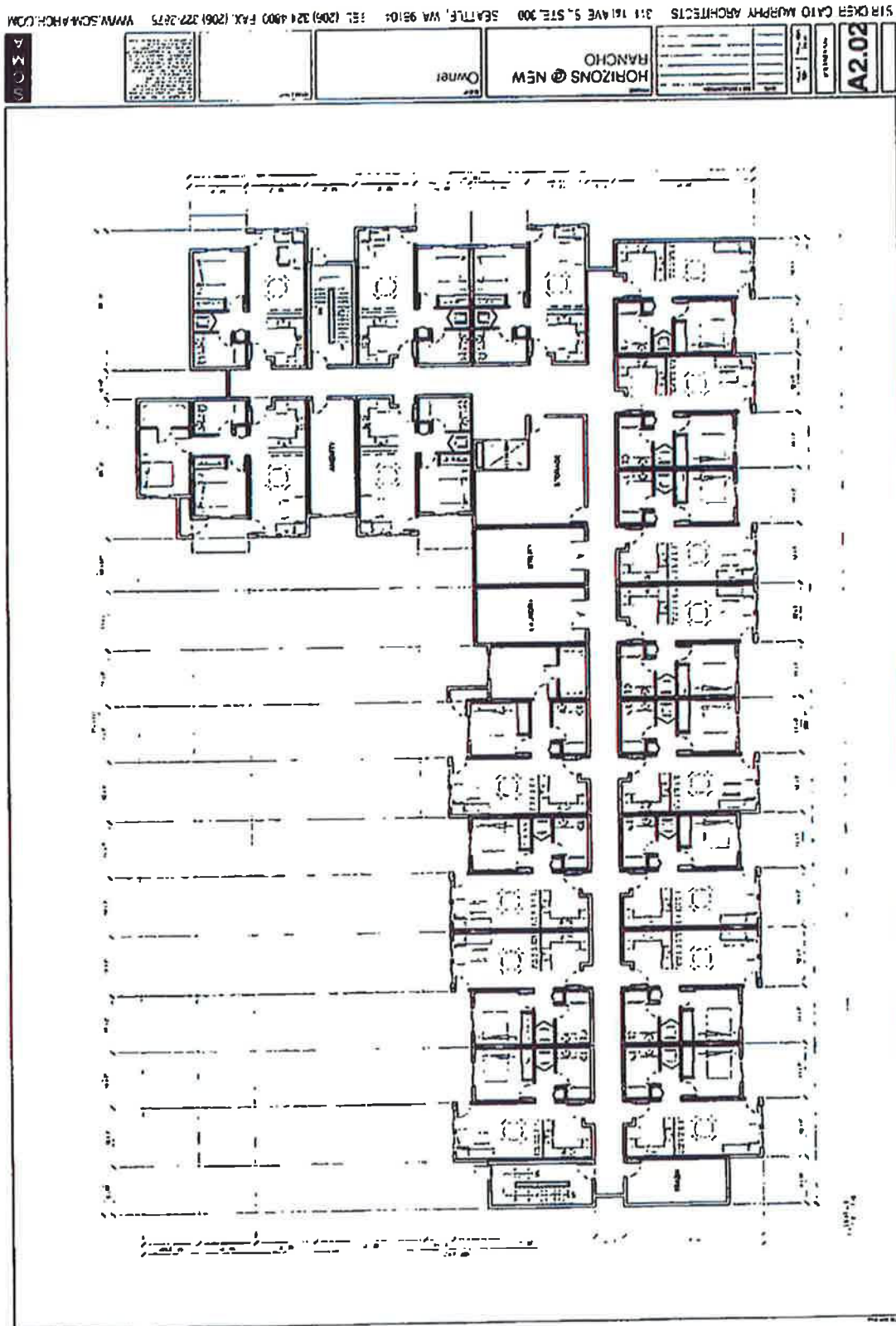
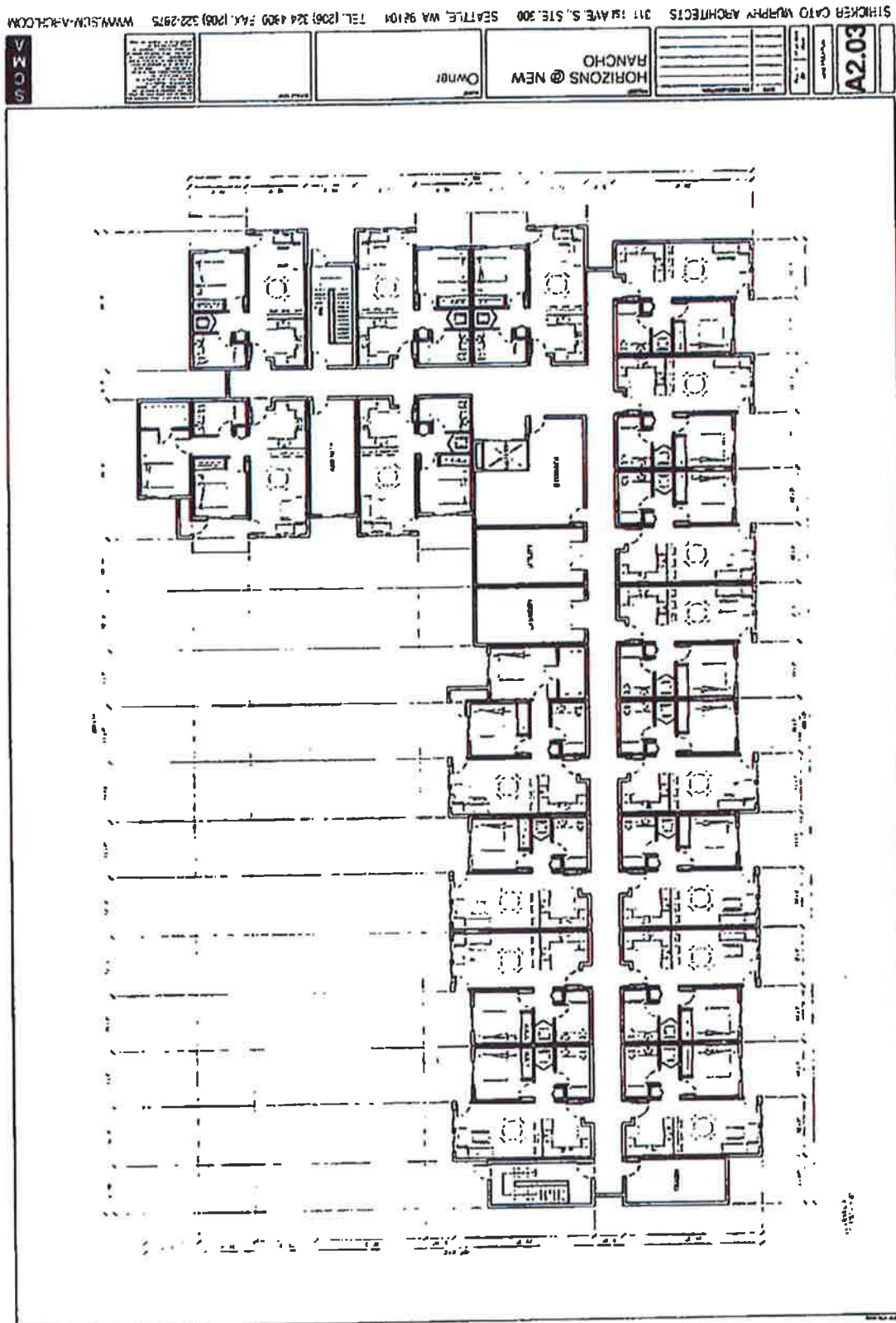


EXHIBIT A



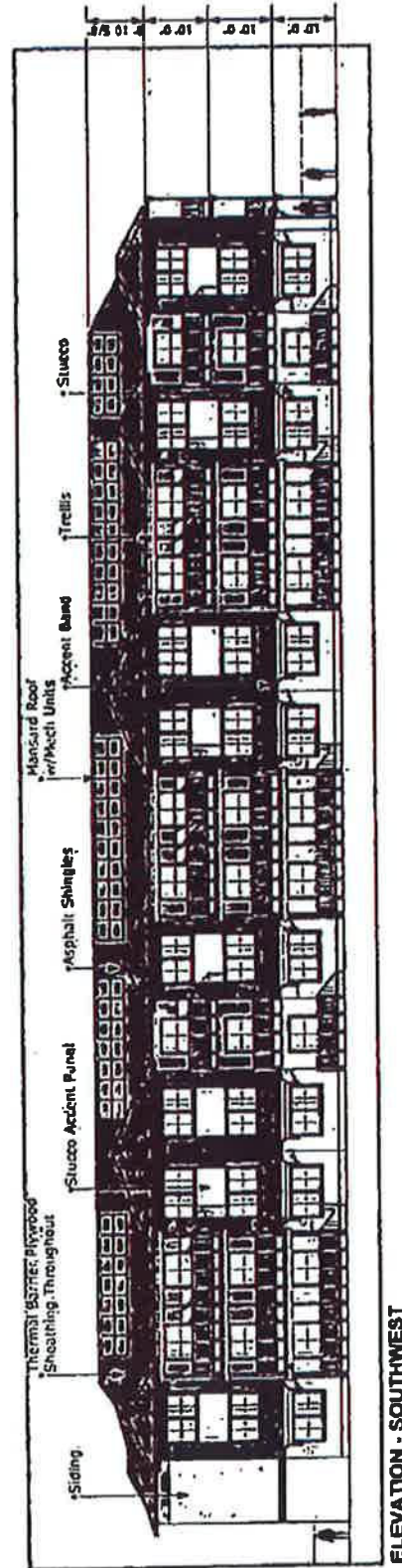
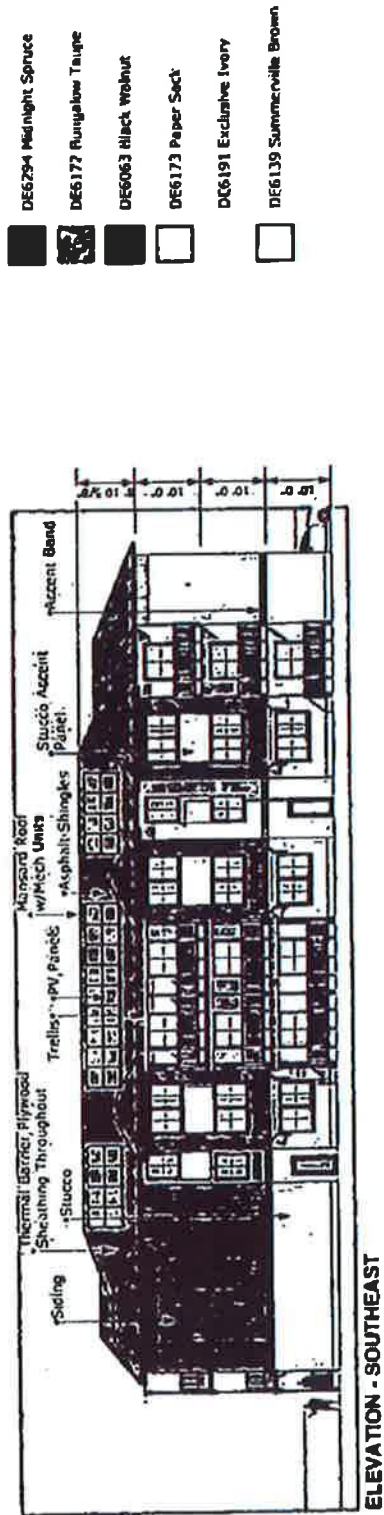


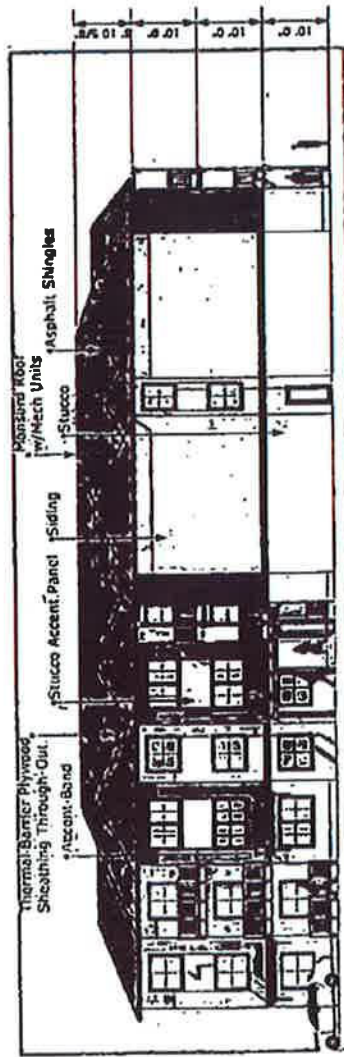
EXHIBIT A
HORIZONS • NEW RANCHO
ELEVATIONS
DATE: MAY 13, 2017
BY: SYDNEY CATO MURPHY ARCHITECTS, P.C.

EXHIBIT A

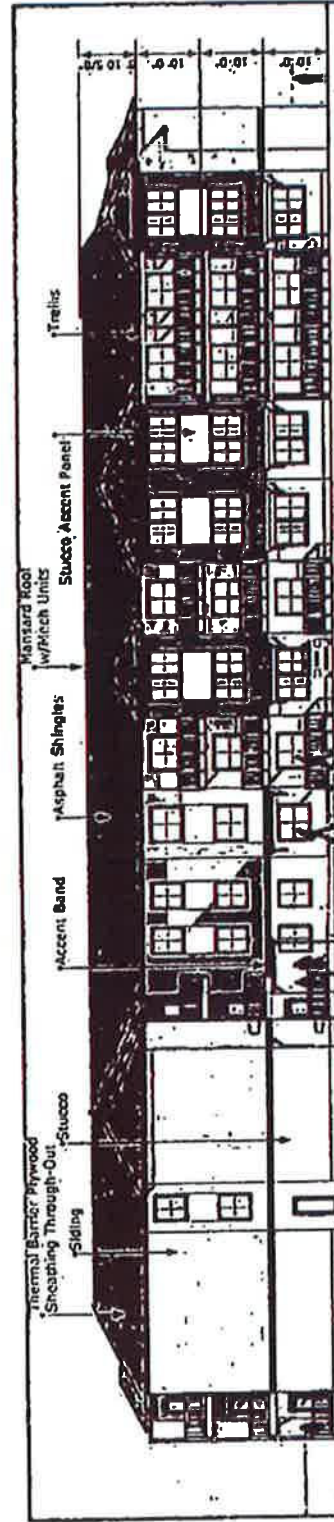
HORIZONS • NEW RANCHO
ELEVATIONS
DATE: JULY 13, 2012

BY: STRICKER CATO MURPHY ARCHITECTS, P.C.

- DE6294 Midnight Spruce
- DE6172 Bungalow Taupe
- DE6063 Black Walnut
- DE6173 Paper Sack
- DE6191 Exclusive Ivory
- DE6139 Sunnysville Brown



ELEVATION - NORTHWEST



ELEVATION - NORTHEAST



EXHIBIT A

HORIZONS • NEW RANCHO
ROOF PLAN

RELEASE DATE: JULY 13, 2012

• STRICKER CATO MURPHY ARCHITECTS, P.A. •

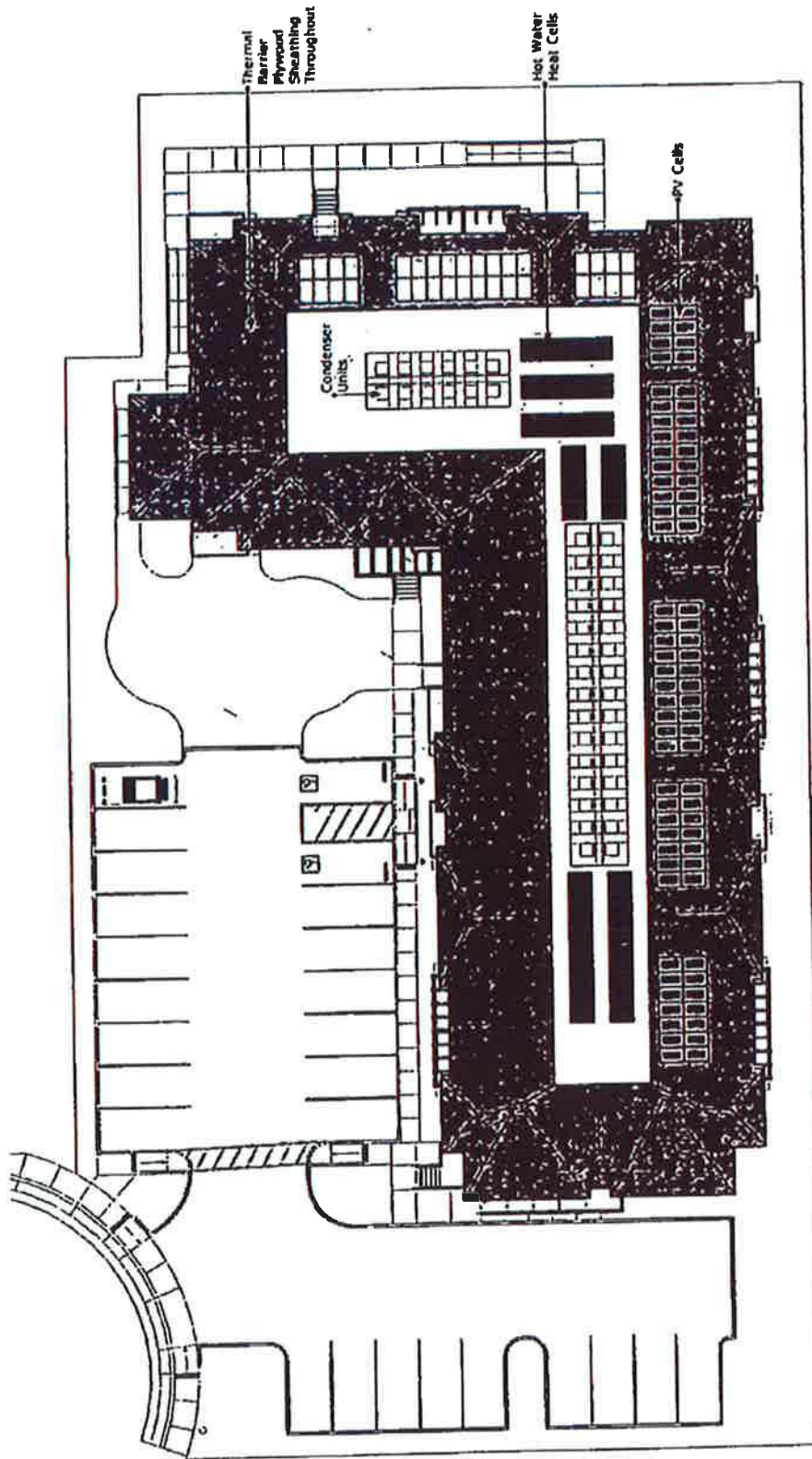


EXHIBIT B

Conditions of Approval

	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and signature)</u>
1.	On-Going	Planning	
2.	On-Going	Planning	
3.	On-Going	Finance	
4.	On-Going	Public Works	

The project shall be constructed in substantial compliance with the approved Design Review Package (Exhibit A) for the three story 48 unit senior housing project, located on Woodberry Way, north of Folsom Blvd. This Design Review approval applies to the following APN's: 057-0221-022.

The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to any plaintiff in an action challenging the validity of this permit or any environmental or other documentation related to approval of this permit. Applicant further agrees to provide a defense for the City in any such action.

Applicant shall not carry a negative account balance with the City for the processing of the project. If a negative account balance occurs, it will be the developer's responsibility to pay the balance due, in order to avoid delays in the processing of future permits or recordation of maps. Please email the Finance Department at billings@cityofranchocordova.org for the status of your account with the City.

Applicant shall be responsible for all damage to City streets associated with construction of the project and shall repair any damage as soon as possible.

