

ORDINANCE NO. 2006-015

Adopted by the Sacramento City Council

February 28, 2006

**RELATING TO THE APPROVAL OF A DEVELOPMENT
AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND
BEAZER HOMES/ACACIA CREDIT FUND 10-A, LLC, FOR PROPERTY
LOCATED AT THE SOUTHEAST CORNER OF ARENA BOULEVARD
AND EAST COMMERCE WAY.(APN: 225-0150-014, -018, -025, -027, -
028, -030, -032, and -036) (P06-014)**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

SECTION 1

This Ordinance incorporates, and by this reference makes part hereof, that certain Development Agreement, by and between the City of Sacramento and Beazer Homes/Acacia Credit Fund 10-A, LLC, a copy of which is attached hereto.

SECTION 2

The City Council finds:

1. The agreement is consistent with the city general plan and the goals, policies, standards and objectives of any applicable specific or community plan;
2. The project should be encouraged in order to meet important economic, social, environmental or planning goals of any applicable specific or community plan;
3. The project would be unlikely to proceed in the manner proposed in the absence of a development agreement;
4. The landowner will incur substantial costs in order to provide public improvements, facilities or services from which the general public will benefit;
5. The landowner will participate in all programs established and/or required under the general plan or any applicable specific or community plan and all of its approving resolutions (including any mitigation monitoring plan), and has agreed to financial participation required under any applicable financing plan and its implementation measures, all of which will accrue to the benefit of the public;
6. The landowner has made commitments to a high standard of quality and has agreed to all applicable land use and development regulations.

SECTION 3

The Development Agreement attached hereto is hereby approved, and the Mayor is authorized to execute after the effective date of this Ordinance said Development Agreement on behalf of the City of Sacramento. This approval and authorization is based upon the Mitigated Negative Declaration and Mitigation Monitoring Plan which is the subject of a separate resolution adopted by City Council prior to or concurrent with the adoption of this Ordinance.

Table of Contents:
Exhibit A – Development Agreement

Adopted by the City of Sacramento City Council on February 28, 2006 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, and Waters and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk

A copy of the Development Agreement
is available for Review at:

City of Sacramento
Development Services Department
New City Hall
915 I Street, 3rd Floor
Sacramento, CA 95814
(916) 808-5381

8 a.m. - 5 p.m.
Monday through Friday

Record for the Benefit of the City of
Sacramento - Fee Exempt Pursuant
to Government Code Section 6103

ORIGINAL
Accepted for Recording
COPY-NOT CERTIFIED

APR 19 2006

Sacramento County
Clerk-Recorder

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City Clerk
City of Sacramento
915 I Street (Historic City Hall)
Sacramento, CA 95814

200604190235

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**NORTH NATOMAS
DEVELOPMENT AGREEMENT**

• • •

NATOMAS FIELD
(P06-014)

Acacia Credit Fund 10-A LLC

North Natomas Development Agreement
Acacia Credit Fund 10-A LLC (jpc 2/14/06)

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

NORTH NATOMAS DEVELOPMENT AGREEMENT

Table of Contents

RECITALS

- A. Development Agreement/California Government Code
- B. Property (Subject to Agreement)
- C. City Council Actions
- D. City/Landowner Objective
- E. Landowners Commitment
- F. Landowner's Objective and Agreement
- G. Procedural Ordinance for Development Agreement
- H. Development Conditions and North Natomas Financing Plan
- I. North Natomas Land Acquisition Program
- J. Agreement Voluntary
- K. Agreement Authority
- L. Procedural Requirements Completed
- M. City Council Review and Approval

I. DEFINITIONS

II. TERMS AND CONDITIONS OF AGREEMENT

- 1. Property Description and Binding Covenants
- 2. Interests of Landowner
- 3. Term
- 4. Assignment
- 5. Development of the Property
 - A. Permitted Uses and Development Standards
 - B. Discretionary Approvals
 - C. Development Timing
 - D. Special Conditions