Horizons @ New Rancho – Design Review
Project No. DD7563

City Council-FINAL
July 24, 2012

EXHIBIT B

Conditions of Approval

Prior to Issuance of Improvement Plans			
	Prior to Approval of Improvement Plans	Public Works	
5.	Applicant shall photo-document the condition of adjacent streets, sidewalks and infrastructure to the satisfaction of the Public Works Department.		
6.	Enter into a frontage agreement for those portions of Woodberry Way and Folsom Blvd the project is adjacent and bond for construction of public improvements to the satisfaction of the Public Works Department.	Public Works	
7.	Provide drainage easements as needed and pay any fee required by the Sacramento County Water Agency Code. Install facilities pursuant to the Sacramento County Floodplain Management Ordinance, Sacramento County Water Agency Code, and City of Rancho Cordova Improvement Standards. If the system is to be a private system, then it shall be labeled as such on the improvement plans and a copy of an approved and executed private maintenance agreement shall be provided to the City of Rancho Cordova.	Public Works	
8.	Incorporate into the site improvement plans storm water quality measures in conformance with applicable County ordinances & standards, and state and federal law. The project may implement low impact development design pursuant to and consistent with <i>The Storm Water Quality Design Manual for the Sacramento & South Placer Regions</i> . Such implementation may be able to reduce the storm water quality treatment requirement.	Public Works	
9.	Annex to the Storm Water Utility District.	Public Works	
10.	Applicant shall submit improvement plans to the satisfaction of the Public Works Department. Improvement plans shall include, but shall not be limited to: • All onsite civil improvements. • Civil plan shall include an ADA access plan.	Public Works	

City Council-FINAL
July 24, 2012

2

Horizons @ New Rancho – Design Review
Project No. DD7563

EXHIBIT B

Conditions of Approval

	• All property frontage on Woodberry Way and Folsom Blvd, including but not limited to, sidewalk, driveways, curb & gutter, etc. shall be removed and replaced to meet current ADA requirements and City Standards. The current improvements do not meet ADA guidelines. • Indicate the size and location of all driveways. • Location of all utility laterals to the site. • Public improvement plans shall clearly delineate all transitions to existing improvements. • All improvements to be designed and constructed to the satisfaction of the Public Works Department.			
11.	If the total area of the developed or redeveloped impervious surfaces (building rooftop, flat work, and parking areas) equals or exceeds 1.0 acres, incorporate into the site improvement plans permanent storm water quality treatment measures in conformance with applicable County ordinances & standards, and state and federal law.	Prior to approval of improvement plans	Public Works	
	Prior to Issuance of Building Permits			
12.	Property Owner/Applicant shall participate in a funding mechanism for maintenance services for the fair share of existing and all new public improvements associated with the project including but not limited to streets, bridges/culverts, traffic signals, traffic signs, striping and legends, ITS operations, and street lights. This may be accomplished through annexation to the City Road Maintenance Community Facilities District. All costs associated with the annexation shall be borne by the Property Owner/Applicant. Contact: Elizabeth Sparkman at (916) 851-8714 as there may be a 2-3 month lead time to satisfy this condition.	Prior to Issuance of Building Permits	Public Works	

City Council-FINAL
July 24, 2012

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Horizons @ New Rancho – Design Review
Project No. DD7563

EXHIBIT B

Conditions of Approval

13.	The buildings and site development shall be reviewed for architectural consistency with the approved plans by the Planning Director. The following items shall be included to improve the Folsom Blvd frontage, in the following areas: • Develop a prominent entry features, including building articulation, architectural elements, walkways and prominent gate entry to access the site directly from Folsom Blvd. • Provide a formal patio area, adjacent to the Community Room with garden walls and a shade structure, according to the provisions of the Front Yard and Porch standards of Table IV-6 of the FBSP. • Provide a perimeter fence detail for the property that promotes pedestrian access to Folsom Blvd.	Prior to Issuance of Building Permits	Planning	
14.	Submit final site landscaping and fence detail plans for review and approval by the Planning Director.	Prior to Issuance of Building Permits	Planning	
15.	Applicant shall prepare a site security plan, including, but not limited to surveillance cameras, perimeter fence, locking gates and card activated entrance gate to be reviewed and approved by the Planning Department, in coordination with the Police Department.	Prior to Issuance of Building Permits	Planning	
Prior to Final Inspection and Utility Release				
16.	The building, security system and landscaping shall be inspected, prior to requesting final inspection from the Building Department.	Prior to Final Building Inspection	Planning	
17.	All street trees shall be approved by the City's Engineer and Planning Director.	Prior to Final Building Inspection	Planning	
18.	Install improvements per the approved Public Works plans and to the satisfaction of the Public Works Department.	Prior to Final Building	Public Works	

City Council-FINAL
July 24, 2012

4

Horizons @ New Rancho – Design Review
Project No. DD7563

EXHIBIT B

Conditions of Approval

19.	As-Built reproducible grading and improvement plans, as well as a compact disc containing said plans in AutoCAD format, shall be submitted and approved by the Public works Department.	Inspection Prior to Final Building Inspection	Public Works
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City Council-FINAL
July 24, 2012

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Horizons @ New Rancho ~ Design Review
Project No. DD7563

EXHIBIT H

FORM OF LOAN ASSIGNMENT AGREEMENT

ASSIGNMENT OF AGREEMENTS, PLANS AND SPECIFICATIONS

FOR VALUE RECEIVED, effective as of _____, 2014 (the “**Effective Date**”), UHC 00575 Rancho Cordova L.P., a California limited partnership (“**Assignor**”) hereby assigns to the City of Rancho Cordova, a California municipal corporation (“**City**”) and grants to City a security interest in all of its right, title and interest in and to the contracts and agreements listed in Exhibit A attached hereto and incorporated herein by reference and all of the items listed in the following paragraphs (A) and (B) (all of which hereafter shall collectively be referred to as the “**Assigned Documents**”). Other than as expressly stated herein, Assignor makes no express or implied representations or warranties in connection with the Assigned Documents. Capitalized terms used without definition herein shall have the meaning ascribed to such terms in the DDLA (defined below). City and Assignor are referred to herein as the “**Parties**.”

- (A) All architectural, design, engineering, consulting and construction contracts, and any and all amendments, modifications, supplements, addenda and general conditions thereto equaling or exceeding Five Thousand Dollars (\$5000) in cost (collectively “**Agreements**”), heretofore or hereafter entered into by Assignor and any architect, engineer, analyst, consultant, contractor or other person or entity (“**Contractor**”) in connection with the preparation of plans, specifications, studies, assessments, analyses, drawings or any other similar service related to the Property, the Project, or the improvements existing or to be installed or constructed on the Property (the “**Improvements**”); and
- (B) All permits, reports, analyses, studies, plans and specifications, shop drawings, working drawings, amendments, modifications, changes, supplements, general conditions and addenda thereto equaling or exceeding Five Thousand Dollars (\$5000) in cost (collectively “**Reports, Plans and Specifications**”) heretofore or hereafter obtained or prepared by or for Assignor or its agents, employees or any Contractor with respect to the Property, the Project or the Improvements.

As used herein, the term “**Assigned Documents**” shall also include all Agreements, Reports, Plans and Specifications to which beneficial interest or rights of use have been obtained by or assigned to Assignor.

In addition, the Parties agree as follows:

1. This Assignment of Agreements, Plans, and Specifications (this “**Assignment Agreement**”) is made pursuant to that certain Amended and Restated Disposition and Development and Loan Agreement executed by and between Assignor and City dated as of _____, 2014 (the “**DDLA**”).

2. This Assignment Agreement is made to secure payment to the City of all sums now or hereafter owing as “predevelopment financing” under the DDLA, and any and all advances, modifications, extensions, renewals and amendments thereof, and is made by Assignor for the benefit of City.

3. Assignor hereby irrevocably appoints City as its attorney-in-fact (which City is coupled with an interest) upon the occurrence of an Event of Developer Default under the DDLA or upon termination of the DDLA, to demand, receive, and enforce any and all of Assignor's rights with respect to the Assigned Documents, and to perform any and all acts in the name of Assignor or in the name of the City with the same force and effect as if performed by Assignor in the absence of this Assignment Agreement.

4. Assignor agrees to obtain from each Contractor whose contract equals or exceeds Five Thousand Dollars (\$5000) and deliver to City a duly executed Consent substantially in the form attached hereto as Exhibit B.

5. Assignor represents and warrants to City that no previous assignment of its respective rights or interest in or to any of the Assigned Documents has been made. So long as the City holds or retains any interest under the DDLA, Assignor agrees not to assign, sell, pledge, transfer, mortgage, or hypothecate its respective rights or interest in any of the Assigned Documents without prior written approval of the City; provided however, the City approves the Assignor's assignment of such rights and interests to other Project lenders, if any, approved pursuant to the Financing Plan as it may be updated.

6. This Assignment Agreement shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Assignor and the City.

7. Unless an Event of Developer Default (as defined in the DDLA) shall have occurred or Assignor terminates the DDLA, Assignor shall be entitled (subject to the provisions of Section 5 above) to enjoy and enforce all of its rights under the Assigned Documents. If such an Event of Developer Default or termination occurs and City gives written notice (an "**Exercise Notice**") to any Contractor who is a party to any Assigned Document, which Exercise Notice refers to this Assignment Agreement, states that an Event of Developer Default or termination has occurred, and states that City intends to exercise its rights under this Assignment Agreement, then the City shall be entitled thereafter to enjoy and enforce all of the rights of Assignor under such Assigned Document and shall become bound to perform all future obligations of Assignor thereunder, it being understood that in no event shall City be liable for payments or costs relating to any work which any Contractor has performed prior to the date of City's delivery of such Exercise Notice. Unless and until such Exercise Notice is given, City shall not be obliged to perform any of the obligations of Assignor under the Assigned Documents.

8. Assignor represents and warrants that to the best of its knowledge after reasonable inquiry, there are no defaults under any Assigned Document by any party thereto.

9. Assignor further represents and warrants that all sums due and owing to any Contractor to date under any Assigned Document have been duly paid in full, except to the extent deferral of such sums is allowed pursuant to such Assigned Document.

10. As provided in this Section 10, City may assign its rights under this Assignment Agreement, and the Assigned Documents, and the rights and obligations of any assignee of City shall be the same as provided herein as to City and Contractor. City may, in its discretion, make any such assignment to a third party, with the consent of Assignor and the Contractor who is a

party to such Assigned Documents, provided the consent of Assignor and such Contractor shall not be unreasonably withheld, conditioned or delayed.

11. This Assignment Agreement shall not be deemed to release or affect in any way the obligations of Assignor to any Contractor under the Assigned Documents.

12. Assignor is executing this Assignment Agreement to induce City to enter into and disburse funds pursuant to the DDLA, and Assignor understands that City would not do so but for the execution and delivery of this Assignment Agreement by Assignor.

13. Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Assignment Agreement shall be made in writing, and sent to the parties at their respective addresses specified below (or in the case of Contractor, to the address specified in the Consent attached hereto) or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

(i) personal delivery, in which case notice is effective upon delivery;

(ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;

(iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;

(iv) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a nonbusiness day.

CITY:

ASSIGNOR:

14. Amendments. This Assignment Agreement may be modified only by a written instrument signed by the Parties.

15. Further Assurances; Consents. The Parties shall execute, acknowledge and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Assignment Agreement.

16. Parties Not Co-Venturers. Nothing in this Assignment Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

17. Action by the City. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by the City is required or permitted

under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City Manager or by any person who shall have been designated by the City Manager, without further approval by the City Council unless the City Manager determines that such matter requires the consent of same.

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

19. No Third Party Beneficiaries. There shall be no third party beneficiaries to this Assignment Agreement.

20. Headings; Construction. The headings of the sections and paragraphs of this Assignment Agreement have been inserted for convenience only and shall not be used to construe this Assignment Agreement. The language of this Assignment Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party. Time is of the essence in the performance of this Assignment Agreement.

21. Governing Law; Venue. This Assignment Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. The Parties consent to the jurisdiction of any federal or state court in the jurisdiction in which the Property is located (the “**Property Jurisdiction**”). Assignor agrees that any controversy arising under or in relation to this Assignment Agreement or the DDLA shall be litigated exclusively in courts having jurisdiction in the Property Jurisdiction. Assignor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

22. Attorneys' Fees. If any claim, at law or otherwise is made by either Party, the prevailing party or the nondefaulting party, as the case may be, shall be entitled to its costs and reasonable attorneys' fees.

23. Severability. If any term of this Assignment Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties are materially altered or abridged by such invalidation, voiding or unenforceability.

24. Counterparts. This Assignment Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Assignor and City have duly executed this Assignment Agreement effective as of the date first above written.

CITY:

By: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

ASSIGNOR:

By: _____

Its:

Exhibit A

CONTRACTS AND AGREEMENTS

(Attach List.)

Exhibit B**CONSENT**

This Consent ("**Consent**") is executed effective as of _____, 20__, pursuant to that certain Assignment of Agreements, Plans and Specifications ("**Assignment Agreement**") executed by and between _____ ("**Assignor**") and _____ ("**City**") dated as of _____, 2014. Unless otherwise defined herein, capitalized terms used in this Consent shall have the meanings given them in the Assignment Agreement.

The undersigned consultant, architect, engineer, and/or contractor ("**Contractor**") hereby consents to the Assignment Agreement and the assignments contemplated thereby, and hereby waive all provisions in the Assigned Documents to which Contractor is a party which would impair, hinder or prevent the making of any such assignment by Assignor to City or the enforcement thereof by City.

Contractor agrees that if at any time, the City shall, pursuant to its rights under the Assignment Agreement, deliver an Exercise Notice to Contractor, then provided that Contractor has received, receives or continues to receive the compensation called for under the Assigned Documents to which Contractor is a party, the City may, at its option, use and rely upon the Reports, Plans and Specifications for the purposes for which they were prepared, and Contractor will continue to perform its obligations under the Assigned Documents to which Contractor is a party for the benefit and account of the City in the same manner as if performed for the benefit or account of Assignor in the absence of the Assignment Agreement. Contractor agrees that it shall rely conclusively upon any Exercise Notice given to Contractor by City, and Contractor agrees to be bound by such Exercise Notice.

By its execution of this Consent, Contractor agrees to look solely to Assignor and its successors in interest for performance of Assignor's obligations under the Assigned Documents to which Contractor is a party unless and until Contractor shall have received an Exercise Notice from City.

Contractor agrees that, notwithstanding anything hereinabove contained or contained in the Assigned Documents to the contrary, provided that Contractor has received, receives or continues to receive the compensation called for under the Assigned Documents to which Contractor is a party, City will have the right to receive and to use (without cost to City) any and all Reports, Plans and Specifications relating to the Property, the Project or the Improvements, as the same may be amended or modified from time to time, which Contractor may own or have the right to use and to grant others the right to use. Contractor further agrees that, upon the written request of City (whether or not any Event of Developer Default has occurred), it will execute and deliver a certification confirming City's rights with respect to such Reports, Plans, and Specifications as City from time to time may reasonably request.

Contractor agrees that for so long as the Assignment Agreement is effective, if Assignor defaults in making any required payment or in performing any other obligation under any Assigned Document to which Contractor is a party, Contractor shall give prompt written notice thereof to City. Unless and until such notice is given to City, and for a period of fifteen (15) business days thereafter, Contractor shall not exercise any of its rights or remedies against Assignor under the Assigned Documents (including, without limitation, the right to terminate any Assigned Document or to stop work thereunder). After such notice is given and for a period of fifteen (15) business days thereafter, City may, at its option, cure (but shall have no obligation to cure) any such default by Assignor and, if such default is so cured during such notice period, Contractor shall continue performance under the Assigned Documents to which such Contractor is a party.

Contractor represents and warrants that (i) the Assigned Documents to which Contractor is a party are in full force and effect, and to Contractor's knowledge there are no defaults thereunder by any party thereto; (ii) Contractor has made no assignment of any Assigned Document to which Contractor is a party or of its rights thereunder (other than to City); and (iii) there presently exists no unpaid claims presently due to Contractor, except as disclosed in writing to the City, arising in connection with the performance of Contractor's obligations under the Assigned Documents to which Contractor is a party. Contractor agrees that for so long as the Assignment Agreement is effective, absent the prior written consent of City, Contractor shall not assign its rights or interest in any of the Assigned Documents to any entity other than a lender whose loan is secured by the Property, the Project or the Improvements with the prior written approval of the City; provided however, the City approves of any assignment to the Project lenders approved pursuant to the Financing Plan as it may be updated.

IN WITNESS WHEREOF, Contractor has duly executed this Consent as of the date first written above.

CONTRACTOR

Name: _____

By: _____

Its: _____

Contractor's Address:

Telephone: _____

Facsimile: _____

2280293.1

EXHIBIT I

NOTE

SECURED PROMISSORY NOTE
(Permanent Loan)

\$3,539,259.00

Rancho Cordova,
California

_____, 2014

FOR VALUE RECEIVED, UHC 00575 Rancho Cordova, L.P., a California limited partnership (“**Borrower**”), hereby promises to pay to the order of the City of Rancho Cordova, a California municipal corporation (“**City**”), in lawful money of the United States of America, the principal sum of Three Million Five Hundred Thirty Nine Thousand Two Hundred Fifty-Nine Dollars and No Cents Dollars (\$3,539,259.00) or so much thereof as may be advanced by City pursuant to the Amended and Restated Disposition and Development Loan Agreement referred to below, together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. Interest shall accrue on the outstanding principal balance of this Note at a rate equal to zero percent (0%) simple interest per annum, commencing upon the date of disbursement thereof. Interest shall be calculated on the basis of a year of 365 days, and charged for the actual number of days elapsed. This Secured Promissory Note (this “**Note**”) has been executed and delivered pursuant to and in accordance with the Amended and Restated Disposition and Development Loan Agreement, dated as of the date hereof and executed by and between Borrower and City (the “**DDLA**”), and is subject to the terms and conditions of the DDLA and the Regulatory Agreement, which are by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the DDLA.

This Note is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (“**Deed of Trust**”) dated as of the date hereof, executed by Borrower for the benefit of City and encumbering the property described therein. City shall be entitled to the benefits of the security provided by the Deed of Trust and shall have the right to enforce the covenants and agreements contained herein, in the Deed of Trust, the DDLA, the Regulatory Agreement and the other City Documents. The Regulatory Agreement shall remain effective for the full term thereof and shall survive the repayment of this Note.

This Note evidences the obligation of Borrower to the City for the repayment of funds loaned to Borrower by the City for the purpose of assisting Borrower to develop a forty-eight (48) unit multi-family senior rental housing project in the City of Rancho Cordova, as more fully described in the DDLA and the Regulatory Agreement (the “**Project**”) and to be located on that particular property described in the Deed of Trust (the “**Property**”).

1. PAYMENTS.

1.1 PAYMENT DATES; MATURITY DATE. No periodic payments are anticipated on this Note. In no event shall any amount due under this Note become subject to any rights, of offset, deduction or counterclaim on the part of Borrower. The entire outstanding principal

balance of this Note, together with interest accrued thereon (if any) and any other sums accrued hereunder shall be payable in full on the date (the “**Maturity Date**”) that is the fifty-fifth (55th) anniversary of the date upon which the City issues a final certificate of occupancy for the Project.

1.2 ANNUAL PAYMENTS FROM SURPLUS CASH. By no later than June 1 of each year following the issuance of a final certificate of occupancy for the Project, Borrower shall distribute Surplus Cash pursuant to Section 1.2.6 below.

No later than May 1 of each year following the issuance of a final certificate of occupancy for the Project, Borrower shall provide to City Borrower’s calculation of Surplus Cash for the previous calendar year, accompanied by such supporting documentation as City may reasonably request, including without limitation, an independent audit prepared for the Project by a certified public accountant in accordance with generally accepted accounting principles. No later than November 1 of each year following issuance of the final certificate of occupancy for the Project, Borrower shall provide to City a projected budget for the following calendar year which shall include an estimate of Surplus Cash.

1.2.1 “**Surplus Cash**” shall mean for each calendar year during the term hereof, the amount by which Gross Revenue (defined below) exceeds Annual Operating Expenses (defined below) for the Project. Surplus Cash shall also include net cash proceeds realized from any refinancing of the Project, less fees and closing costs reasonably incurred in connection with such refinancing, and any City-approved uses of the net cash proceeds of the refinancing. Surplus Cash shall not include any interest income earned on tenant security deposits and reserve accounts.

The amount of surplus cash available for distribution shall be determined and identified in the annual audit by a certified public accountant. In such report the qualified accountant shall also certify his or her conclusion as to the amount of Surplus Cash and provide the City with all documentation which supports the qualified accountant's conclusion. The report shall be due no later than ninety (90) days after the end of Borrower's fiscal year (or calendar year if applicable).

1.2.2 “**Gross Revenue**” shall mean for each calendar year during the term hereof, all revenue, income, receipts and other consideration actually received by Borrower from the operation and leasing of the Project. Gross Revenue shall include, but not be limited to: all rents, fees and charges paid by tenants; Section 8 payments or other rental subsidy payments received for the dwelling units; deposits forfeited by tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance not required to be paid to the holders of Approved Senior Loans (provided however, expenditure of such proceeds for repair or restoration of the Project shall be included within Annual Operating Expenses in the year of the expenditure); condemnation awards for a taking of part or all of the Property or the Improvements for a temporary period; and the fair market value of any goods or services provided to Borrower in consideration for the leasing or other use of any part of the Project. Gross Revenue shall include any release of funds from Replacement Reserve and other reserve accounts to Borrower other than for costs associated with the Project. Gross Revenue shall not include tenant security

deposits, loan proceeds, capital contributions or similar advances.

1.2.3 **“Annual Operating Expenses”** shall mean for each calendar year during term hereof, the following costs reasonably and actually incurred for the operation and maintenance of the Project to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles: Ten Thousand Dollars (\$10,000) to reimburse the City for annual monitoring of the Project; property taxes and assessments or payments in lieu thereof; debt service currently due and payable on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Project) on loans which have been approved by the City and which are secured by deeds of trust senior in priority to the Deed of Trust (**“Approved Senior Loans”**); property management fees and reimbursements shall be in amounts in accordance with industry standards for similar residential projects and that are consistent with the Financing Plan; premiums for property damage and liability insurance; utility service costs not paid for directly or indirectly by tenants; maintenance and repair costs; fees for licenses and permits required for the operation of the Project; organizational costs (e.g., annual franchise tax payments) and costs associated with accounting, tax preparation and legal fees of Borrower incurred in the ordinary course of business; expenses for security services; advertising and marketing costs; payment of deductibles in connection with casualty insurance claims not paid from reserves; tenant services; the amount of uninsured losses actually replaced, repaired or restored and not paid from reserves; cash deposits into reserves for capital replacements shall be in an amounts as are reasonably required by the holder of a City approved Loan or as required by a physical needs assessment prepared by a third-party selected or approved by City and prepared at Borrower’s expense; an asset management fee payable to the Limited Partner and other management fees as identified in the Financing Plan as set forth in the DDLA; any previously unpaid portion of the developer fee (without interest) due in accordance with the Financing Plan approved by City as set forth in the DDLA (the **“Approved Developer Fee”**);

1.2.4 EXCLUSIONS FROM ANNUAL OPERATING EXPENSES. Annual Operating Expenses shall exclude the following: developer fees and interest on any deferred developer fees (except as permitted pursuant to Section 1.2.3); contributions to Project Operating Reserve; debt service payments on any loan which is not a City approved Senior Loan, including without limitation, unsecured loans or loans secured by deeds of trust which are subordinate to the Deed of Trust; depreciation, amortization, depletion and other non-cash expenses; expenses paid for with disbursements from any reserve account; distributions to partners; and any amount paid to Borrower, any general partner of Borrower, or any entity controlled by the persons or entities in control of Borrower or any general partner of Borrower. Notwithstanding the foregoing limitation regarding payments to Borrower and related parties, the following fees shall be included in Annual Operating Expenses, subject to applicable limitations set forth in Section 1.2.3 above, even if paid to Borrower, an affiliate of Borrower, or a partner of Borrower: fees paid to a property management agent, resident services agent, or social services agent; partnership management fees, developer fees, asset management fees, and subject to Section 1.2.5, repayment of cash advances by Borrower or its partners to cover Project operating expense deficits or emergency cash needs of the Project.

1.2.5 ADJUSTMENT TO OPERATING EXPENSES. Notwithstanding anything to the contrary set forth herein, for the purpose of calculating Surplus Cash, Annual

Operating Expenses shall include: (a) the repayment of operating deficit loans provided by Borrower's limited partner(s) provided however, interest payable on such loans may be included in Annual Operating Expenses only in an amount equivalent to the lesser of (i) interest accrued at the actual interest rate charged for the loan, or (ii) interest accrued at a rate equal to three percent (3%) in excess of the rate of interest most recently announced by Bank of America, NT & SA (or its successor bank) at its San Francisco office as its "prime rate", and (b) the amount of any tax credit adjustor that is required to be paid from Project cash flow.

1.2.6 DISTRIBUTION OF SURPLUS CASH. If there is "**Surplus Cash**" from the Project as defined above, Borrower (or its successors and assigns who have been approved in writing by the City) shall be entitled to retain fifty percent (50%) of such Surplus Cash. The remaining fifty percent (50) of the Surplus Cash is to be applied to the repayment of the obligation which is derived from the loan sources described in this Note.

Any allowable operating expenses incurred which could not be included due to a deficit in the annual operating income during the fiscal year (or calendar year if applicable) shall be accrued, carried over and allowed as deductions in the Surplus Cash calculation for later fiscal years (or calendar year if applicable) in which there is sufficient operating income. For purposes of determining "operating expenses," the combination of the partnership accounting fee and the partnership management fee may not exceed the limit set forth in Section 1.2.3.

Also, to the extent that Borrower has not been paid its full developer fee from the initial Project capital sources (and, therefore, a portion of such developer fee has to be deferred), the deferred amount of the Borrower's developer fee shall be paid the Borrower before any Surplus Cash distributions and calculations under this Section 1.2.6.

Surplus Cash payments shall be paid once a year, one hundred twenty (120) days after the end of the fiscal year (or calendar year if applicable) for the prior fiscal year (or calendar year if applicable). If there are any later revisions or adjustments which increase the amount due hereunder, payments for same shall be due and payable within ten (10) days after Borrower is notified of the adjustments.

If any other lender requires payment of a portion of "residual receipts" or out of "surplus cash" (hereinafter a "**Surplus Cash Lender**"), the City will consent to a proration of the available fifty percent (50%) portion of the Surplus Cash between itself and the Surplus Cash Lender. The City's share shall, to the extent there is Surplus Cash as defined above, be that amount which is derived by multiplying the available Surplus Cash times a fraction, the denominator of which is the sum of all the original principal amounts of the loans of the Surplus Cash lender and the City, and the numerator of which is the original principal amount of this Note.

1.3 COST SAVINGS. If, upon completion of the Project development, there are "Cost Savings" as defined below, Borrower shall be entitled to retain twenty-five percent of such Cost Savings. The balance of seventy-five percent (75%) of such cost savings is to be applied, proportionally, to the repayment of the underlying City loan sources which are described in this Note, with such cost savings payments being applied first to interest then outstanding and then to principal.

"Cost Savings," as that term is used in this Note, is the difference between the total sources of funds and the total cost of development as shown in the Final Cost Certification Report provided to the California Tax Credit Allocation Committee ("TCAC") at the end of the construction of the Project; provided, however, that Cost Savings must take into account the net costs saved by the Borrower, after adjusting for the loss of any equity investment due to an adjustment in the allowable tax credits (which in turn, reduces the total sources of funds upon which the Tax Credits are based); and provided, further, that the tax credit factor applied to the required equity contribution shall be as referenced in the limited partnership agreement executed by Borrower with respect to the Project; and provided, finally, that in no event shall the amount payable to the City under this Section be reduced or eliminated by reducing the amount of the first mortgage loan by the cost savings. Nothing contained herein is intended to prohibit Borrower from reducing its first mortgage loan. The City shall be entitled to review and approve the Final Cost Certification Report prior to its submission to the TCAC, to assure that cost savings have not been minimized or reallocated.

If the City has not responded to Borrower within sixty (60) days after receipt of the Final Cost Certification Report, the information in the Final Cost Certification Report shall be deemed approved by the City. The amount payable to the City under this Section shall be paid within one hundred twenty (120) days following issuance of the Final Cost Certification Report to the TCAC.

For purposes of this Section 1.3, and notwithstanding anything to the contrary contained herein, Construction period Change Orders equal to or less than Twenty Thousand Dollars (\$20,000) shall be deemed approved without prior approval of the City, but a complete description of such Change Orders shall be submitted to the City within fifteen (15) days of initiation of such work. Any Change Order exceeding Twenty Thousand Dollars (\$20,000) shall be submitted to the City for approval prior to commencement of the work described therein. City shall respond to such request for approval within ten (10) days of receipt of said Change Order and shall not withhold approval unreasonably. Except for emergencies, as reasonably determined by City, no work associated with a Change Order in excess of Twenty Thousand Dollars (\$20,000) will be eligible for payment if it has not been approved by City prior to initiation of the work. City shall be given immediate telephonic or electronic notice of emergency work anticipated to require a Change Order in an amount in excess of Twenty Thousand Dollars (\$20,000). To the maximum extent possible, a single Change Order must describe all related work associated with the condition causing the need for a Change Order.

1.3.1 LIMITATION ON PARTNERSHIP FEES. All fees paid to the general and the limited partners, including without limitation, fees designated for asset management, partnership accounting fees or partnership management fees, for any given year shall not exceed a total sum of Twenty One Thousand Dollars (\$21,000), as adjusted annually for the percentage change in the prior twelve (12) months in the United States Department of Labor, Bureau of Labor Statistics' Consumer Price Index for San Francisco-Oakland-San Jose, All Urban Consumers; provided, however, any increase for any single year shall not exceed four percent (4%). Notwithstanding the previous sentence, to the extent there is insufficient Surplus Cash in any given year to allow Borrower to pay the full amount of Partnership Fees of annual fees, any unpaid amounts may be paid from available Surplus Cash in future years, in addition to the

restricted earned fee for any future year. Any fees paid with respect to prior years shall be treated as eligible operating expenses for the current year and such amounts shall not be subject to the annual limitation for the current year. The foregoing accounting fee limitation does not include reimbursements to a partner for actual, normal and customary out of pocket expenses, such as tax return preparation fees or franchise tax payments. There is no limit on the amount by which a decrease adjustment may be made from year to year. The anniversary date for adjusting these fees shall be the first day of the first new year of the partnership, and annually thereafter on that date. If the Consumer Price Index utilized is replaced or discontinued, The City shall select a replacement index which achieves substantially the same purpose.

1.4 DUE ON SALE. The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in Section 8.2 of the DDLA) absent City consent, of all or any part of the Project or the Property or any interest therein other than a Transfer permitted without City consent pursuant to the DDLA. Without limiting the generality of the foregoing, this Note shall not be assumable without City's prior written consent, which consent may be granted or denied in City's sole discretion.

1.5 PREPAYMENT. Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal. The Regulatory Agreement shall remain in full force for the entire term thereof regardless of any prepayment of this Note.

1.6 MANNER OF PAYMENT. All payments of principal and interest on this Note shall be made to City at 2729 Prospect Park Drive, Rancho Cordova, California 95670 or such other place as City shall designate to Borrower in writing, or by wire transfer of immediately available funds to an account designated by City in writing.

2. DEFAULTS AND REMEDIES.

2.1 EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("**Event of Default**"):

(a) Borrower fails to pay when due the principal and interest payable hereunder and such failure continues for ten (10) days after City notifies Borrower thereof in writing.

(b) Borrower fails to use Loan Proceeds in accordance with Borrower's request for disbursement of Loan Proceeds.

(c) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(d) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any general partner thereof or substantially all of such entity's assets, (iii) orders the liquidation of Borrower or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

(e) The occurrence of a Transfer in violation of Article VIII of the DDLA.

(f) A default arises under any debt instrument secured by a mortgage or deed of trust on the Project or the Property and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

(g) Borrower fails to maintain insurance on the Property and the Project as required pursuant to the City Documents and Borrower fails to cure such default within ten (10) days.

(h) Subject to Borrower's right to contest the following charges pursuant to the City Documents, if Borrower fails to pay taxes or assessments due on the Property or the Project or fails to pay any other charge that may result in a lien on the Property or the Project, and Borrower fails to cure such default within thirty (30) days, but in all events before the imposition of any such tax or other lien.

(i) If any representation or warranty contained in any City Document, or any certificate furnished in connection therewith, or in connection with any request for disbursement of the proceeds of the Loan proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the City.

(j) An Event of Default shall have been declared under the DDLA, the Regulatory Agreement or any other City Document and remains uncured beyond the expiration of the applicable cure period.

2.2 REMEDIES. Upon the occurrence of an Event of Default hereunder, City may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to City under this Note and the other City Documents, including without limitation the right to pursue foreclosure under the Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of City including, without limitation, reasonable attorneys' fees, incurred in connection with City's enforcement of this Note and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the Deed of Trust. The rights and remedies of City under this Note shall be cumulative and not alternative.

2.3 DEFAULT RATE. Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of the lesser of ten percent (10%) per annum

or the maximum rate permitted by law (the “**Default Rate**”); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this Note or prevent City from exercising any of its other rights or remedies.

2.4 LIMITED PARTNERS RIGHT TO CURE. Borrower’s limited partners shall have the right to cure any default of Borrower hereunder upon the same terms and conditions afforded to Borrower. The City shall provide any notice of default hereunder to the limited partners concurrently with the provision of such notice to Borrower at the following address (or such alternate address as the limited partners may designate from time to time in a written notice to the City);

As to the limited partners, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 9.3 of the DDLA.

3. MISCELLANEOUS.

3.1 WAIVERS; AMENDMENTS; BORROWER’S WAIVERS. No waiver by City of any right or remedy under this Note shall be effective unless in writing signed by City. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by City will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by City will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of City to take further action without notice or demand as provided in this Note. There shall be no amendment to or modification of this Note except by written instrument executed by Borrower and City.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice.

3.2 NOTICES. Any notice required or permitted to be given hereunder shall be given in accordance with Section 13.3 of the DDLA.

3.3 SEVERABILITY. If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

3.4 GOVERNING LAW; VENUE. This Note shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Any legal action filed in

connection with this Note shall be filed in the Superior Court of Sacramento County, California, or in the Federal District Court for the Eastern District of California.

3.5 PARTIES IN INTEREST. This Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of City and its successors and assigns.

3.6 SECTION HEADINGS, CONSTRUCTION. The headings of Sections in this Note are provided for convenience only and will not affect its construction or interpretation.

3.7 RELATIONSHIP OF THE PARTIES. The relationship of Borrower and City under this Note is solely that of borrower and lender, and the loan evidenced by this Note and secured by the Deed of Trust will in no manner make City the partner or joint venturer of Borrower.

3.8 TIME IS OF THE ESSENCE. Time is of the essence with respect to every provision of this Note.

3.9 NONRECOURSE. Except as expressly provided in this Section 3.9, neither Borrower nor its partners shall have personal liability for payment of the principal of, or interest on, this Note, and the sole recourse of City with respect to the payment of the principal of, and interest on, this Note shall be to the Project, the Property and any other collateral held by City as security for this Note; provided however, nothing contained in the foregoing limitation of liability shall:

(A) impair the enforcement against all such security for the Loan of all the rights and remedies of the City under the Deed of Trust and any financing statements City files in connection with the Loan as each of the foregoing may be amended, modified, or restated from time to time;

(B) impair the right of City to bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable City to enforce and realize upon the Deed of Trust, the interest in the Project and the Property created thereby and any other collateral given to City in connection with the indebtedness evidenced hereby and to name the Borrower as party defendant in any such action;

(C) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Loan as a demand for money within the meaning of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto;

(D) constitute a waiver of any right which City may have under any bankruptcy law to file a claim for the full amount of the indebtedness owed to City hereunder or to require that the Project and the Property shall continue to secure all of the indebtedness owed to City hereunder in accordance with this Note and the Deed of Trust; or

(E) limit or restrict the ability of City to seek or obtain a judgment against Borrower to enforce against Borrower and its general partners to:

(1) recover under those sections of the DDLA that pertain to Borrower's indemnification obligations), or

(2) recover from Borrower and its general partners compensatory damages as well as other costs and expenses incurred by City (including without limitation attorney's fees and expenses) arising as a result of the occurrence of any of the following:

(a) any fraud or material misrepresentation on the part of the Borrower, any general partner thereof, or any officer, director or authorized representative of Borrower or any general partner thereof in connection with the request for or creation of the Loan, or in any City Document, or in connection with any request for any action or consent by City in connection with the Loan;

(b) any failure to maintain insurance on the Property and the Project as required pursuant to the City Documents;

(c) failure to pay taxes, assessments or other charges which may become liens on the Property or the Project;

(d) the presence of Hazardous Materials on the Property or other violation of the Borrower's obligations under Article X of the DDLA or Section 7.11 of the Deed of Trust (pertaining to environmental matters);

(e) the occurrence of any act or omission of Borrower that results in waste to or of the Project or the Property and which has a material adverse effect on the value of the Project or the Property;

(f) the material misapplication of the Loan proceeds;

(g) the removal or disposal of any personal property or fixtures or the retention of rents, insurance proceeds, or condemnation awards in violation of the Deed of Trust;

(h) the material misapplication of the proceeds of any insurance policy or award resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Project or the Property; and

(i) the failure of Borrower to pay all amounts payable under this Note in full if Borrower transfers the Property in violation of the DDLA.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Borrower has executed and delivered this Note as of the date first written above.

BORROWER:

UHC 00575 Rancho Cordova, L.P.,
a California limited partnership

By:

2286850.1

EXHIBIT J

DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Manager

EXEMPT FROM RECORDING FEES
PER GOVERNMENT CODE §§ 6103,27383

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“**Deed of Trust**”) is made as of _____, 2014, by UHC 00575 Rancho Cordova, L.P., a California limited partnership (“**Trustor**”) to Fidelity National Title Company as trustee (“**Trustee**”), for the benefit of the City of Rancho Cordova, a California municipal corporation (“**Beneficiary**”).

RECITALS

A. Trustor owns fee simple title to the land described in Exhibit A attached hereto and incorporated herein by this reference (the “**Land**”). The Land is located within the Rancho Cordova Redevelopment Project (“**Project Area**”). Trustor intends to construct, own and operate a forty-eight (48) - unit multifamily senior rental housing project on the Land (the “**Project**”).

B. Beneficiary and Trustor have entered into an Amended and Restated Disposition and Development and Loan Agreement dated as of June 16, 2014 (the “**DDLA**”) pursuant to which Beneficiary will provide a permanent loan to Trustor in the amount of Three Million Five Hundred Thirty Nine Thousand Two Hundred Fifty Nine Dollars and No Cents (\$3,539,259.00) (the “**Loan**” or “**Permanent Loan**”) for the purpose of partially financing the Project. Trustor has issued to Beneficiary a secured promissory note dated as of the date hereof (the “**Note**”) to evidence Trustor’s obligation to repay the Permanent Loan.

C. As a condition precedent to the making of the Permanent Loan, Beneficiary has required that Trustor enter into this Deed of Trust and grant to Trustee for the benefit of Beneficiary, a lien and security interest in the Property (defined below) to secure repayment of the Note and performance of Trustor’s obligations under the Permanent Loan Documents (defined below).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows.

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing payment and performance of the Secured Obligations defined and described in Section 2, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired:

a. All buildings, structures, and improvements, now or hereafter located or constructed on the Land ("**Improvements**");

b. All appurtenances, easements, rights of way, pipes, transmission lines or wires and other rights used in connection with the Land or the Improvements or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or in the Land or Improvements and all existing and future privileges, rights, franchises and tenements of the Land, including all minerals, oils, gas and other commercially valuable substances which may be in, under or produced from any part of the Land, and all water rights, rights of way, gores or strips of land, and any land lying in the streets, ways, and alleys, open or proposed, in front of or adjoining the Land and Improvements (collectively, "**Appurtenances**");

c. All machinery, equipment, fixtures, goods and other personal property of the Trustor, whether moveable or not, now owned or hereafter acquired by the Trustor and now or hereafter located at or used in connection with the Land, the Improvements or Appurtenances, and all improvements, restorations, replacements, repairs, additions or substitutions thereto (collectively, "**Equipment**");

d. All existing and future leases, subleases, licenses, and other agreements relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, "**Leases**"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "**Rents**");

e. All insurance proceeds and any other proceeds from the Land, Improvements, Appurtenances, Equipment, Leases, and Rents, including without limitation, all deposits made with or other security deposits given to utility companies, all claims or demands relating to insurance awards which the Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by Trustor, and all condemnation awards or payments now or later made in connection with any condemnation or eminent domain proceeding ("**Proceeds**");

f. All revenues, income, rents, royalties, payments and profits produced by the Land, Improvements, Appurtenances and Equipment, whether now owned or hereafter acquired by Trustor ("**Gross Revenues**");

g. All architectural, structural and mechanical plans, specifications, design documents and studies produced in connection with development of the Land and construction of the Improvements (collectively, “**Plans**”); and

h. All interests and rights in any private or governmental grants, subsidies, loans or other financing provided in connection with development of the Land and construction of the Improvements, excluding any low income housing tax credits awarded to Trustor in connection with the Project and any equity contributed to Trustor by Trustor's limited partners (collectively, “**Financing**”).

All of the above-referenced interests of Trustor in the Land, Improvements, Appurtenances, Equipment, Leases, Rents, Proceeds, Gross Revenues, Plans and Financing as hereby conveyed to Trustee or made subject to the security interest herein described are collectively referred to herein as the “**Property**.”

2. Obligations Secured. This Deed of Trust is given for the purpose of securing payment and performance of the following (collectively, the “**Secured Obligations**”): (i) all present and future indebtedness evidenced by the Note and any amendment thereof, including principal, interest and all other amounts payable under the terms of the Note; (ii) all present and future obligations of Trustor to Beneficiary under the Loan Documents (defined below); (iii) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument acknowledged by Trustor (whether existing now or in the future) which states that it is or such obligations are, secured by this Deed of Trust; (iv) all obligations of Trustor to Beneficiary under all modifications, supplements, amendments, renewals, or extensions of any of the foregoing, whether evidenced by new or additional documents; and (v) reimbursement of all amounts advanced by or on behalf of Beneficiary to protect Beneficiary's interests under this Deed of Trust or any other Permanent Loan Document as such may be modified, supplemented, amended, renewed or extended. The DDLA, the Note, the this Deed of Trust, and the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (“**Regulatory Agreement**”) dated as of the date hereof, executed by and between Trustor and Beneficiary and recorded substantially concurrently herewith are hereafter collectively referred to as the “**Permanent Loan Documents**.”

3. Assignment of Rents, Issues, and Profits. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary the Rents, royalties, issues, profits, revenue, income and proceeds of the Property. This is an absolute assignment and not an assignment for security only. Beneficiary hereby confers upon Trustor a license to collect and retain such Rents, royalties, issues, profits, revenue, income and proceeds as they become due and payable prior to any Event of Default hereunder. Upon the occurrence and during the continuance of any such Event of Default, Beneficiary may terminate such license without notice to or demand upon Trustor and without regard to the adequacy of any security for the indebtedness hereby secured, and may either in person, by agent, or by a receiver to be appointed by a court, enter upon and take possession of the Property or any part thereof, and sue for 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 attorneys' fees, to any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary's right to the rents, royalties, issues, profits, revenue, income and proceeds of the Property does not depend upon

whether or not Beneficiary takes possession of the Property. The entering upon and taking possession of the 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. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and/or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land or the Improvements, Beneficiary shall not be deemed to be a "mortgagee in possession," shall not be responsible for performing any obligation of Trustor under any Lease, shall not be liable in any manner for the Property, or the use, occupancy, enjoyment or operation of any part of it, and shall not be responsible for any waste committed by Trustor, lessees or any third parties, or for dangerous or defective condition of the Property or any negligence in the management, repair or control of the Property. Absent Beneficiary's written consent, Trustor shall not accept prepayment of Rents for any rental period exceeding one month.

4. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time (the "UCC"), covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Land and Improvements.

5. Financing Statements. Pursuant to the UCC, Trustor, as debtor, hereby authorizes Beneficiary, as secured party, to file such financing statements and amendments thereof and such continuation statements with respect thereto as Beneficiary may deem appropriate to perfect and preserve Beneficiary's security interest in the Property and Rents, without requiring any signature or further authorization by Trustor. If requested by Beneficiary, Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall not be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

Everything used in connection with the Property and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the estate encumbered by this Deed of Trust irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment

items capable of being thus identified in a recital contained herein or in any list filed with Beneficiary, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for lessening of value, or (3) Trustor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property conveyed hereby, whether pursuant to lease or otherwise, shall not be construed as in any way altering any of the rights of Beneficiary as determined by this instrument or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document. Such mention in any financing statement is declared to be solely for the protection of Beneficiary in the event any court or judge shall at any time hold, with respect to the matters set forth in the foregoing clauses (1), (2), and (3), that notice of Beneficiary's priority of interest is required in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government.