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

- E. Land Use and Development Regulations
 - (1) Regulations Applicable on Effective Date
 - (2) Future Changes in Regulations (Inconsistent)
 - (3) Future Changes in Regulations (Consistent)
 - (4) Mandated State or Federal Laws
 - (5) Effect on Agreement
 - (6) Health, Safety or Physical Risks
 - (7) Construction Standards and Permits
 - (8) City Modifications after Effective Date
- F. City Review of Applications
- G. Extension of Entitlements
- H. Allocation Procedures
- 6. Fees, Charges, Assessments and Special Taxes
 - A. City Fees
 - B. Levies Imposed by Other Jurisdictions
 - C. Implementation of the North Natomas Finance Plan
 - D. Landowner's Waivers
- 7. Reconfiguration of Parcels
- 8. Infrastructure
 - A. Construction by City
 - B. Construction by Landowner
 - C. Drainage Infrastructure
 - (1) Establishment of Financing Mechanisms
 - (2) Issuance of Bonds
 - (3) Linkage of Development to Completion of Drainage System
 - D. Infrastructure Financing Proceedings
 - (1) Landowner Initiated Proceedings
 - (2) Proceedings Initiated by City
 - (3) Maintenance Districts
 - E. Reimbursement to Landowner
 - (1) From Financing Proceeds
 - (2) Reimbursement From Others Benefitted
 - (3) Reimbursement of Planning, Engineering and Staff Costs

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015
DATE ADOPTED: FEB 28 2006

9. Landowner Obligations
 - A. Transfer of Land to City
 - (1) Condition of Entitlements
 - (2) Request by City
 - B. Development Timing
10. Litigation/Indemnification
 - A. Challenge to Agreement or Entitlements
 - (1) City Discretion to Defend or Tender Defense
 - (2) Effect of Invalidation in Whole or Part
 - B. Indemnification
11. Effect of Subsequent Laws
 - A. Laws of Other Agencies
 - (1) New Laws by Other Agencies
 - (2) Termination of Agreement
 - (3) Landowner/City Right To Institute Litigation
 - B. Laws Passed by City
12. Enforced Delay; Extension of Times of Performance
13. Legal Actions; Applicable Law; Attorney Fees
 - A. Legal Actions
 - B. Applicable Law
 - C. Attorney Fees
14. Amendment of Agreement
15. City's Good Faith in Processing
16. Default, Remedies, Termination
 - A. General Provisions
 - (1) Landowner Default
 - (2) City Default
 - (3) Successors in Interest
 - B. Cure of Default
 - C. Remedies After Expiration of Cure Period
 - (1) Institution of Legal Proceedings
 - (2) Notice of Intent to Terminate Agreement

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

17. Annual Review
 - A. General Provisions
 - B. Scope of Review
 - C. Proceedings
 - D. Failure of Compliance
 18. Termination Upon Completion of Development
 - A. General Provisions
 - B. Multi-family and Single Family Residential Projects
 - C. Effect of Termination on Landowner Obligations
 19. No Joint Venture, Partnership, or Other Relationship
 20. Notices
 21. Severability
 22. Recording
 23. Reimbursement to City
 24. Provisions Relating to Lenders
 - A. Lender Rights and Obligations
 - B. Notice of Landowner's Default Hereunder
 - C. Lender's Right to Cure
 - D. Other Notices Given by City
 25. Estoppel Certificate
 26. Construction
 27. Counterparts
 28. Time
 29. Limitation of Actions
 30. No Third parties Benefitted
 31. Effect of Agreement Upon Title to Property
 32. Covenant of Good Faith
 33. Exhibits
 34. Entire Agreement
 35. City Attorney Costs
- Execution Page for City and Landowner
Execution Page for Lender

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

LIST OF EXHIBITS

Exhibit "A"	Legal Description of Property
Exhibit "B"	Landowner's Development Plan
Exhibit "C"	Special Conditions
Exhibit "D"	Assignment and Assumption Agreement
Exhibit "E"	North Natomas Land Acquisition Program
Exhibit "F"	Protest Waiver Provisions Agreed to by Landowner
Exhibit "G"	Irrevocable Offer of Dedication Form
Exhibit "H"	Map and Categorical Listing of Land and Infrastructure

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

**DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF SACRAMENTO
AND
ACACIA CREDIT FUND 10-A LLC**

This Development Agreement (hereinafter "Agreement") is made and entered into this 28th day of February, 2006, by and between the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"), and ACACIA CREDIT FUND 10-A LLC, a Delaware limited-liability company (hereinafter the "LANDOWNER").