6. Fixture Filing. This Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the UCC with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods and equipment which are or are to become fixtures related to the Land and the Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the real estate records of Sacramento County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the "debtor" and Beneficiary shall be deemed to be the "secured party" for all purposes under the UCC.

7. Trustor's Representations, Warranties and Covenants; Rights and Duties of the Parties.

7.1 Representations and Warranties. Trustor represents and warrants that: (i) Trustor lawfully possesses and holds a fee simple interest in the Land and the Improvements, (ii) Trustor has good and marketable title to all of the Property; (iii) other than as limited by the Permanent Loan Documents and the Permitted Encumbrances, Trustor has the full and unlimited power, right and authority to encumber the Property and assign the Rents; (iv) subject only to encumbrances of record and senior liens permitted pursuant to the Permanent Loan Documents or otherwise approved in writing by Beneficiary ("**Permitted Encumbrances**"), this Deed of Trust creates a valid lien on Trustor's entire interest in the Property; (v) except with respect to Permitted Encumbrances, Trustor owns the Property free and clear of all deeds of trust, mortgages, security agreements, reservations of title or conditional sales contracts, (vi) there is no financing statement affecting the Property on file in any public office other than as disclosed in writing to Beneficiary; and (vii) the correct address of Trustor's chief executive office is specified in Section 10.2. Notwithstanding the foregoing, Beneficiary agrees that it will subordinate this Deed of Trust to deeds of trust provided for the benefit of commercial lenders identified in the Financing Plan approved in connection with the DDLA provided that the subordination agreement includes reasonable protections to the Beneficiary in the event of default.

7.2 Condition of Property. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof: (i) Trustor has not received any notice from any governmental authority of any threatened or pending zoning, building, fire, or health code violation or violation of other governmental regulations concerning the Property that has not previously been corrected, and no condition on the Land violates any health, safety, fire, environmental, sewage, building, or other federal, state or local law, ordinance or regulation; (ii) no contracts, licenses, leases or commitments regarding the maintenance or use of the Property or allowing any third party rights to use the Property are in force; (iii) there are no threatened or pending actions, suits, or administrative proceedings against or affecting the Property or any portion thereof or the interest of Trustor in the Property; (iv) there are no threatened or pending condemnation, eminent domain, or similar proceedings affecting the Property or any portion thereof; (v) Trustor has not received any notice from any insurer of defects of the Property which have not been corrected; (vi) there are no natural or artificial conditions upon the Land or any part thereof that could result in a material and adverse change in the condition of the Land; (vii) all information that Trustor has delivered to Beneficiary, either directly or through Trustor's agents, is accurate and complete; and (viii) Trustor or Trustor's agents have disclosed to Beneficiary all material facts concerning the Property.

7.3 Authority. Trustor represents and warrants that this Deed of Trust and all other documents delivered or to be delivered by Trustor in connection herewith: (a) have been duly authorized, executed, and delivered by Trustor; (b) are binding obligations of Trustor; and (c) do not violate the provisions of any agreement to which Trustor is a party or which affects the Property. Trustor further represents and warrants that there are no pending, or to Trustor's knowledge, threatened actions or proceedings before any court or administrative agency which may adversely affect Trustor's ownership of the Property.

7.4 Payment and Performance of Secured Obligations. Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the Note, and shall promptly pay and perform all other obligations of Trustor arising in connection with the Secured Obligations or the Permanent Loan Documents in accordance with the respective terms thereof.

7.5 Use of Permanent Loan Proceeds; Preservation and Maintenance of Property; Compliance with Laws. Trustor covenants that it shall use the Permanent Loan Proceeds solely for purposes authorized by the DDLA. Trustor covenants that it shall keep the Land and Improvements in good repair and condition, and from time to time shall make necessary repairs, renewals and replacements thereto so that the Property shall be preserved and maintained. Trustor covenants to comply with all federal, state and local laws, regulations, ordinances and rules applicable to the Property and the Project, including without limitation all applicable requirements of state and local building codes and regulations, and all applicable statutes and regulations relating to accessibility for the disabled. Trustor shall not remove, demolish or materially alter any Improvement without Beneficiary's consent, shall complete or restore promptly and in good and workmanlike manner any building, fixture or other improvement which may be constructed, damaged, or destroyed thereon, and shall pay when due all claims for labor performed and materials furnished therefor. Trustor shall use the Land and the Improvements solely for purposes authorized by the Permanent Loan Documents, shall not commit or allow waste of the Property, and shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, nor

shall Trustor bring on or keep any article on the Property or cause or allow any condition to exist thereon which could invalidate or which would be prohibited by any insurance coverage required to be maintained on the Property pursuant to the Permanent Loan Documents.

7.6 Restrictions on Conveyance and Encumbrance; Acceleration. It shall be an Event of Default hereunder if the Property, any part thereof, or interest therein is sold, assigned, conveyed, transferred, hypothecated, leased, licensed, or encumbered in violation of the DDLA or if any other Transfer (as defined in the DDLA) occurs in violation of the DDLA. If any such Transfer shall occur in violation of such requirements, without limiting the provisions of Section 8 hereof, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, and without demand, immediately become due and payable, subject to any applicable cure period.

7.7 Inspections; Books and Records. Beneficiary and its agents and representatives shall have the right at any reasonable time upon reasonable notice to enter upon the Land and inspect the Property to ensure compliance with the Permanent Loan Documents. Trustor shall maintain complete and accurate books of account and other records (including copies of supporting bills and invoices) adequate to document the use of the Permanent Loan Proceeds and the operation of the Property, together with copies of all written contracts, Leases and other instruments which affect the Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection by Beneficiary at any reasonable time following two (2) business days prior notice.

7.8 Charges, Liens, Taxes and Assessments. Trustor shall pay before delinquency all taxes, levies, assessments and other charges affecting the Property that are (or if not paid may become) a lien on all or part of the Property. Trustor may, at Trustor's expense, contest the validity or application of any tax, levy, assessment or charge affecting the Property by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Beneficiary is reasonably satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Trustor shall have posted a bond or furnished other security as may reasonably be required from time to time by Beneficiary; and provided further that Trustor shall timely make any payment necessary to prevent a lien foreclosure, sale, forfeiture or loss of the Property.

7.9 Subrogation. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Deed of Trust.

7.10 Hazard, Liability and Workers' Compensation Insurance. At all times during the term hereof, at Trustor's expense, Trustor shall keep the Improvements and personal property now existing or hereafter located on the Property insured against loss by fire, vandalism and malicious mischief by a policy of standard fire and extended all-risk insurance. The policy shall be written on a full replacement value basis and shall name Beneficiary as loss payee as its interest may appear. The full replacement value of the improvements to be insured shall be determined by the company issuing the policy at the time the policy is initially obtained. Not more frequently than once every two (2) years, either the Trustor or the Beneficiary shall have the right to notify the other party that it elects to have the replacement value redetermined by the

insurance company. Subject to the rights of any senior lienholder, the proceeds collected under any insurance policy may be applied by Beneficiary to any indebtedness secured hereby and in such order as Beneficiary may determine, or at the 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.

7.10.1 Trustor shall at all times during the term hereof, maintain a comprehensive general liability insurance policy in an amount not less than One Million Dollars (\$1,000,000) combined single limit, Two Million Dollars (\$2,000,000) annual aggregate, together with Five Million Dollars (\$5,000,000) umbrella liability coverage or such other policy limits as City may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds. Such policy shall name the Beneficiary as additional insured. Trustor shall maintain workers' compensation insurance as required by law.

7.10.2 Trustor shall file with Beneficiary prior to the commencement of the term hereof, certificates (or such other proof as Beneficiary may require, including without limitation, copies of the required insurance policies) evidencing each of the insurance policies and endorsements thereto as required by this Section, and such certificates (or policies) shall provide that at least thirty (30) days' prior written notice shall be provided to Beneficiary prior to the expiration, cancellation or change in coverage under each such policy.

7.10.3 If any insurance policy required hereunder is canceled or the coverage provided thereunder is reduced, Trustor shall, within fifteen (15) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.10.4 The insurance policies required hereunder shall be issued by insurance companies authorized to do business in the State of California with a financial rating of at least A VII status as rated in the most recent edition of Best's Key Rating Guide. Each policy of insurance shall contain an endorsement requiring the insurer to provide at least thirty (30) days' written notice to Beneficiary prior to change in coverage, cancellation or expiration thereof. If any insurance policy required pursuant to the Bridge Loan Documents is canceled or the coverage provided thereunder is reduced, Trustor shall, within ten (10) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.11 Hazardous Materials. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof to the best knowledge of Trustor: (i) the Land is free and has always been free of Hazardous Materials (as defined below) and is not and has never been in violation of any Environmental Law (as defined below); (ii) there are no buried or partially buried storage tanks located on the Land; (iii) Trustor has received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Land are or have ever been in violation of any Environmental Law or informing Trustor that the Land is subject to investigation or inquiry regarding Hazardous Materials on the Land or the potential violation of any Environmental Law; (iv) there is no monitoring program required by the Environmental Protection Agency or any other governmental agency concerning the Land; (v) no toxic or hazardous chemicals, waste, or substances of any kind have ever been spilled, disposed of, or stored on, under or at the Land, whether by accident, burying, drainage, or storage in containers, tanks, holding areas, or any other means; (vi) the Land has never been used as a dump or landfill; and (vii) Trustor has disclosed to Beneficiary all information, records, and studies in Trustor's possession or reasonably available to Trustor relating to the Land concerning Hazardous Materials.

Trustor shall not cause or permit any Hazardous Material (as defined below) to be brought upon, kept, stored or used in, on, under, or about the Land by Trustor, its agents, employees, contractors or invitees except for incidental supplies ordinarily used in connection with the construction, rehabilitation, repair, and operation of residential developments and in compliance with all applicable laws, and shall not cause any release of Hazardous Materials into, onto, under or through the Land. If any Hazardous Material is discharged, released, dumped, or spilled in, on, under, or about the Land and results in any contamination of the Land or adjacent property, or otherwise results in the release or discharge of Hazardous Materials in, on, under or from the Land, Trustor shall promptly take all actions at its sole expense as are necessary to comply with all Environmental Laws (as defined below).

Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold Beneficiary and its elected and appointed officials, officers, agents and employees (collectively, "**Indemnitees**") harmless from and against any and all loss, claim, liability, damage, demand, judgment, order, penalty, fine, injunctive or other relief, cost, expense (including reasonable fees and expenses of attorneys, expert witnesses, and other professionals advising or assisting Beneficiary), action, or cause of action (all of the foregoing, hereafter individually "**Claim**" and collectively "**Claims**") arising in connection with the breach of Trustor's covenants and obligations set forth in this Section 7.11 or otherwise arising in connection with the presence or release of Hazardous Materials in, on, under, or from the Property, except to the extent that Claims arise as a result of the gross negligence or willful misconduct of Indemnitees. The foregoing indemnity includes, without limitation, all costs of investigation, assessment, containment, removal, remediation of any kind, and disposal of Hazardous Materials, all costs of determining whether the Land is in compliance with Environmental Laws, all costs associated with bringing the Land into compliance with all applicable Environmental Laws, and all costs associated with claims for damages or injury to persons, property, or natural resources.

Without limiting the generality of the foregoing, Trustor shall, at Trustor's own cost and expense, do all of the following:

a. pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust;

b. reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust; and

c. reimburse Indemnitees for any and all expenses, including without limitation out-of-pocket expenses and fees of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Deed of Trust, or in monitoring and participating in any legal or administrative proceeding.

Trustor's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following, or by any failure of Trustor to receive notice of or consideration for any of the following: (i) any amendment or modification of any Permanent Loan Document; (ii) any extensions of time for performance required by any Permanent Loan Document; (iii) any provision in any of the Permanent Loan Documents limiting Beneficiary's recourse to property securing the Secured Obligations, or limiting the personal liability of Trustor, or any other party for payment of all or any part of the Secured Obligations; (iv) the accuracy or inaccuracy of any representation and warranty made by Trustor under this Deed of Trust or by Trustor or any other party under any Permanent Loan Document, (v) the release of Trustor or any other person, by Beneficiary or by operation of law, from performance of any obligation under any Permanent Loan Document; (vi) the release or substitution in whole or in part of any security for the Secured Obligations; and (vii) Beneficiary's failure to properly perfect any lien or security interest given as security for the Secured Obligations.

The provisions of this Section 7.11 shall be in addition to any and all other obligations and liabilities that Trustor may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether Beneficiary or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under the Permanent Loan Documents or applicable law. The obligations of Trustor to indemnify the Indemnitees under this Section shall survive any repayment or discharge of the Secured Obligations, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Deed of Trust.

Without limiting any of the remedies provided in this Deed of Trust, Trustor acknowledges and agrees that each of the provisions in this Section 7.11 is an environmental provision (as defined in Section 736(f)(2) of the California Code of Civil Procedure) made by Trustor relating to real property security (the "**Environmental Provisions**"), and that Trustor's failure to comply with any of the Environmental Provisions will be a breach of contract that will entitle Beneficiary to pursue the remedies provided by Section 736 of the California Code of Civil Procedure ("**Section 736**") for the recovery of damages and for the enforcement of the Environmental Provisions. Pursuant to Section 736, Beneficiary's action for recovery of damages or enforcement of the Environmental Provisions shall not constitute an action within the meaning of Section 726(a) of the California Code of Civil Procedure or constitute a money

judgment for a deficiency or a deficiency judgment within the meaning of Sections 580a, 580b, 580d, or 726(b) of the California Code of Civil Procedure.

“Hazardous Materials” means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a “hazardous substance”, “hazardous material”, “hazardous waste”, “toxic waste”, “toxic pollutant”, “toxic substance”, “solid waste” or “pollutant or contaminant” in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any **“Superfund”** or **“Superlien”** law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

“Environmental Law” means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to any Hazardous Material (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section

25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder.

7.12 Notice of Claims; Defense of Security; Reimbursement of Costs.

a. Notice of Claims. Trustor shall provide written notice to Beneficiary of any uninsured or partially uninsured loss affecting the Property through fire, theft, liability, or property damage in excess of an aggregate of Fifty Thousand Dollars (\$50,000) within three (3) business days of the occurrence of such loss. Trustor shall ensure that Beneficiary shall receive timely notice of, and shall have a right to cure, any default under any other financing document or other lien affecting the Property and shall use best efforts to ensure that provisions mandating such notice and allowing such right to cure shall be included in all such documents. Within three (3) business days of Trustor's receipt thereof, Trustor shall provide Beneficiary with a copy of any notice of default Trustor receives in connection with any financing document secured by the Property or any part thereof.

b. Defense of Security. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims.

c. Compensation; Reimbursement of Costs. Trustor agrees to pay all reasonable fees, costs and expenses charged by Beneficiary or Trustee for any service that Beneficiary or Trustee may render in connection with this Deed of Trust, including without limitation, fees and expenses related to provision of a statement of obligations or related to a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including without limitation any rights or remedies afforded to Beneficiary or Trustee or both of them under Sections 7.16 and 8.2, whether or not any lawsuit is filed, or in defending any action or proceeding arising under or relating to this Deed of Trust, including reasonable attorneys' fees and other legal costs, costs of any disposition of the Property under the power of sale granted hereunder or any judicial foreclosure, and any cost of evidence of title.

d. Notice of Changes. Trustor shall give Beneficiary prior written notice of any change in the address of Trustor and the location of any Property, including books and records pertaining to the Property.

7.13 Indemnification. Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold harmless the Trustee and the Indemnitees (as defined in Section 7.11) from and against all Claims arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Trustor's covenants under any Permanent Loan Document, (b) any representation by Trustor in any Permanent Loan Document which

proves to be false or misleading in any material respect when made, (c) injury or death to persons or damage to property or other loss occurring on the Land or in any improvement located thereon, whether caused by the negligence or any other act or omission of Trustor or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which relates to or arises out of the Property, or any Permanent Loan Document or any transaction contemplated thereby, or any failure of Trustor to comply with all applicable state, federal and local laws and regulations applicable to the Property, provided that no Indemnitee shall be entitled to indemnification under this Section for matters caused by such Indemnitee's gross negligence or willful misconduct. The obligations of Trustor under this Section shall survive the repayment of the Permanent Loan and shall be secured by this Deed of Trust. Notwithstanding any contrary provision contained herein, the obligations of Trustor under this Section shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release or reconveyance of this Deed of Trust.

7.14. Limitation of Liability. Beneficiary shall not be directly or indirectly liable to Trustor or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; (iii) any waste committed by Trustor, the lessees of the Property or any third parties, or any dangerous or defective condition of the Property; or (iv) any loss sustained by Trustor or any third party resulting from any act or omission of Beneficiary in managing the Property after an Event of Default, unless the loss is caused by the willful misconduct, gross negligence, or bad faith of Beneficiary. Trustor hereby expressly waives and releases all liability of the types described in this Section 7.14 and agrees that Trustor shall assert no claim related to any of the foregoing against Beneficiary.

7.15 Insurance and Condemnation Proceeds. Subject to the rights of any senior lienholders, any award of damages in connection with any condemnation for public use of, or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply such moneys to any indebtedness secured hereby in such order as Beneficiary may determine, or at the 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. Notwithstanding the foregoing, so long as the value of Beneficiary's lien is not impaired, insurance and/or condemnation proceeds may be used to repair and/or restore the Project.

7.16 Release, Extension, Modification. At any time and from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may release or reconvey all or any part of the Property, consent to the making of any map or plat of the Land or part thereof, join in granting any easement or creating any restriction affecting the Property, or join in any extension agreement or other agreement affecting the lien or charge hereof. At any time and from time to time, without liability therefor and without notice, Beneficiary may (i) release any person liable for payment of any Secured Obligation, (ii) extend the time for payment or otherwise alter the

terms of payment of any Secured Obligation; (iii) accept additional real or personal property of any kind as security for any Secured Obligation, or (iv) substitute or release any property securing the Secured Obligations.

7.17 Reconveyance. Upon written request of Beneficiary stating that all of the Secured Obligations have been paid in full, and upon surrender of this Deed of Trust, and the Note, Trustee shall reconvey, without warranty, the Property or so much of it as is then held under this Deed of Trust. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor shall pay all fees of Trustee and all recordation fees related to such reconveyance.

7.18 Cure; Protection of Security. Either Beneficiary or Trustee may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary or Trustee to be conclusive as among Beneficiary, Trustee and Trustor; obtaining insurance and/or paying any premiums or charges for insurance required to be carried hereunder; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted under this Section 7.18 either with or without giving notice, except for notices required under applicable law. Any amounts disbursed by Beneficiary pursuant to this paragraph shall become additional indebtedness secured by this Deed of Trust.

7.19 Limited Partners Right to Cure. Trustor's limited partners shall have the right to cure any default of Trustor hereunder upon the same terms and conditions afforded to Trustor. Beneficiary shall provide any notice of default hereunder to the limited partners concurrently with the provision of such notice to Trustor, at the following address (or such alternate address as the limited partners may designate from time to time in a written notice to the City):

As to the limited partners, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 10.2.

8. Default and Remedies.

8.1 Events of Default. Trustor acknowledges and agrees that an Event of Default shall occur under this Deed of Trust upon the occurrence of any one or more of the following events:

a. Beneficiary's declaration of an Event of Default under any Permanent Loan Document, subject to the expiration of any applicable cure period set forth in such document;

b. Trustor fails to perform any monetary obligation which arises under this Deed of Trust, and does not cure that failure within ten (10) days following written notice from Beneficiary or Trustee;

c. If Trustor's interest in the Property or any part thereof is voluntarily or involuntarily sold, transferred, leased, encumbered, or otherwise conveyed in violation of Section 7.6 hereof or if any other Transfer occurs in violation of the DDLA and Trustor fails to rescind such conveyance or otherwise cure such breach within the time period specified in paragraph j below;

d. Trustor fails to maintain the insurance coverage required hereunder or otherwise fails to comply with the requirements of Section 7.10 hereof and Trustor fails to cure such default within the time specified in Section 7.10;

e. Subject to Trustor's right to contest such charges as provided herein, Trustor fails to pay taxes or assessments due on the Land or the Improvements or fails to pay any other charge that may result in a lien on the Land or the Improvements, and Trustor fails to cure such default within ten (10) days.

f. Any representation or warranty of Trustor contained in or made in connection with the execution and delivery of this Deed of Trust or in any certificate or statement furnished pursuant hereto or in any other Permanent Loan Document proves to have been false or misleading in any material adverse respect when made;

g. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Trustor or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Trustor or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

h. If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Trustor or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof or substantially all of such entity's assets, (iii) orders the liquidation of Trustor or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

i. The holder of any other debt instrument secured by a mortgage or deed of trust on the Property or part thereof declares an event of default thereunder and exercises a right to declare all amounts due under that debt instrument immediately due and payable, subject to the expiration of any applicable cure period set forth in such holder's documents; or

j. Trustor fails to perform any obligation arising under this Deed of Trust other than one enumerated in this Section 8.1, and does not cure that failure either within ten (10)

days after written notice from Beneficiary or Trustee in the event of a monetary default, or within thirty (30) days after such written notice in the event of a nonmonetary default, provided that in the case of a nonmonetary default that in Beneficiary's reasonable judgment cannot reasonably be cured within thirty (30) days, an Event of Default shall not arise hereunder if Trustor commences to cure such default within thirty (30) days and thereafter prosecutes such cure to completion with due diligence and in good faith and in no event later than sixty (60) days following receipt of notice of default.

8.2 Remedies. Subject to the applicable notice and cure provisions set forth herein, at any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below, and may exercise any one or more or all, of the remedies set forth in any Permanent Loan Document, and any other remedy existing at law or in equity or by statute. All of Beneficiary's rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided hereunder, including without limitation reasonable attorneys' fees and costs.

a. Acceleration. Beneficiary may declare any or all of the Secured Obligations, including without limitation all sums payable under the Note and this Deed of Trust, to be due and payable immediately.

b. Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

c. Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing copies of all of Trustor's or the then owner's books and records concerning the Property; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments.

d. UCC Remedies. Beneficiary may exercise any or all of the remedies granted to a secured party under the UCC.

e. Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for foreclosure of mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.

f. Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

8.3 Power of Sale. If Beneficiary elects to invoke the power of sale hereby granted, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each County wherein the Property or some part thereof is situated as required by law and this Deed of Trust.

Prior to publication of the notice of sale, Beneficiary shall deliver to Trustee this Deed of Trust and the Note or other evidence of indebtedness which is secured hereby, together with a written request for the Trustee to proceed with a sale of the Property, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the 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, and at Beneficiary's request shall, postpone sale of all or any portion of the 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 and place fixed by the preceding postponement. Trustee shall deliver to the 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, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of the trust hereby created, including reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums advanced or expended by Beneficiary or Trustee under the terms hereof and all outstanding sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

Without limiting the generality of the foregoing, Trustor acknowledges and agrees that regardless of whether or not a default has occurred hereunder, if an Event of Default has occurred under the Permanent Loan Documents, and if in connection with such Event of Default Beneficiary exercises its right to foreclose on the Property, then: (i) Beneficiary shall be entitled to declare all amounts due under the Note immediately due and payable, and (ii) the proceeds of any sale of the Property in connection with such foreclosure shall be used to pay all Secured Obligations, including without limitation, the outstanding principal balance and all other amounts due under the Note.

At any foreclosure sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law.

Instead of paying cash for such property, Beneficiary may settle for the purchase price by crediting the sales price of the property against the following obligations:

a. First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee under Section 7.12(c); and

b. Second, the remaining balance of all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

8.4 Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Trustor pays Beneficiary all sums which would be then due under the Permanent Loan Documents if the Secured Obligations had no acceleration provision; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Deed of Trust; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Trustor contained in this Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

9. Trustor's Waivers. To the fullest extent permitted by law, Trustor waives: (a) all statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary; (b) the benefit of all laws now existing or which may hereafter be enacted providing for any appraisal, valuation, stay, extension, redemption or moratorium; (c) all rights of marshalling in the event of foreclosure; and (d) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind.

10. Miscellaneous Provisions.

10.1 Additional Provisions. The Permanent Loan Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and the Property.

10.2 Notices. Trustor requests that a copy of notice of default and notice of sale be mailed to Trustor at the address set forth below. That address is also the mailing address of Trustor as debtor under the UCC. Beneficiary's address set forth below is the address for Beneficiary as secured party under the UCC. Except for any notice required under applicable law to be given in another manner, all notices to be sent pursuant to this Deed of Trust shall be

made in writing, and sent to the parties at their respective addresses specified below or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

- a. personal delivery, in which case notice shall be deemed delivered upon receipt;
- b. certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;
- c. nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or
- d. facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Beneficiary:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager and Housing Services Administrator

Trustor: UHC 00575 Rancho Cordova, L.P.
2000 E. Fourth Street, Suite 205
Santa Ana, CA 92705
Attention: Chief Operating Officer

Trustee: Fidelity National Title Company
8950 Cal Center Drive, Building 3, Suite 100
Sacramento, CA 95826
Attn: Paul Avila

10.3 Binding on Successors. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of the Trustor, Beneficiary and Trustee; provided however this Section 10.3 does not waive the provisions of Section 7.6.

10.4 Substitution of Trustee. Beneficiary may from time to time or at any time substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of Sacramento County, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the Trustee named herein.

10.5 Attorneys' Fees and Costs. In any action or proceeding to foreclose this Deed of Trust or to enforce any right of Beneficiary or of Trustee, Trustor shall pay to Beneficiary and Trustee all costs of such action or proceeding, including reasonable attorneys' fees.

10.6 Governing Law; Severability; Interpretation. This Deed of Trust shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Trustor agrees that any controversy arising under or in relation to this Deed of Trust shall be litigated exclusively in the jurisdiction where the Land is located (the "**Property Jurisdiction**"). The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Permanent Loan Documents. Trustor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation, and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. If any provision of this Deed of Trust is held unenforceable or void, that provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of this Deed of Trust. The captions used in this Deed of Trust are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

10.7 Waiver, Modification and Amendment. Any waiver by Beneficiary of any obligation of Trustor hereunder must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance. No amendment to or modification of this Deed of Trust shall be effective unless and until such amendment or modification is in writing, executed by Trustor and Beneficiary. Without limiting the generality of the foregoing, Beneficiary's acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver by Beneficiary of its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

10.8 Action by Beneficiary. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the Beneficiary is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by Beneficiary's City Manager or by any person who shall have been designated by Beneficiary's City Manager, without further approval by the governing board of Beneficiary. Beneficiary shall use reasonable best efforts to respond to requests for any such approval, notice, direction, or consent in a timely manner. In any approval, consent, or other determination by Beneficiary required hereunder, Beneficiary shall act reasonably and in good faith.

10.9 Joint and Several Liability. If Trustor consists of more than one person or entity, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

10.10 Time is of the Essence. Time is of the essence for each provision of this Deed of Trust.

10.11 Regulatory Agreement Controls. In the event of any inconsistencies between the terms set forth in the Regulatory Agreement and the terms of this Deed of Trust, the terms of the Regulatory Agreement shall control.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR

UHC 00575 Rancho Cordova, L.P.,
a California limited partnership

By:

State of California)
)
 County of _____)

On _____, 20__, 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)

EXHIBIT A TO DEED OF TRUST

Legal Description

(Attach Legal Description.)

2286865.1

**AMENDED AND RESTATED
DISPOSITION AND DEVELOPMENT AND LOAN AGREEMENT**

by and between

THE CITY OF RANCHO CORDOVA

and

UHC 00575 Rancho Cordova L.P.,

A California limited partnership

Horizons at New Rancho

June 16, 2014

June 16, 2014

Exhibits

- A Legal Description of Property
- B Form of Memorandum of Amended and Restated Disposition and Development and Loan Agreement
- C Form of Certificate of Completion
- D Financing Plan
- E Development and Performance Schedule
- F Regulatory Agreement
- G Approved Design Review
- H Assignment of Agreements, Plans and Specifications
- I Permanent Note
- J Deed of Trust

THIS AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AND LOAN AGREEMENT (this “**Agreement**” or “**DDLA**”) is entered into effective as of June 16, 2014, ~~2013~~ (“**Effective Date**”) by and between the City of Rancho Cordova, a California municipal corporation, (“**City**”) and UHC 00575 Rancho Cordova L.P., a California Limited Partnership (“**Developer**”). City and Developer are hereinafter individually referred to as “**Party**” and collectively referred to as the “**Parties**.”

RECITALS

AA. The Parties desire to amend and restate in its entirety that certain Disposition and Development Agreement dated February 26, 2013, as amended by that certain First Amendment to Disposition and Development Agreement dated July 1, 2013 (collectively, “Original DDA”).

B. Pursuant to California Health and Safety Code Section 34176(a)(1), on January 17, 2012, the City Council of the City of Rancho Cordova (“**City Council**”) adopted Resolution No. 7-2012, whereby the City elected to retain the housing assets and functions of the Community Redevelopment Agency of the City of Rancho Cordova (“**Agency**”) upon the dissolution of the Agency, effective February 1, 2012, ~~pursuant to Assembly Bill x1-26 enacted by the California Legislature and upheld by the California Supreme Court in California Redevelopment Association, et al. v. Ana Matosantos, et al.~~. The City thereby became the designated Housing Successor to the former Agency.

BC. On April 17, 2012, the Oversight Board of the Rancho Cordova Successor Agency to the Community Redevelopment Agency of the City of Rancho Cordova, adopted Resolution No. OB 2-2012, whereby the Oversight Board acknowledged and approved of the transfer of housing assets, obligations and functions from the former Agency to the City as Housing Successor.

CD. On October 14, 2012, pursuant to Health and Safety Code Section 34176(a)(2), the City submitted to the California Department of Finance (“**DOF**”) a list of housing assets, including that certain real property consisting of approximately 1.07 acres located in the City of Rancho Cordova, identified as Sacramento Assessor’s Parcel 057-0221-022, (previously known as Assessor’s Parcel Nos. 057-0221-010, 057-0221-009, and 057-0221-020), and more particularly described in Exhibit A attached hereto (the “**Property**”). On November 7, 2012, the DOF responded with an analysis of the housing assets, and did not dispute the City’s claim that the real property listed was a housing asset, however the DOF did require the remittance of un-encumbered Low and Moderate Housing funds. All requested un-encumbered Low and Moderate Housing funds were remitted to the County of Sacramento as per DOF’s findings on November 14, 2012. ~~As per AB 1484, the remittance of requested funds acts as a finalizing marker in the implementation of AB 1484’s housing asset requirements. City owns fee simple title to the Property~~

E. ~~On July 2, 2012, the Parties executed that certain Exclusive Negotiating Rights Agreement (“ENRA”) establishing preliminary terms for a possible DDA. The term of the ENRA terminates upon the earlier of execution of the DDA or March 1, 2013, unless extended or earlier terminated. Except with respect to Developer’s proposed financing utilizing HOME~~

~~Investment Partnership Program Funds, the essential terms of the ENRA remain applicable and the ENRA is incorporated by reference herein.~~

E. City owns fee simple title to the Property.

F. City desires to cause the development of the Property with up to forty-eight (48) units of multi-family senior rental housing affordable at very-low income (not to exceed ~~fiftysixty~~ percent (~~5060~~%) of Area Median Income) and extremely low-income (not to exceed thirty percent (30%) of Area Median Income) levels. Developer has proposed developing same on the Property, to include Developer's best efforts to develop the housing building as a net zero energy building with the amenities set forth herein (the "**Project**"). ~~The Project is more~~ particularly described in Section 5.2 herein and in an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants ("**Regulatory Agreement**"), attached hereto as Exhibit F, that shall be executed substantially concurrently herewith and recorded against the Property and the Project.

G. On November 6, 2006 the City adopted Ordinance 57-2006, establishing the Folsom Boulevard Specific Plan ("FBSP"), amending the Zoning Code, and amending the Zoning Code map designations for the properties within the Sunrise Boulevard South Planning Area, the Downtown Planning Area and Convention Overlay District. It was determined that the certified Environmental Impact Report prepared for the adopted General Plan was found to adequately address all significant environmental impacts associated with the adoption of the FBSP, the Zoning Code amendment, and Zoning Code map amendment, and therefore no additional environmental review was necessary pursuant to California Environmental Quality Act ("CEQA") Guidelines 15183(a) and California Public Resources Code Section 21083.3. Subsequently, amendments to the FBSP were analyzed under a Mitigated Negative Declaration (MND) and a Notice of Determination was filed for the MND on June 19, 2008. The City has completed an environmental review of the project and has determined that the project is consistent with previously prepared environmental review and is also Categorically Exempt under Section 15332, In-Fill Development.²²

H. Financing for the Project is addressed in Article VI herein.

I. The purpose of this Agreement is to effectuate the Redevelopment Plan for the Rancho Cordova Project Area, the Rancho Cordova General Plan and the Folsom Boulevard Specific Plan. The City has determined that development of the Property with the Project will be of benefit to the Rancho Cordova Project Area and the City as a whole, and will increase the City's supply of affordable housing stock and assist in the elimination of blight.

J. A material inducement to the City to enter into this Agreement is the agreement by Developer to develop the Project within the time periods specified herein and in accordance with the provisions hereof, and the City would be unwilling to enter into this Agreement in the absence of an enforceable commitment by Developer to complete the Project in accordance with such provisions and within such time periods, subject to the terms and conditions set forth herein.

K. In connection with this Agreement, - Developer shall execute such documentation as City shall reasonably require in connection with Project financing, and the Regulatory Agreement, -which shall require Project rents to be affordable to households whose incomes do not exceed ~~fifty~~those established by lenders and those other agencies providing funding to the Project, but in no case shall exceed sixty percent (~~50~~60%) of Area Median Income for a term of not less than fifty-five (55) years. -This Agreement, the Memorandum of ~~DDADDLA~~ attached hereto as Exhibit B, -all City- Project financing documents and the Regulatory Agreement are collectively hereinafter referred to as the “**City Documents**.”

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE I

RECITALS AND DEFINITIONS

~~1.~~ 1.1 Recitals. The foregoing recitals are incorporated in and made a part of this Agreement.

1.2 Definitions. The following terms shall have the meanings set forth in the Sections referenced below whenever used in this Agreement and the Exhibits attached hereto. Additional terms are defined in the Recitals and text of this Agreement.

1.13 “**Certificate of Completion**” is defined in Section 5.15.

~~1.24~~ “**City**” is defined -in the Preamble.

1.35 “**City Council**” is defined in Recital AB.

1.46 “**City Documents**” is defined in Recital K.

1.57 “**Claims**” is defined in Section 5.17.

1.68 “**Conditions of Approval**” is defined in Section 5.2.

1.79 “**Construction Plans**” is defined in Section 5.11.

1.810 “**Environmental Laws**” is defined in Section 10.4.

1.911 “**Financing Plan**” is defined in Section 5.7.

~~1.4012~~ “**Hazardous Materials**” is defined in Section 10.3.

~~1.4413~~ “**Improvements**” is defined in Section 5.2.

~~1.4214~~ “**Indemnities**” is defined in Section 5.17.

~~1.4315~~ “**Official Records**” means the Official Records of Sacramento County.

- 1.4416 “**Project**” is defined in Recital B and further described in Section 5.2.
- 1.4517 “**Regulatory Agreement**” is defined in Recital F.
- 1.4618 “**Transfer**” is defined in Section 8.2.

ARTICLE II

REPRESENTATIONS; EFFECTIVE DATE; MEMORANDUM.

2.1 Developer's Representations. Developer represents and warrants to City as follows, and Developer covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.1 not to be true, Developer shall immediately give written notice of such fact or condition to City. Developer acknowledges that City shall rely upon Developer's representations made herein notwithstanding any investigation made by or on behalf of City.

(i) Authority. Developer is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of California. Developer has the full right, power and authority to undertake all obligations of Developer as provided herein, including, without limitation, the power and authority to own, develop, construct, operate and maintain the Property and the Project and the execution, performance and delivery of this Agreement by Developer has been duly authorized by all requisite actions. The persons executing this Agreement on behalf of Developer have been duly authorized to do so. All actions required under Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement, and the other City Documents and all documents executed and delivered, or to be executed and delivered pursuant to this Agreement, have been duly taken. This Agreement and the other City Documents constitute valid and binding obligations of Developer, enforceable in accordance with their respective terms.

(ii) No Conflict. Developer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any statute, rule, regulation, judgment, contract, agreement or order to which Developer is a party or by which it is bound.

(iii) No Litigation or Other Proceeding. No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Developer to perform its obligations under this Agreement.

(iv) No Developer Bankruptcy. Developer is not the subject of a bankruptcy or insolvency proceeding.

2.2 Effective Date; Memorandum. The obligations of Developer and City hereunder shall be effective as of the Effective Date. The Parties shall execute a Memorandum of this Agreement substantially in the form attached hereto as Exhibit B, which shall be recorded in the Official Records promptly upon execution of this Agreement. The City will not withhold consent to reasonable requests for subordination of the Memorandum to deeds of trust, regulatory agreements and related documents provided for the benefit of Project lenders approved pursuant to the Financing Plan, provided that the instruments effecting such subordination include reasonable protections to the City in the event of default.

ARTICLE III

CONDITIONS PRECEDENT TO CONVEYANCE OF LAND

3.1 Conditions Precedent. City shall convey the Property to Developer in accordance with Article IV following Developer's satisfaction of the conditions set forth in this Agreement and within the time limits specified in the Development ~~and Performance~~ Schedule attached hereto as Exhibit E, unless such time is extended by the City at the discretion of the City Manager.

3.2 Scope of Development. Developer's proposed Scope of Development includes the Improvements and amenities set forth in Section 5.2. Pursuant to Resolution No. 75-2012, the City Council has approved the Design Review for the Project, attached hereto as Exhibit G. By execution of this Agreement, City hereby approves the Scope of Development.

3.3 Financing Plan. As set forth in the attached Exhibit D and more particularly described in Section 5.7, Developer has provided City with a Financing Plan for the Project ("**Financing Plan**").

ARTICLE IV

DISPOSITION OF THE PROPERTY

4.1 Purchase and Sale. Provided that all conditions precedent set forth in this Agreement have been satisfied, City shall convey to Developer the fee interest in the Property in accordance with and subject to the terms and conditions of this Agreement, free and clear of all title defects, liens and encumbrances except: (a) the provisions and effect of the Rancho Cordova Redevelopment Plan; (b) the provisions and effect of this Agreement; (c) liens for nondelinquent taxes, assessments, and/or bonds; (d) title exceptions set forth in the Preliminary Title Report for the Property issued by Fidelity National Title Company and dated as of ~~February 5, 2013~~ May 6, 2014; and (e) such other conditions, liens, encumbrances, restrictions, easements and exceptions as Developer may approve in writing (all of the foregoing collectively referred to as the "**Permitted Exceptions**"). Following the Effective Date, absent the consent of Developer, City shall not cause or voluntarily agree to allow a lien or other encumbrance which would remain effective following conveyance of the Property to attach to the Property.

4.2 Purchase Price. The purchase price for the Property shall be One Million ~~TwoFour~~ Hundred ~~Thirty~~-Seven Thousand ~~TwoNine~~ Hundred ~~Twenty-Two~~ Seventy Seven Dollars ~~Andand~~ No Cents (\$1,~~237,222.00~~)407,977) ("**Purchase Price**"). Developer shall pay the sum of Three Hundred Forty One Thousand Five Hundred Dollars (\$341,500) to the City as a deposit toward the Purchase Price ("**Deposit**"), at a time to be determined by the Parties but in no event later than the Construction loan close. The balance of the Purchase Price shall be included in the City's Permanent Loan to the Developer.

4.3. Escrow. Escrow shall be open at the office of Fidelity National Title Company, 11050 Olson Drive, Suite 200, Rancho Cordova, CA 95670, attention Paul Avila ("**Title Company**" or "**Escrow Agent**") in order to consummate the conveyance of the Property to Developer and the closing of escrow ("**Closing**") for the transactions contemplated hereby.

4.4 Costs of Closing and Escrow. City shall pay all costs associated with removing any debt encumbering the Property and for all title insurance premiums for policies City may elect to acquire for the Property. All other Closing and Escrow costs, including without limitation all title insurance premiums for policies Developer elects to acquire, shall be paid by Developer. All costs of Closing and Escrow shall be considered Project costs and shall be included in the Financing Plan.

4.5 Escrow Instructions; Recordation of Documents. City and Developer shall furnish Escrow Agent a copy of this Agreement, which together with such supplemental instructions as City or Developer may agree upon in writing, shall serve as Escrow instructions for the conveyance of the Property. Not later than one (1) day prior to the Closing Date, Developer shall deposit into Escrow the land Purchase Price, together with the balance of any other funds Developer is obligated to pay hereunder. Not later than one (1) day prior to the Closing Date, provided that all conditions precedent to conveyance have been satisfied, City shall deposit into Escrow an executed grant deed (“**Grant Deed**”) conveying the Property to Developer. On the Closing Date, Escrow Agent shall cause the following documents to be recorded in the Official Records of Sacramento County in the following order: (i) the Regulatory Agreement, (ii) the Memorandum of DDADDLA, and (iii) the Grant Deed.

4.6. City’s Conditions to Closing. City’s obligation to proceed with the Closing is subject to satisfaction or waiver by the City of all of the following conditions:

_____ a. No Default. Developer shall not be in Default under the terms of this Agreement, and all representations and warranties of Developer shall be true and correct in all material respects.

_____ b. Execution of Documents. Developer shall have executed and acknowledged the Regulatory Agreement, the Memorandum of DDADDLA, and all other documents required hereunder, and shall have delivered all such documents to City or into Escrow.

_____ c. City’s Title Policy. The Title Company shall, upon payment of the premium therefor by City, be ready to issue such title policies for the benefit of City as City shall order, showing title to the Property vested in Developer, subject only to the Permitted Exceptions and including such endorsements as City may reasonably request.

_____ d. Satisfaction of Conditions Precedent. Developer shall have satisfied the conditions set forth in Article III.

4.7 Developer’s Conditions to Closing. Developer’s obligation to proceed with the Closing is subject to satisfaction or waiver by Developer of the following conditions:

_____ a. No Default. City shall not be in Default under the terms of this Agreement, and all representations and warranties of City contained herein shall be true and correct in all material respects.

_____ b. Execution of Documents. City shall have executed and acknowledged the Grant Deed, the Regulatory Agreement and the Memorandum of DDADDLA,

and all other documents required hereunder, and shall have delivered such documents into Escrow.

c. Developer's Title Policy. The Title Company shall, upon payment of the premium therefor by Developer, be ready to issue an Owner's ALTA title policy for the benefit of Developer, showing title to the Property vested in Developer, subject only to the Permitted Exceptions and including such endorsements as Developer may reasonably request.

d. Consent to Disbursement of Funds. The Developer's receipt of written approval from the City that the Conditions to Disbursement of Funds set forth in Sections 6.4(a)(i) through 6.4(a)(vi) have been met by the Developer.

ARTICLE V

DEVELOPMENT OF THE PROJECT

5.1 The Property. City represents and warrants that as of the Effective Date: (i) City owns a fee simple interest in the Property, and (ii) the Property is subject to no covenant, condition, restriction or agreement that would prevent the development of the Project in accordance with this Agreement. If at any time the foregoing statements become untrue, the City shall have the right to terminate this Agreement upon written notice to Developer.

5.2 Scope of Development. Developer shall develop the Project in accordance with the terms and conditions of this Agreement and in compliance with the terms and conditions of all approvals, entitlements and permits that the City or any other governmental body or entity with jurisdiction over the Project or the Property has granted or issued as of the date hereof or may hereafter grant or issue in connection with development of the Project, including without limitation, all mitigation measures imposed in connection with environmental review of the Project and all conditions of approval imposed in connection with any entitlements, approvals or permits (all of the foregoing approvals, entitlements, permits, mitigation measures and conditions of approval are hereafter collectively referred to as the "**Conditions of Approval**").

The Project will consist of a three-story, slab on grade building with an elevator and double loaded corridors. To the maximum extent possible, all Parking will be covered. The forty-eight (48) units shall be comprised of forty-one (41) single bedroom units, six (6) two-bedroom units, and one (1)one-bedroom manager's unit. The building will include laundry facilities on each floor, a community room and common area quiet spaces. The building façade will include architectural features to preclude a manufactured housing appearance and to appear complimentary to the exterior appearance of the contiguous Crossings at New Rancho project. Developer will use best efforts to achieve a net-zero energy building; extensive use of solar panels on parking coverage and building roof; energy recapture technology; energy efficient fixtures and appliances; maximum utilization of LED lighting technology; gardening space; and open outdoor areas that provide residents with a range of activities. All of the foregoing is collectively hereinafter referred to as the "**Improvements**".

Notwithstanding anything to the contrary contained herein, the construction of the Project is expressly conditioned upon compliance with the California Environmental Quality Act, California Public Resources Code Section 21000 *et seq.*, CEQA guidelines, and implementing

regulations, all as amended from time to time (“CEQA”) and/or the National Environmental Protection Act of 1969, 42 U.S.C. Section 4321 *et seq.*, NEPA guidelines, and implementing regulations, all as amended from time to time (“NEPA”), as the same may be applicable to the Project. Necessary CEQA and NEPA studies and reports have been completed, all necessary NEPA approvals have been obtained, necessary notices have been filed and ~~statutes~~ ~~statutes~~ of limitations have expired. No physical activity, not otherwise exempt from CEQA or NEPA, as applicable, shall commence on the Property without such compliance.

- 5.3 Affordable Housing for Seniors. Developer covenants and agrees for itself, its successors and assigns that Developer’s interest in the Property will be subjected to recorded covenants that will restrict use of the Property to development of an affordable multi-family senior rental housing project -and that for a term of not less than fifty-five (55) years commencing upon the issuance of a final certificate of occupancy for the Project, not less than one hundred percent (100%) (not including the Manager’s unit) of the residential units in the Project shall be rented at an affordable cost to households who qualify at or below ~~fiftysixty~~ ~~percent (5060%)~~ of Area Median Income (as defined in the Regulatory Agreement), in accordance with the terms hereof and the Regulatory Agreement . Minimum age restriction for the proposed senior occupancy shall be ~~fifty-five (55)~~ that one individual in an assisted household be at least sixty – two (62) years of age.

5.4 Project Approvals. Developer acknowledges and agrees that execution of this Agreement by City does not constitute approval for the purpose of the issuance of building permits for the construction of the Project, does not limit in any manner the discretion of City in such approval process, and does not relieve Developer from the obligation to apply for and obtain all necessary entitlements, approvals, and permits for the construction of the Project, including without limitation, the approval of architectural plans, the issuance of any certificates regarding historic resources required in connection with the Project (if any), and the completion of any required environmental review.

Developer covenants that it shall: (i) obtain all necessary permits and approvals which may be required by City, or any other governmental City having jurisdiction over the construction of the Project or the development of the Property, (ii) comply with all Conditions of Approval, (iii) comply with all mitigation measures imposed in connection with any environmental review of the Project, and (iv) not commence construction work on the Project prior to issuance of building permits required for such work.

City staff shall work cooperatively with Developer to assist in coordinating the expeditious processing and consideration of all permits, entitlements and approvals necessary for development of the Project.

5.5 Fees. Subject to the approval of the financing subsidies identified in the Financing Plan, Developer shall be solely responsible for, and shall promptly pay when due, all customary and usual fees and charges of City in connection with obtaining building permits and other approvals for the Project, including without limitation, those related to the processing and consideration of amendments, if any, to the current entitlements, any related approvals and permits, environmental review, design review, architectural review, and any subsequent approvals for the Project or the development of the Property.

5.6 Cost of Construction. Except as expressly set forth herein, after the Effective Date, Developer shall be solely responsible for all direct and indirect costs and expenses incurred in connection with the design, development and construction of the Project and compliance with the Conditions of Approval, including without limitation the installation and construction of all off-site or on-site improvements required by City in connection therewith, except costs and expenses related to initial ALTA survey, land assemblage, relocation, lot-line adjustment, initial market study and environmental clearance including additional environmental studies that may be required.

5.7. Financing Plan. As set forth in the attached Exhibit D, Developer has provided City with a preliminary financing plan for the Project ("**Financing Plan**") which describes (i) the estimated costs of Project development, including acquisition costs, and hard and soft construction costs, (ii) an operating pro forma which describes projected revenue and expenses for the Project, and (iii) identification of sources of construction and permanent financing. The Financing Plan must be in a form and content to provide sufficient detail to satisfy the requirements of ~~Developer's proposed Tax Credit Allocation Committee ("TCAC") application. The Financing Plan may be the proposed TCAC proforma to be submitted with the TCAC application, potential lenders and grant sources.~~ Developer shall –update the Financing Plan throughout the term of this Agreement to reflect any changes in the ~~TCAC application proformapro~~ pro forma. Developer shall provide prior written notice to the City of any material proposed modifications. If the City fails to approve of any such modification within fifteen (15) calendar days following City's receipt of the proposed modifications, then the Financing Plan and the encumbrances which may be recorded against the Property in connection with the financing contemplated by the Financing Plan shall be deemed approved by the City. The City agrees not to unreasonably withhold consent to proposed modifications to the Financing Plan.

The financial statements of Developer and any general partner of Developer and other financial data and information furnished by Developer to City fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of Developer or any general partner of Developer from that shown by such financial statements and other data and information.

Consistent with the Financing Plan, City and Developer shall apply for an allocation of nine percent (9%) California low-income housing tax credits. Developer shall submit to the City such grants and loans as are required to achieve a copy of Developer's application for tax creditscomplete financing program for the Project concurrently with Developer's submittal of such applications to TCAC. The TCAC application. Such application(s) shall reflect the current City-approved Financing Plan including a current schedule of sources and uses and updated development and operating pro formas, accompanied by. Prior to commencement of construction evidence satisfactory to the City must be provided to the City which demonstrates that all Project financing has been firmly committed by Developer, or lending institutions, to the Project subject only to commercially reasonable conditions or allocation(s) for low-income housing tax credits from TCAC. Additionally, Developer shall provide City with copies of draft and final copies of its Tax Credit Investor Agreement and it will obtain written approval from the City of the pay-in schedule of all tax credit equity proceeds.

Developer agrees to use best efforts to operate and manage the Project so as to maximize residual receipts ~~there from therefrom~~, including without limitation using residual receipts to fund a social services program for Project residents.

Developer shall also cooperate in the resubmittal of ~~the nine percent (9%) any required~~ application for grant funding ~~not initially funded~~. It is anticipated that a competitive application will require that the Developer has completed design review, submitted project plans sufficient for plan check and received a letter from the City ~~stating that "but for the payment of required City, School District, and related fees the City is ready to issue building permits." describing the status of plans,~~

5.7.1 ~~Failure of 9% Tax Credit Application to Win Financing Award(s).~~

Failure of the Developer ~~or City~~ to receive ~~an allocation of nine percent (9%) tax credit award funding commitments sufficient to fund the construction and operation of the proposed Project~~ by June ~~12, 2013 (or such date as Round #1 2013 TCAC awards are announced) will~~ ~~30, 2015~~ ~~may~~ result in ~~a resubmittal of the nine percent (9%) tax credit application in July of 2013 or later if the schedule changes.~~ the termination of this Agreement, at City's option. If ~~at the end of the second an~~ attempt to receive ~~an allocation of nine percent tax credits 9% tax credits therea~~ TCAC award consistent with the approved Financing Plan is ~~no award unsuccessful~~, Developer and City ~~agree to shall~~ meet ~~and to~~ discuss alternative financing options ~~which may include an application for HOME funds.~~ If ~~there is~~ no mutually agreeable alternate grant funding ~~sourcee or~~ sources ~~are~~ identified, ~~the~~ City, at its sole discretion, may terminate this ~~DDA Agreement~~, retain all rights to the ~~land~~ Property and take assignment of all work products derived from the City's Predevelopment Funding, pursuant to an Assignment of Agreements, Plans and Specifications in a form substantially similar to Exhibit H attached hereto and incorporated herein by reference.

5.8 ~~Development Schedule (9% Tax Credit Scenario).~~ Developer shall commence and complete plan development and construction of the Project and shall satisfy all other obligations of Developer under this Agreement within the time periods set forth herein and as described in the attached Development and Performance Schedule attached as Exhibit E hereto, as such time periods may be extended upon the mutual written consent of the Parties. Subject to force majeure, the availability of financing, and the City's issuance of permits and approvals, Developer shall commence construction of the Project within thirty (30) days of issuance of building permits, but in any event no later than ~~the later of : (i) October 15, 2013, or (ii) the earliest date as may be permitted by TCAC.~~ December 31, 2015. Developer shall diligently prosecute to completion the construction of the Project in order to allow City to issue a final certificate of occupancy in no event later than twelve (12) months from the commencement of construction ~~or such earlier date as may be required by TCAC.~~ Subject to force majeure, the availability of financing, and the City's issuance of permits and approvals, Developer's failure to commence or complete construction of the Project in accordance with the time periods specified in this Section 5.8 and Exhibit E ~~shall be an Event of Developer Default hereunder.~~

5.9 Rights of Access. For the purpose of ensuring that the Project is developed in compliance with this Agreement, Developer shall permit representatives of the City to enter upon the Property to inspect the Project following forty-eight (48) hours written notice, including

without limitation inspection for labor standards compliance monitoring as described in Section 5.17 (except in the case of emergency in which case such notice as may be practical under the circumstances shall be provided). Developer shall have the right to accompany any City representative performing an inspection of the Project.

5.10 City Disclaimer. Developer acknowledges that City shall have the right to monitor, review, supervise, or inspect the progress of construction or the operation of the Project. Notwithstanding such right, Developer and all third parties shall rely on its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Project. Any review or inspection undertaken by the City is solely for the purpose of determining whether Developer is properly discharging its obligations under this Agreement, and shall not be relied upon by Developer or any third party as a warranty or representation by the City as to the quality of the design or construction of the Improvements or otherwise.

5.11 Construction Plans. Prior to commencement of Project construction, Developer shall submit to City's Building Department detailed construction plans for the development of the Project (the "**Construction Plans**"). As used herein "**Construction Plans**" means all construction documents upon which Developer and Developer's contractors shall rely in constructing the Project (including the landscaping, parking, and common areas) and shall include, without limitation, the site development plan, final architectural drawings, landscaping, exterior lighting and signage plans and specifications, materials specifications, final elevations, and building plans and specifications. The Construction Plans shall be based upon the scope of development set forth herein and upon the approvals issued by the City for the Project, and shall not materially deviate therefrom without the express written consent of City. Provided that the Construction Plans are consistent with the requirements of this Agreement, approval of the Construction Plans by City staff shall be deemed approval thereof by City.

5.12 Construction Pursuant to Plans. Developer shall develop the Project in accordance with the approved Construction Plans, the Conditions of Approval, and all other permits and approvals granted by the City pertaining to construction of the Project. Developer shall comply with all directions, rules and regulations of any fire marshal, health officer, building inspector or other officer of every governmental entity having jurisdiction over the Property or the Project. Each element of the work shall proceed only after procurement of each permit, license or other authorization that may be required for such element by any governmental entity having jurisdiction. All design and construction work on the Project shall be performed by licensed contractors, engineers or architects, as applicable.

5.13 Changes in Construction Plans. If Developer desires to make any material change in the approved Construction Plans, Developer shall submit the proposed change in writing to City in accordance with its standard review process. Approval of changes to the Construction Plans by City shall be deemed approval thereof by City. Nothing in this Section is intended to or shall be deemed to modify the City's standard plan review procedures.

5.14 Defects in Plans. City shall not be responsible to Developer or to any third party for any defect in the Construction Plans or for any structural or other defect in any work done

pursuant to the Construction Plans. Subject to the last sentence of this Section 35.14, Developer shall indemnify, defend (with counsel approved by City) and hold harmless the Indemnitees from and against all Claims arising out of, or relating to, or alleged to arise from or relate to defects in the Construction Plans or defects in any work done pursuant to the Construction Plans whether or not any insurance policies shall have been determined to be applicable to any such Claims. Developer's indemnification obligations set forth in this Section shall survive the expiration or earlier termination of this Agreement and the recordation of a Certificate of Completion and shall be assumed by any successor to Developer's interest in this Agreement. It is further agreed that City shall not, waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer's deposit with City of any of the insurance policies described in this Agreement. Developer's indemnification obligations pursuant to this Section shall not extend to Claims to the extent arising due to the gross negligence or willful misconduct of the Indemnitees. Developer's indemnification obligations set forth in this Section shall not apply to any Construction Plans that are not used by or on behalf of Developer or any entity affiliated with Developer, including without limitation, a Controlled Affiliate or an entity controlled by or under common control with Developer. In addition, if City uses any of the Construction Plans (or permits a third party to use such Construction Plans), City agrees to release Developer from liability for Claims arising in connection with such use except to the extent any such Claim arises from the gross negligence or willful misconduct of Developer or Developer's employees, agents or representatives.

5.15 Certificate of Completion for Project. Promptly after completion of construction of the Project, issuance of a final Certificate of Occupancy by the City and the written request of Developer, the City will provide an instrument ("**Certificate of Completion**") so certifying, provided that at the time such certificate is requested all applicable components of the Project have been completed. The Certificate of Completion shall be conclusive evidence that Developer has satisfied its obligations regarding the development of the Property.

The Certificate of Completion shall be issued substantially in the form attached hereto as Exhibit C, and at Developer's option, shall be recorded in the Official Records. The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a deed of trust or mortgage securing money loaned to finance the Project or any part thereof and shall not be deemed a notice of completion under the California Civil Code, nor shall such Certificate provide evidence that Developer has satisfied any obligation that survives the expiration of this Agreement, including without limitation, Developer's obligations pursuant to the Regulatory Agreement.

5.16 Equal Opportunity. During the construction of the Project, there shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction of the Project, and Developer shall direct its contractors and subcontractors to refrain from discrimination on such basis.

5.17 Prevailing Wage Requirements. To the full extent required by all applicable State and Federal laws, rules and regulations, if any, Developer and its contractors and agents shall comply with California Labor Code Section 1720 *et seq.*, the Davis-Bacon Act, and the

regulations adopted pursuant to each of them, as the same may be applicable to the Project (“**Prevailing Wage Laws**”), and shall be responsible for carrying out the requirements of such provisions. Developer, at its own expense, shall prepare and obtain approval from the City of a plan for monitoring, enforcing and reporting on the payment of prevailing wages. This plan shall describe penalties, approved by the City, for the Contractor if it fails to implement said plan and to satisfy on a timely basis the reporting requirements included in said plan.

Subject to the last sentence of this paragraph, Developer shall indemnify, defend (with counsel approved by City) and hold the City, and its respective elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the “**Indemnitees**”) harmless from and against all liability, loss, cost, expense (including without limitation attorneys’ fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (all of the foregoing collectively “**Claims**”) which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including without limitation, all claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781), the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to the Prevailing Wage Laws, or any act or omission of Developer related to this Agreement with respect to the payment or requirement of payment of prevailing wages, whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that City does not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer’s deposit with City of any of the insurance policies described in this Agreement. The provisions of this Section 5.17 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project and shall be assumed by any successor to Developer’s interest in this Agreement. Developer’s indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of one or more of the Indemnitees. Developer’s indemnification obligations set forth in this Section shall only apply to work performed by or on behalf of Developer or any entity affiliated with Developer, including without limitation, a Controlled Affiliate or an entity controlled by or under common control with Developer.

5.18 Compliance with Laws. In connection with development and construction of the Project, Developer shall comply, and shall cause its contractors to comply with all applicable federal, state and local laws, rules, ordinances and regulations, including without limitation, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code (if any), the City zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the City’s Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation, applicable provisions of the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.* Developer shall indemnify, defend (with counsel approved by City) and hold harmless the Indemnitees from and against any and all Claims arising in connection with the breach of Developer’s obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such

Claims. It is further agreed that City shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer's deposit with City of any of the insurance policies described in this Agreement. Developer's indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees. Developer's defense and indemnification obligations set forth in this Section 5.18 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project.

5.19 Liens and Stop Notices. Until the expiration of the term of the Regulatory Agreement, if a claim of a lien or stop notice is given or recorded affecting the Project or the Property, Developer shall within thirty (30) days of such recording or service: (a) pay and discharge (or cause to be paid and discharged) the same; or (b) effect the release thereof by recording and delivering (or causing to be recorded and delivered) to the party entitled thereto a surety bond in sufficient form and amount; or (c) provide other assurance satisfactory to City that the claim of lien or stop notice will be paid or discharged. The provisions of this Section 5.19 shall apply from and after Developer's acquisition of a fee simple interest in the Property.

5.20 Right of City to Satisfy Liens on the Property. If Developer fails to satisfy or discharge any lien or stop notice on the Property pursuant to and within the time period set forth in Section 5.19 above, the City shall have the right, but not the obligation, to satisfy any such liens or stop notices at Developer's expense with prior written notice to Developer. In such event Developer shall be liable for and shall immediately reimburse City for such paid lien or stop notice. Alternatively, the City may require Developer to immediately deposit with City the amount necessary to satisfy such lien or claim pending resolution thereof. The City may use such deposit to satisfy any claim or lien that is adversely determined against Developer. Developer shall file a valid notice of cessation or notice of completion upon cessation of construction of the Improvements for a continuous period of thirty (30) days or more, and shall take all other reasonable steps to forestall the assertion of claims or liens against the Property or the Improvements. The City may (but has no obligation to), with prior written notice to Developer, record any notices of completion or cessation of labor, or any other notice that the City deems necessary or desirable to protect its interest in the Property and the Improvements.

5.21 Performance and Payment Bonds.

— Prior to commencement of construction work on the Project, Developer shall cause its general contractor to deliver to the City copies of payment bond(s) and performance bond(s) issued by a reputable insurance company licensed to do business in California, each in a penal sum of not less than one hundred percent (100%) of the scheduled cost of construction of the Project. The bonds shall name the City Developer and the City as co-obligees. In lieu of such performance and payment bonds, subject to City's approval of the form and substance thereof, Developer may submit evidence satisfactory to the City of the contractor's ability to commence and complete construction of the Project in the form of an irrevocable letter of credit, pledge of cash deposit, certificate of deposit, or other marketable securities held by a broker or other financial institution, with signature authority of the City required for any withdrawal, or a completion guaranty in a form and from a guarantor acceptable to City. Such evidence must be

submitted to City in approvable form in sufficient time to allow for City's review and approval prior to the scheduled construction start date.

5.22 Insurance Requirements.

Developer shall maintain and shall cause its contractors to maintain all applicable insurance coverage specified in Article XII.

5.23- Shared Operations.

Developer has developed contemporaneously a nearby but separate eighteen (18)-unit low-income housing project (the "**Crossings at New Rancho**") -pursuant to- that certain Loan Agreement dated December 2, 2010 between City and UHC 00516 Rancho Cordova, L.P. If the Project is completed, Developer agrees to use best efforts to create economies by utilizing shared operations contracts for maintenance, security, property management and related functions for the Project and Crossings at New Rancho.

ARTICLE VI

CITY FINANCIAL ASSISTANCE

6.1 City Permanent Loan. City agrees to provide a permanent loan to Developer ~~in an amount not to exceed Three Million Five Hundred Thirty-Nine Thousand Two Hundred Fifty-Nine Dollars and No Cents (\$3,539,259) (“Permanent Loan”) from a combination of sources including the City’s Local Housing Trust Funds, to be used primarily as either “predevelopment” or “gap” financing. This is “Predevelopment” funding in an amount not to exceed of approximately One Million EightFive Hundred Twenty SixThirty-Nine Thousand SixTwo Hundred Sixty SixFifty-Nine Dollars and No Cents (\$1,800,000539,259.00) (\$1,826,666), and from other sources totaling One Two Million Fifty Four Hundred Eighty-Five Ninety Three Thousand Two Hundred Fifty Nine and One Hundred Sixty-Six “Gap” funding in an amount not to exceed Two Million Dollars and No Cents (\$1,485,166) (\$2,054,093) which monies, as of the Effective Date, have been used exclusively for payment of “predevelopment expenses” incurred by the City. The permanent loan in the amount of Three Million Two Five Hundred Thirty Nine Eighty-Five Thousand One Two Hundred Fifty Nine Sixty-Six Dollars And No Cents (\$3,285,166) (3,539,259) is made for development of the Project upon the terms and conditions and for the purposes set forth in this Agreement (“Permanent Loan”).2,000,000.00).~~ All funds identified herewith ~~less a reimbursement of Three Hundred Forty One Thousand (\$341,500) for land purchase~~ will comprise the permanent financing and shall have such terms and conditions as are described in the Regulatory Agreement attached hereto as Exhibit F. The **Permanent Loan** shall be evidenced by a Secured Promissory Note in the amount of ~~up to Three Million Two Hundred Eighty-Five Hundred Thirty-Nine Thousand OneTwo Hundred Sixty-Six Dollars and No CentsFifty-Nine (\$3,285,166)539,259), (“Permanent Note”), dated as of prior to the Closing date for the Permanent Loan and executed by Developer in a form satisfactory to City. The Permanent Note shall be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “Deed of Trust”) executed by Developer as Trustor for the benefit of City in form satisfactory to City and recorded against the Property. Provided that Developer has complied with all conditions precedent to disbursement of the Permanent Loan, the proceeds of the Permanent Loan (“Permanent Loan Proceeds”) shall be disbursed pursuant to this Agreement. The outstanding principal balance of the Permanent Loan shall be due and payable in full in fifty-five (55) years from issuance of the Project Certificate of Completion for the Project, at zero percent (0%) interest. Annual payments shall be due and payable on a residual receipts basis. The entire outstanding principal balance of the City’s Permanent Loan Funds shall be payable in full on fifty-fifth (55th) anniversary of the date of issuance of the final certificate of occupancy for the Project. Funds over eligible basis as defined in Section 42 of the Internal Revenue Code will be deemed to be a grant and not a loan. TheThe Note and the Deed of Trust are referred to collectively as the “Permanent Loan Documents.”~~

6.2 City Funds. All funds provided by City to Developer for the Project, whether denominated as Predevelopment Funds, Permanent Financing, or otherwise, are collectively referred to herein as **“City Funds”**.

6.3 Use and Disbursement of City Deferred Permanent Loan, Conventional Debt-serviced Permanent Loan, ~~and Tax Credit Equity~~other Funds (collectively, the **“Project Funding”**). Project Funding shall be used solely to fund specific development activities associated with the Project (in an amount and for only such development activities as are approved for funding by the City and granting agencies) and to fund construction of the Project consistent with the approved Financing Plan, as it may be updated By Developer with City’s approval~~—~~. All uses of Project Funding shall follow federal and State procurement rules as required by the City and granting agencies. Developer shall also inform City and ~~TCA~~other lenders or grantors, as applicable, of proposed withdrawals from Project operation accounts thirty (30) days prior to making withdrawals.

6.4 Conditions to Disbursement Funds. City’s obligation to disburse remaining City Permanent Loan Funds (Gap funding) is conditioned upon the satisfaction of all of the following conditions:

(a) For funding prior to commencement of construction (**“Predevelopment Phase”**):

_____ (i) Developer’s execution and delivery to City of this Agreement, the Memorandum of ~~DDADDLA~~, the Regulatory Agreement, and the Predevelopment Loan Documents, including without limitation the Assignment of Agreements, Plans and Specifications, and recordation of the Memorandum of ~~DDADDLA~~ and Regulatory Agreement in the Official Records.

_____ (ii) Developer’s delivery to the City of evidence of property and liability insurance coverage in accordance with the requirements set forth herein.

_____ (iii) Developer’s delivery to City of each of the following: (i) certificate of good standing, certified by the Secretary of State indicating that Developer is properly organized and authorized to do business in the State of California, (ii) a certified resolution indicating that Developer has authorized the transactions contemplated by this Agreement and that the persons executing the City Documents on behalf of Developer have been duly authorized to do so.

_____ (iv) No material adverse change as determined by City in its reasonable judgment shall have occurred in the condition of the Property or in the financial or other condition of Developer since the date of this Agreement.

_____ (v) City’s written agreement to the costs and schedule of products represented in the Predevelopment phase of the Financing Plan attached as Exhibit D. Such costs shall be consistent with and support the initial draft of the total Project Financing Plan.

_____ (vi) City’s receipt of a written requisition from Developer specifying the amount and use of the requested funds, accompanied by copies of third-party invoices for services rendered or to be rendered in connection with the Project (accompanied by or to be followed by evidence of payment of such invoices, as applicable), and such other documentation as City shall reasonably require, including without limitation, cost certification as to the expenses

incurred. All such requisitions shall be preceded by written request from Developer to City for consideration of the specific Predevelopment cost. For those costs and expenses not included in Predevelopment budget approved by the City, the City must provide written approval before Developer may incur such cost or expense.

(b) For funding during the Construction period (**“Construction Phase”**), in addition to continuing the aforementioned conditions of disbursement, the following are additional requirements for funding requests on or after Commencement of Construction:

(i) Prior to construction loan closing, City’s written agreement to the updated Financing Plan to be attached as an amendment to Exhibit D reflecting all Project costs, all sources **and uses** of Project funding, the operating budget and any other schedules, narratives or products required by the City. The Financing Plan shall reflect the funding and underwriting requirements of all lenders and grant programs funding the costs of the Construction Phase of the Project. **All funds shall be used and secured in the manner specified in the updated Financing Plan. Developer agrees to comply with and satisfy all terms and conditions imposed on it in connection with the sources of funding identified in the updated Exhibit D.** The amended Financing Plan shall provide evidence for an orderly transition to the permanent loan phase of the ~~project~~Project.

(ii) Prior to construction loan closing, City’s written acknowledgement that Developer has maintained the performance as anticipated in the development schedule described in the attached Exhibit E.

(iii) Developer’s delivery to City of evidence reasonably satisfactory to City that Developer has obtained all necessary entitlements, permits (including without limitation building permits), licenses, and approvals required to develop the Project, or that the receipt of such permits is subject only to such conditions as City shall reasonably approve; City’s approval of the final plans and specifications for the Project; Developer’s delivery to City evidence reasonably satisfactory to City that Developer has secured ~~TCAC tax credits and any~~sufficient other binding commitments **for funding**, subject only to commercially reasonable conditions, for all required Project construction and permanent financing; and in addition to items described in (i) and (ii) above, Developer’s delivery to City and City approval of all of the following: (1) performance bonds or other assurance of completion reasonably acceptable to City pursuant to the requirements set forth in Section 35.21; (2) any modification to the construction schedule; and (3) copies of such other documents related to the financing of the Project as City may reasonably request, including cost certification as to the expenses incurred.

6.5- No Obligation to Disburse Proceeds Upon Default. Notwithstanding any other provision of this Agreement, the City shall have no obligation to disburse or authorize the disbursement of any portion of City Funds following:

(i) the failure of any of Developer’s representations and warranties made in this Agreement or in connection with the awarded nine percent tax credits to be true and correct in all material respects;

(ii) the termination of this Agreement by mutual agreement of the Parties;

(iii) the occurrence of an Event of Developer Default under any City Document which remains uncured beyond any applicable cure period, or the existence of any condition, event or act which upon the giving of notice or the passage of time or both would constitute an Event of Developer Default under any City Document.

6.6 Recovery of City Costs. Following City's delivery to Developer of an invoice detailing the costs, Developer shall reimburse the City from construction closing proceeds in the approximate amount of Twenty Five Thousand Dollars (\$25,000) for City legal costs associated with the Project. Additionally, Developer may be required at the City's discretion to make provision in the operating budget to pay an annual charge of up to Ten Thousand Dollars (\$10,000) to reimburse the City for the annual monitoring of the Project. If Project cash flow is insufficient to cover this cost, and if the City requires an annual monitoring fee, the monitoring fee shall be paid from residual receipts.

6.7 Records Maintenance and Retention. Developer shall maintain records that accurately and fully show the date, amount, purpose, and payee of all expenditures incurred in the construction of the Project for a period of no fewer than three (3) years after completion of the work.

6.8 Additional City Gap Funding. In addition to the City funding described in Section 6.1 above, the City will attempt to raise an additional up to Five Million Five Hundred Thousand Dollars (\$5,500,000), which funds will be used exclusively to satisfy the last of the Project gap funding requirements.

ARTICLE VII

USE OF THE PROPERTY

7.1 Use; Affordable Housing. Developer covenants and agrees for itself and its successors and assigns that the Property shall be used for the development and operation of aan affordable, multi-family, senior residential project, in accordance with the terms and conditions of this Agreement and the Regulatory Agreement.

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

adequate security for occupants of the Project. The provisions of this Section 7.2 shall apply from and after Developer's acquisition of the Property.

7.3 Taxes and Assessments. From and after Developer's acquisition of the Property, Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Property or the Improvements and payable by Developer, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property or the Improvements; provided, however, that Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax, assessment, or charge, the Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

7.4 Obligation to Refrain from Discrimination. From and after Developer's acquisition of the Property, Developer shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or the Improvements, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Developer covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Developer or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or the Improvements or part thereof. Developer shall include such provision in all deeds, leases, contracts and other instruments executed by Developer, and shall enforce the same diligently and in good faith.

All deeds, leases or contracts made or entered into by Developer, its successors or assigns, as to any portion of the Property or the Improvements shall contain the following language:

(a) In Deeds, the following language shall appear:

“(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of

discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

“(2)—Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

(b) In Leases, the following language shall appear:

“(1) The lessee herein covenants by and for the lessee and lessee’s heirs, personal representatives and assigns, and all persons claiming under the lessee or through the lessee, that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein leased.

“(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

(c) In Contracts, the following language shall appear:

“There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the land.”

Additionally, City reserves the right to require other mandatory contract language necessary to satisfy existing Federal, State and Local requirements.

ARTICLE VIII

LIMITATIONS ON CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF DEVELOPER

8.1 Change Pursuant to this Agreement. Developer and its principals have represented that they possess the necessary expertise, skill and ability to carry out the development of the Project on the Property pursuant to this Agreement. The qualifications, experience, financial capacity and expertise of Developer and its principals are of particular concern to the City. It is because of these qualifications, experience, financial capacity and expertise that the City has entered into this Agreement with Developer. No voluntary or involuntary successor, assignee or transferee of Developer shall acquire any rights or powers under this Agreement, except as expressly provided herein.

8.2 Prohibition on Transfer. Prior to the expiration of the term of the Regulatory Agreement, Developer shall not, except as expressly permitted by this Agreement, directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial sale, transfer, conveyance, assignment or lease (collectively, “**Transfer**”) of the whole or any part of Developer’s interest in the Property, the Project, the Improvements, or this Agreement, without the prior written approval of City, which approval shall not be unreasonably withheld. (The provisions concerning Transfer of the Property, the Project and the Improvements shall apply commencing upon Developer’s acquisition of a fee simple interest in the Property.) Any such attempt to assign this Agreement without the City’s consent shall be null and void and shall confer no rights or privileges upon the purported assignee. In addition to the foregoing, prior to the expiration of the term of the Regulatory Agreement, except as expressly permitted by this Agreement, Developer shall not undergo any significant change of ownership without the prior written approval of City. For purposes of this Agreement, a “significant change of ownership” shall mean a transfer of the beneficial interest of more than twenty-five percent (25%) in aggregate of the present ownership and /or control of Developer, taking all transfers into account on a cumulative basis; provided however, neither the admission of an investor limited partner, nor the transfer by the investor limited partner to subsequent limited partners shall be restricted by this provision.

8.3 Permitted Transfers. Notwithstanding any contrary provision hereof, the prohibitions set forth in this Article shall not be deemed to prevent: (i) the granting of easements or permits to facilitate development of the Property; (ii) the dedication of any property required pursuant to this Agreement; (iii) the lease of individual residences to tenants for occupancy as their principal residence in accordance with the Regulatory Agreement; (iv) assignments creating security interests for the purpose of financing the acquisition, construction or permanent financing of the Project or the Property in accordance with the approved Financing Plan as it may be updated with City approval, and subject to the requirements of Article VII, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; or (v) a Transfer to a single purpose limited partnership in which at least one

of the general partners is an affiliate controlled by Urban Housing Communities LLC, a California limited liability company (“**Controlled Affiliate**”).

8.4 Requirements for Proposed Transfers. The City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Improvements, the Property or portion thereof if all of the following requirements are met (provided however, the requirements of this Section 8.4 shall not apply to Transfers described in clauses (i) through (v) of Section 8.3):

(i) The proposed transferee demonstrates to the City’s satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently complete construction of the Project and to otherwise fulfill the obligations undertaken by the Developer under this Agreement.

(ii) The Developer and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of this Agreement, the Improvements, the Property or interest therein together with such documentation of the proposed transferee’s qualifications and development capacity as the City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Developer under this Agreement and the City Documents arising after the effective date of the Transfer and all obligations of Developer arising prior to the effective date of the Transfer (unless Developer expressly remains responsible for such obligations) and shall agree to be subject to and assume all of Developer’s obligations pursuant to the Conditions of Approval and all other conditions, and restrictions set forth in this Agreement and the Regulatory Agreement. In the event that such assignment and assumption agreement does not expressly provide that Developer remains responsible for all Developer obligations under this Agreement, the transferee shall be solely liable for breach of such obligations, and the City shall look solely to the transferee for fulfillment of all Developer obligations under this Agreement.

(iv) The Transfer shall be effectuated pursuant to a written instrument satisfactory to the City in form recordable in the Official Records.

Consent to any proposed Transfer may be given by the City Manager unless the City Manager, -in his or her discretion, refers the matter of approval to the City Council . If a proposed Transfer has not been approved by City in writing within thirty (30) days following City’s receipt of written request by Developer, it shall be deemed rejected.

8.5 Effect of Transfer without City Consent.

8.5.1 In the absence of specific written agreement by the City, no Transfer by Developer shall be deemed to relieve the Developer or any other party from any obligation under this Agreement.

8.5.2 Without limiting any other remedy City may have under this Agreement, or under law or equity, it shall be an Event of Developer Default hereunder entitling City to terminate this Agreement if without the prior written approval of the City, Developer assigns or

Transfers this Agreement, the Improvements, or the Property prior to the City's issuance of a Certificate of Completion. This Section 8.5.2 shall not apply to Transfers described in clauses (i) through (v) of Section 6.3.

~~8.6 Recovery of City Costs. Developer shall reimburse the City up to Three Hundred Forty-One Thousand Five Hundred Dollars And No Cents (\$341,500.00) for costs incurred by the City, including but not limited to partial land acquisition costs, if and only if Closing is consummated, over and above the costs set forth in Exhibit D for all costs incurred by the City, including but not limited to partial land acquisition costs and staffing costs, if and only if Closing is consummated, within ten (10) days following City's delivery to Developer of an invoice detailing such costs provided that any such invoices may be delivered only after the Closing is consummated.~~

ARTICLE IX

SECURITY FINANCING AND RIGHTS OF MORTGAGEES

9.1 Mortgages and Deeds of Trust for Development. Mortgages and deeds of trust, or any other reasonable security instrument are permitted to be placed upon the Property or the Improvements only for the purpose of securing loans for the purpose of the design and construction of the Improvements, and other expenditures reasonably necessary for development of the Property pursuant to this Agreement. Developer shall not enter into any conveyance for such financing that is not contemplated in the Financing Plan as it may be updated with City approval, without the prior written approval of the City's Chief Executive officer or his or her designee. As used herein, the terms "mortgage" and "deed of trust" shall mean any security instrument used in financing real estate acquisition, construction and land development.

9.1.1 Memorandum and Regulatory Agreement to be Senior to Mortgages. The City agrees that pursuant to Health and Safety Code Section 33334.14(a)(4), City will not withhold consent to reasonable requests for subordination of the Regulatory Agreement to deeds of trust provided for the benefit of Tax Credit equity partners identified in the Financing Plan as it may be updated with City approval, provided that the instruments effecting such subordination include reasonable protections to the City in the event of default consistent with the requirements of Health and Safety Code Section 33334.14(a)(4).

9.2 Holder Not Obligated to Construct. The holder of any mortgage, deed of trust authorized by this Agreement shall not be obligated to complete construction of the Improvements or to guarantee such completion. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

9.3 Notice of Default and Right to Cure. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to each holder of record

of any mortgage or deed of trust secured by the Property or the Improvements, provided that City has been provided with the address for delivery of such notice. City shall have no liability to any such holder for any failure by the City to provide such notice to such holder. Each such holder shall have the right, but not the obligation, at its option, to cure or remedy any such default or breach within the cure period provided to Developer extended by and additional sixty (60) days. In the event that possession of the Property or the Improvements (or any portion thereof) is required to effectuate such cure or remedy, the holder shall be deemed to have timely cured or remedied the default if it commences the proceedings necessary to obtain possession of the Property or Improvements, as applicable, within sixty (60) days after receipt of the City's notice, diligently pursues such proceedings to completion, and after obtaining possession, diligently completes such cure or remedy. A holder who chooses to exercise its right to cure or remedy a default or breach shall first notify City of its intent to exercise such right prior to commencing to cure or remedy such default or breach. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction of the Project (beyond the extent necessary to conserve or protect the same) without first having expressly assumed in writing Developer's obligations to City under this Agreement. The holder in that event must agree to complete, in the manner provided in this Agreement, the Project and the Improvements and submit evidence reasonably satisfactory to City that it has the development capability on staff or retainer and the financial capacity necessary to perform such obligations. Any such holder properly completing the Project pursuant to this Section shall assume all rights and obligations of Developer under this Agreement and shall be entitled to a Certificate of Completion upon compliance with the requirements of this Agreement.

9.4 City Right to Cure Defaults. In the event of a breach or default by Developer under a mortgage or deed of trust secured by the Property or the Improvements, City may cure the default, without acceleration of the subject loan, following prior notice thereof to the holder of such instrument and Developer. In such event, Developer shall be liable for, and City shall be entitled to reimbursement from Developer for all costs and expenses incurred by City associated with and attributable to the curing of the default or breach and such sum.

9.5 Holder to be Notified. Developer agrees to use best efforts to ensure that each term contained herein dealing with security financing and rights of holders shall be either inserted into the relevant deed of trust or mortgage or acknowledged by the holder prior to its creating any security right or interest in the Property or the Improvements.

9.6 Modifications to Agreement. City shall not unreasonably withhold its consent to modifications of this Agreement requested by Project lenders or investors provided such modifications do not alter City's substantive rights and obligations under this Agreement.

9.7 Estoppel Certificates. Either Party shall, at any time, and from time to time, within fifteen (15) days after receipt of written request from the other Party, execute and deliver to such Party a written statement certifying that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties (if such be the case), (ii) this Agreement has not been amended or modified, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature of any such defaults.

ARTICLE X

ENVIRONMENTAL MATTERS

10.1 No City Liability; Developer's Covenants. City shall be responsible for the cost of any soil, groundwater or other environmental remediation or other response activities for any Hazardous Materials existing or occurring in, on, under or about the Improvements, the Property or any portion thereof. From and after Developer's acquisition of the Property, upon receipt of any notice regarding the presence, release or discharge of Hazardous Materials in, on or under the Improvements, the Property, or any portion thereof, Developer agrees to timely initiate and diligently pursue and complete all appropriate response, remediation and removal actions for the presence, release or discharge of such Hazardous Materials within such deadlines as specified by applicable Environmental Laws. Developer hereby covenants and agrees that commencing upon Developer's acquisition of the Property:

(i) Developer shall not knowingly permit the Project or the Property or any portion of either to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence or release of Hazardous Materials in, on, under, about or from the Project or the Property with the exception of cleaning supplies and other materials customarily used in construction, operation or maintenance of residential property and any commercial uses developed as part of the Project, and used, stored and disposed of in compliance with Hazardous Materials Laws, and

(ii) Developer shall keep and maintain the Project and the Property and each portion thereof in compliance with, and shall not cause or permit the Project or the Property or any portion of either to be in violation of, any Hazardous Materials Laws.

(iii) Developer has performed a due diligence review of the condition of the Property. All information obtained by Developer regarding such condition has been disclosed to City in writing.

10.2 Environmental Indemnification. Subject to the last sentence of this Section, commencing upon Developer's acquisition of the Property, Developer shall indemnify, defend (with counsel approved by City) and hold the Indemnitees harmless from and against any and all Claims including without limitation any expenses associated with the investigation, assessment, monitoring, response, removal, treatment, abatement or remediation of Hazardous Materials and administrative, enforcement or judicial proceedings resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, storage or disposal or the alleged presence, release, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Property, or (ii) the failure of Developer, Developer's employees, agents, contractors, subcontractors, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws or the covenants set forth in ~~Section 10~~ Section 10.1. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Property or affecting any natural resources, and to any contamination of any property or natural resources arising in

connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this Section 10.2 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. Except for any Claims caused by sole negligence of the Developer or its agents, Developer's indemnification obligations set forth in this Section shall not apply to Claims regarding the Property arising out of or occurring prior to Developer's acquisition of the Property.

10.2.1 No Limitation. Developer hereby acknowledges and agrees that Developer's duties, obligations and liabilities under this Agreement, including, without limitation, under Section 8.2 above, are in no way limited or otherwise affected by any information the City may have concerning the Property and/or the presence in, on, under or about the Property of any Hazardous Materials, whether the City obtained such information from the Developer or from its own investigations. It is further agreed that City does not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

10.3 Hazardous Materials. As used herein, the term "**Hazardous Materials**" means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601, *et seq.*]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, *et seq.*], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, *et seq.*], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, *et seq.*], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, *et seq.*], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, *et seq.*], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, *et seq.*], the California Hazardous Waste Act [California Health and Safety Code Section 25100, *et seq.*], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, *et seq.*], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, *et seq.*], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any "Superfund" or "Superlien" law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

10.4 Environmental Laws. As used herein, the term "**Environmental Laws**" means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or

common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. Section 2601, *et seq.*]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, *et seq.*], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, *et seq.*], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, *et seq.*], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, *et seq.*], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, *et seq.*], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, *et seq.*], the California Hazardous Waste Act [California Health and Safety Code Section 25100, *et seq.*], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, *et seq.*], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, *et seq.*], as each of the foregoing now exist or are hereafter amended, together with any regulations promulgated thereunder.

ARTICLE XI

DEFAULTS, REMEDIES AND TERMINATION

11.1 Event of Developer Default. The following events shall constitute an event of default on the part of Developer (“**Event of Developer Default**”):

(a) Subject to force majeure, the availability of financing and City’s issuance of permits and approvals, Developer fails to commence or complete construction of the Project within the times set forth in Section 5.8, or, subject to force majeure, abandons or suspends construction of the Project prior to completion for a period of sixty (60) days or more;

(b) A Transfer occurs, either voluntarily or involuntarily, in violation of Article VIII;

(c) Developer fails to maintain insurance as required pursuant to this Agreement, and Developer fails to cure such default within ten (10) days;

(d) Subject to Developer's right to contest the following charges pursuant to Section 7.3, if Developer fails to pay prior to delinquency taxes or assessments due on the Property or the Project or fails to pay when due any other charge that may result in a lien on the Property or the Project, and Developer fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien;

(e) Following Developer's acquisition of the Property, a default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property, the Improvements, or Developer's interest therein, and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(f) Any representation or warranty contained in this Agreement or in any application, financial statement, certificate or report submitted to the City in connection with this Agreement or Developer's request for City Funds proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to the City and Developer fails to cure such default within sixty (60) days after the date upon which City shall have given written notice of the default to Developer;

(g) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Developer (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Developer or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Developer or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(h) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging the Developer to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Developer or seeking any arrangement for Developer under bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Developer in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Developer;

(i) Developer shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property or the Improvements, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(j) The Developer shall have voluntarily suspended its business or Developer shall have been dissolved or terminated;

(k) An event of default arises under any City Document and remains uncured beyond any applicable cure period; or

(l) Developer defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 9.1 and unless a shorter cure period is specified for such default, the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which City shall have given written notice of the default to Developer; provided however, if the default is of a nature that it cannot be cured within sixty (60) days, an Event of Developer Default shall not arise hereunder if Developer commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred twenty (120) days after receipt of notice of the default.

11.2 City Default. An event of default on the part of City (“**Event of City Default**”) shall arise hereunder if City fails to keep, observe, or perform any of its covenants, duties, or obligations under this Agreement, and the default continues for a period of thirty (30) days after written notice thereof from Developer to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

11.3 City’s Right to Terminate Agreement. If an Event of Developer Default shall occur and be continuing beyond any applicable cure period, then City shall, in addition to other rights available to it under law or this Agreement, have the right to terminate this Agreement. If City makes such election, City shall give written notice to Developer and to any mortgagee entitled to such notice specifying the nature of the default and stating that this Agreement shall expire and terminate on the date specified in such notice, and upon the date specified in the notice, this Agreement and all rights of Developer under this Agreement, shall expire and terminate.

11.4 City’s Remedies and Rights Upon an Event of Developer Default. Upon the occurrence of an Event of Developer Default and the expiration of any applicable cure period, City shall have all remedies available to it under this Agreement or under law or equity, including, but not limited to the following, and City may, at its election, without notice to or demand upon Developer, except for notices or demands required by law or expressly required pursuant to the City Documents, exercise one or more of the following remedies:

(a) Seek specific performance to enforce the terms of the City Documents;

(b) Pursue any and all other remedies available under this Agreement or under law or equity to enforce the terms of the City Documents and City’s rights thereunder including, without limitation, calling all sums advanced by and payable to the City, with accrued interest; entering into possession of the Property and taking over and completing development of the Project; stopping construction; curing defaults by disbursement from the City Loan; and/or appointment of a receiver.

11.5 Developer's Remedies Upon an Event of City Default. Upon the occurrence of an Event of City Default, in addition to pursuing any other remedy allowed at law or in equity or otherwise provided in this Agreement, Developer may bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking to obtain any other remedy consistent with the purpose of this Agreement.

11.6 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party. Notwithstanding anything to the contrary set forth herein, a Party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential damages.

11.7 Inaction Not a Waiver of Default. No failure or delay by either Party in asserting any of its rights and remedies as to any default shall operate as a waiver of such default or of any such rights or remedies, nor deprive either Party of its rights to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies in the same or any subsequent default.

ARTICLE XII

INDEMNITY AND INSURANCE

12.1 Indemnity. Developer shall indemnify, defend (with counsel approved by City) and hold Indemnitees, except third party contractors and consultants, harmless from and against any and all Claims, including without limitation, Claims arising directly or indirectly, in whole or in part, as a result of or in connection with Developer's or Developer's contractors, subcontractors, agents or employees development, construction, improvement, operation, ownership or maintenance of the Project or the Property, or any part thereof or otherwise arising out of or in connection with Developer's performance under this Agreement. Developer's indemnification obligations under this Section 12.1 shall not extend to Claims resulting solely from the gross negligence or willful misconduct of, or to any breach of a warranty or representation of this Agreement by, one or more Indemnitees. The provisions of this Section 10.1 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. It is further agreed that City will not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

12.2 Liability and Workers' Compensation Insurance.

(a) Prior to initiating work on the Project and continuing through the issuance of the Certificate of Completion, Developer and all contractors working on behalf of Developer on the Project shall maintain a commercial general liability policy in the amount of One Million Dollars (\$1,000,000) each occurrence, Two Million Dollars (\$2,000,000) annual aggregate,

together with Three Million Dollars (\$3,000,000) excess liability coverage, or such other policy limits as City may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds.

(b) Until issuance of the Certificate of Completion, Developer and all contractors working on behalf of Developer shall maintain a comprehensive automobile liability coverage in the amount of One Million Dollars (\$1,000,000), combined single limit including coverage for owned and non-owned vehicles and shall furnish or cause to be furnished to City evidence satisfactory to City that Developer and any contractor with whom Developer has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Upon commencement of construction work and continuing until issuance of a Certificate of Completion, Developer and all contractors working on behalf of Developer shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost of the Project on a replacement cost basis naming City as loss payee. Such insurance shall include coverage for risks of direct physical loss or damage, excluding the perils of earthquake, flood, and earth movement.

(d) Upon completion of construction, Developer shall maintain property insurance covering all risks of loss (other than earthquake and flood) for one hundred percent (100%) of the replacement value of the Project with deductible, if any, in an amount acceptable to City, naming City as loss payee.

(e) Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Commercial General Liability and comprehensive automobile policies required hereunder shall name the Indemnitees as additional insureds. Builder's Risk and property insurance shall name City as loss payees as their interests may appear.

(f) Prior to commencement of construction work, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal.

(g) If any insurance policy or coverage required hereunder is canceled or reduced, Developer shall, within twenty-one (21) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City

may, without further notice and at its option, procure such insurance coverage at Developer's expense, and Developer shall promptly reimburse City for such expense upon receipt of billing from City.

(h) Coverage provided by Developer shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the City. Developer shall furnish the required certificates and endorsements to City prior to the commencement of construction of the Project, and shall provide City with certified copies of the required insurance policies upon request of City.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 No Brokers. Each Party warrants and represents to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transactions contemplated by this Agreement, except as identified in the Financing Plan. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this Section shall survive the expiration or earlier termination of this Agreement.

13.2 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, performance by either Party shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended where delays are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, including court delays, unusually severe weather, acts or omissions of the other Party, acts or failures to act of the City or any other public or governmental City or entity (other than the acts or failures to act of City which shall not excuse performance by City), or any other cause beyond the affected Party's reasonable control. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause and such extension is not rejected in writing by the other Party within ten (10) days of receipt of the notice. Neither Party shall unreasonably withhold consent to an extension of time pursuant to this Section.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of Developer and City (acting in the discretion of its City Manager -unless he or she determines in his or her discretion to refer such matter to the governing board of the City). City and Developer acknowledge that adverse changes in economic conditions, either of the affected Party specifically or the economy generally, changes in market conditions or demand, and/or inability to obtain financing to complete the work of Improvements shall not constitute

grounds of enforced delay pursuant to this Section. Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

~~133~~13.3 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by:

- (i) personal delivery, in which case notice is effective upon delivery;
- (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;
- (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;
- (iv) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a non-business day.

City: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager [or designee]
Facsimile: (916) 851-8787

Developer: UHC 00575 Rancho Cordova L.P.
2000 E. Fourth Street
Suite 205
Santa Ana, CA 92705
Attn: John Bigley
Facsimile: 714.835.3275

13.4 Attorneys' Fees. If either Party fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties concerning the meaning or interpretation of any provision hereof, then the prevailing Party in any proceeding in connection with such dispute shall be entitled to the costs and expenses it incurs on account thereof and in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

13.5 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the Party granting the extension. This Agreement may be amended or modified only by a written instrument executed by the Parties.

13.6 Binding on Successors. Subject to the restrictions on Transfers set forth in Article VIII, this Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement or under law.

13.7 Survival. All representations made by Developer hereunder and Developer's obligations pursuant to Sections 5.14, 5.17, 5.18, 10.2, 12.1, 13.1 and 13.18 shall survive the expiration or termination of this Agreement and the issuance and recordation of a Certificate of Completion; unless the current Developer is no longer part of the development.

13.8 Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

13.9 Action or Approval. Whenever action and/or approval by City is required under this Agreement, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to the City Council for consideration.

13.10 Entire Agreement. This Agreement, including Exhibits A through GJ attached hereto and incorporated herein by this reference, together with other City Documents contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

13.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect

of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Party. Any executed counterpart of this Agreement may be delivered to the other Party by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

13.12 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

13.13 No Third Party Beneficiaries. Nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

13.14 Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

13.15 Non-Liability of Officials, Employees and Agents. No officer, official, employee or agent of City shall be personally liable to Developer or its successors in interest in the event of any default or breach by City for any amount which may become due to Developer or its successors in interest pursuant to this Agreement.

13.16 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Property. For purposes of this Agreement, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of California.

13.17 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of Sacramento County, California or in the Federal District Court for the Eastern District of California.

13.18. General Indemnification. Developer shall indemnify, defend (with counsel approved by City) and hold harmless Indemnitees from all Claims (including without limitation, reasonable attorneys' fees) arising in connection with any claim, action or proceeding to attack, set aside, void, or annul any approval by the City or any of its agencies, departments, commissions, agents, officers, employees or legislative body concerning the Project or this Agreement. The City will promptly notify Developer of any such claim, action or proceeding, and will cooperate fully in the defense. The City may, within the unlimited discretion of each, participate in the defense of any such claim, action or proceeding, and if the City chooses to do so, Developer shall reimburse City for reasonable attorneys' fees and expenses incurred.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

CITY

THE CITY OF RANCHO CORDOVA, a California municipal corporation, as Housing Successor to the former Community Redevelopment Agency of the City of Rancho Cordova

By: _____

Name: _____

Title: _____

ATTEST:

By: _____
, City Clerk

APPROVED AS TO FORM:

By: _____
, City Attorney

DEVELOPER

UHC 00575 Rancho Cordova, L.P.

By: UHC 00575 Rancho Cordova Holdings LLC

By: _____

Name: _____

Title: _____

Exhibit A**LEGAL DESCRIPTION OF PROPERTY**
(Attach legal description.)Exhibit B**FORM OF MEMORANDUM OF AMENDED AND RESTATED DISPOSITION AND
DEVELOPMENT AGREEMENT**
(Attach form of Memorandum.)Exhibit C**FORM OF CERTIFICATE OF COMPLETION**
(Attach form of Certificate.)Exhibit D**FINANCING PLAN**
(Attach Financing Plan.)Exhibit E**DEVELOPMENT AND PERFORMANCE SCHEDULE**
(Attach Schedule)Exhibit F**REGULATORY AGREEMENT**
(Attach Regulatory Agreement)Exhibit G**APPROVED PLANS PER DESIGN REVIEW**
(Attach Approved Plans and Conditions)2044347.3Exhibit H**ASSIGNMENT OF AGREEMENTS, PLANS AND SPECIFICATIONS**

(Attach form of Assignment Agreement)

Exhibit I

SECURED PROMISSORY NOTE

(Attach form of Note)

Exhibit J

**DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING**

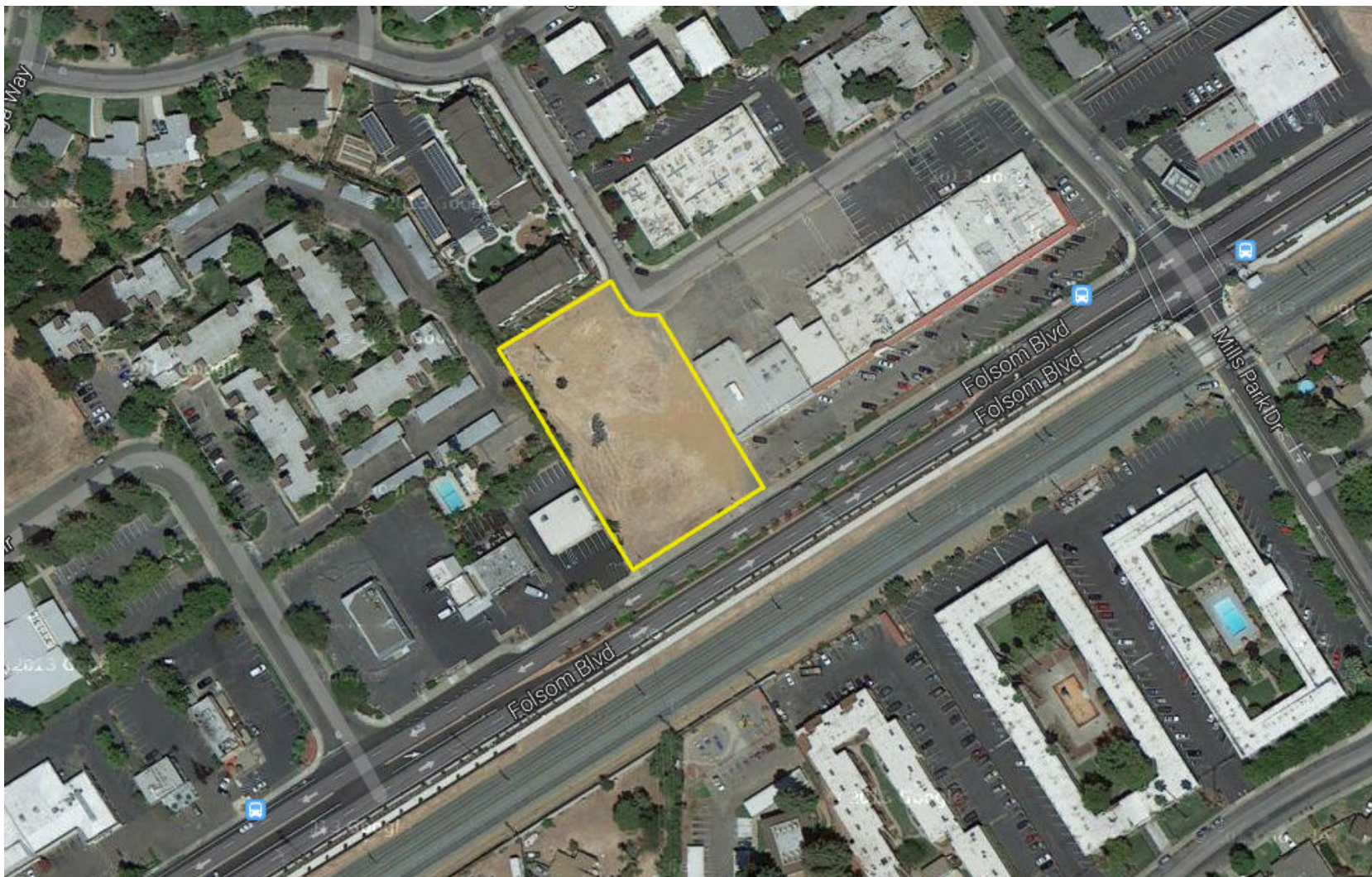
(Attach form of Deed of Trust)

Horizons @ New Rancho – Adoption of DDLA

Rancho Cordova City Council
Reed Flory, Housing Services Administrator
June 16, 2014



Horizons Project Area



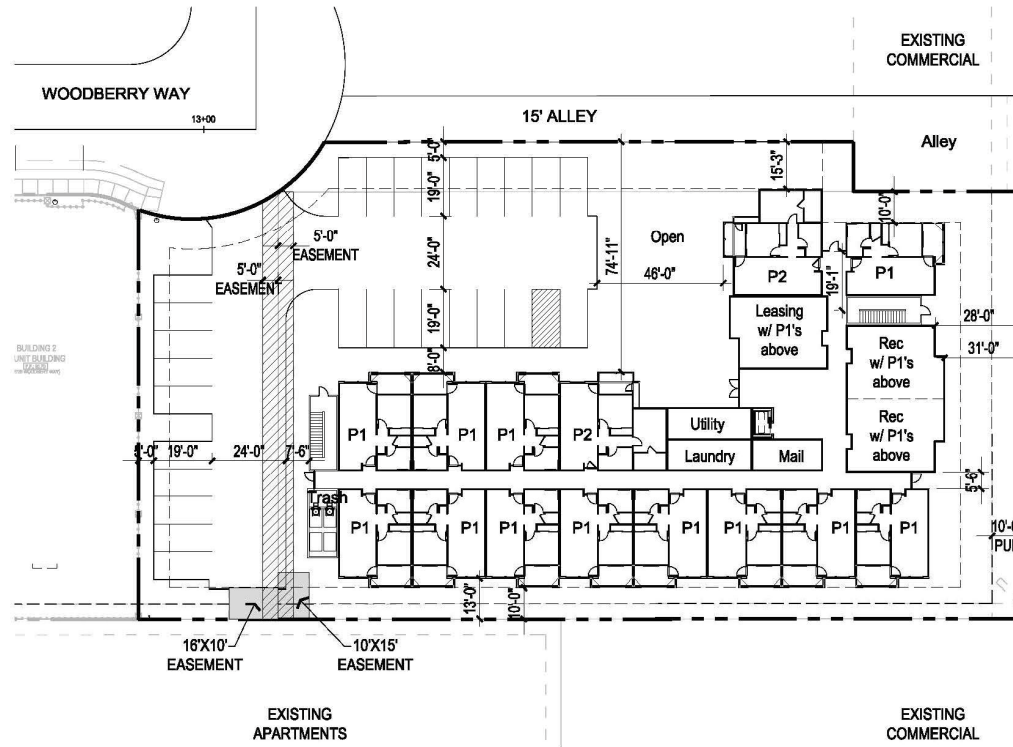
Folsom Blvd. Frontage Concept



HORIZONS @ NEW RANCHO
STREET VIEW
RELEASE DATE: JULY 24, 2012

■ STRICKER CATO MURPHY ARCHITECTS, P.S. ■

Site Plan

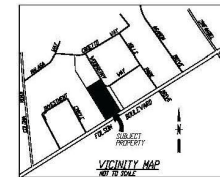


FOLSOM BLVD.

Summary:
approx. 0.76 acres
48 total units
63.2 Du/Ac

Unit Mix
(42) Plan 1 - 1 bdr flat / 1 bath @ 609 SF (net) - 88%
(6) Plan 2 - 2 bdr flat / 2 bath @ 827 SF (net) - 12%
48 Total Units

Parking Required - 14 spaces (0.29/Unit)
Parking Provided - 27 spaces (1.77/Unit)



SCALE: 1" = 40' - 0"



Conceptual Site Plan

Horizons @ New Rancho
Rancho Cordova, California

.....an affordable senior community



Architecture + Planning
17992 Mitchell South
Irvine, CA 92614
949.851.2133
ktgy.com



A-1
KTGY # 20110346
July 02, 2012

Financing Plan

6/13/2014

48 Unit Senior Development Final June 11 2014.xlsx Permanent Sources and Uses

SOURCES OF FUNDS	Total	Per Unit
Permanent Loan	\$ 0	\$ 0
Federal 4% Tax Credit Proceeds	3,973,588	82,783
Perm Loan City of Rancho Cordova	3,539,259	73,735
Income from Operations	36,328	757
State Tax Credits	1,102,874	22,977
Soft Loan Deferred Impact Fee	-	-
Deferred Developer Fee	443,197	9,233
Perm Loan Other	5,500,000	114,583
TOTAL SOURCES OF FUNDS	\$ 14,595,246	\$ 304,068
USES OF FUNDS		
Acquisition Costs	\$ 1,443,176	\$ 30,066
New Construction Rehab	-	-
New Construction	8,775,837	182,830
Contingency	438,792	9,141
Relocation	-	-
Architecture Fees	286,245	5,963
Survey and Engineering	91,143	1,899
Construction Financing	766,496	15,969
Permanent Financing	10,000	208
Legal Fees	339,552	7,074
Reserves	69,000	1,438
Other Soft Costs	1,175,005	24,479
Developer Fees	1,200,000	25,000
TOTAL USES OF FUNDS	\$ 14,595,246	\$ 304,068
SOURCES LESS USES	\$ 0	\$ 0

NOTES:

Tax Credit Pricing at .98 Fed. & .68 State		
Added Admin fee \$10K per year		
Updated construction numbers		