RECITALS

- A.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risks of development, the Legislature of the State of California adopted section 65864 et seq. of the Government Code which authorizes any city, county, or city and county to enter into a development agreement with an applicant for a development project, in order to establish certain rights and obligations of the parties relative to the Property.
- B.** LANDOWNER owns a legal or equitable interest in those certain parcels of real property (hereinafter the "Property"), described in Exhibit "A" attached hereto and incorporated herein by this reference, which are located within the CITY. The Property consists of lands designated as **Assessor Parcels Nos. 225-0150-014, 225-0150-025, 225-0150-027, 225-0150-028, 225-0150-030, and 225-0150-036**. LANDOWNER seeks to develop the Property consistent with CITY's General Plan, the 1994 North Natomas Community Plan and the Zoning Ordinance as they exist on the Effective Date.
- C.** The City Council has held duly noticed public hearings on the CITY's General Plan, the 1994 North Natomas Community Plan and the Environmental Impact Reports prepared therefor. At the conclusion of these hearings, the City Council, on January 19 1988, certified the Environmental Impact Report on the City General Plan Update as adequate and complete, and on May 3, 1994, certified the Environmental Impact Report on the 1994 North Natomas Community Plan Update as being adequate and complete.

The City Council on January 19, 1988, after making specific findings and adopting a Statement of Overriding Considerations, approved a revised General Plan by Resolution No. 88-058 (hereinafter the "General Plan"). The City Council on May 3, 1994, after making specific findings and adopting a Statement of Overriding Considerations, approved the 1994 North Natomas Community Plan by Resolution No. 94-259. (hereinafter the "NNCP"). The uses allowed under the General Plan, NNCP,

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

and the applicable zoning ordinances provide for a balanced mix of residential housing and employment opportunities as well as provide for the protection of major open space and recreational resources.

The City Council on August 9, 1994, after a duly noticed public hearing, approved the North Natomas Finance Plan to provide a plan for the financing of the Infrastructure and public improvements needed to successfully implement the NNCP over time.

- D. CITY and LANDOWNER desire to enter into a development agreement pursuant to the provisions of Government Code section 65865 et seq. in order to provide for the orderly development of the Property, in accordance with the goals set forth in Government Code section 65865, the General Plan and the NNCP.
- E. The coordinated and orderly development of the Property, and LANDOWNER's commitment to the implementation of the North Natomas Finance Plan in order to assure the timely and properly-phased construction of all required Infrastructure and facilities, are essential to the proper implementation of the General Plan and the NNCP.
- F. LANDOWNER desires to facilitate implementation of the General Plan, the NNCP and the North Natomas Finance Plan, and LANDOWNER therefore agrees to develop the Property in a manner consistent with the policies of the General Plan, the NNCP, the North Natomas Finance Plan and the Special Conditions, provided that LANDOWNER is assured that no subsequent changes in the General Plan, the NNCP, the North Natomas Finance Plan, the Zoning Ordinance or the Special Conditions shall apply to the Property during the term of this Agreement.
- G. The City Council, on March 7, 1995, adopted the Procedural Ordinance, by which CITY will, inter alia, consider, adopt, amend and subsequently review the development agreements by and between CITY and a given landowner.
- H. Development of the Property, in accordance with the conditions of this Development Agreement, will provide orderly growth and development of the Property in accordance with the requirements, policies, goals, standards, and objectives of the General Plan and the NNCP. At the same time, it will assure that LANDOWNER is committed to funding its appropriate share of the cost of Infrastructure and other facilities which are the subject of the North Natomas Finance Plan, and that the funding for acquisition and construction of those facilities will be available to CITY as and when required under the Infrastructure phasing program.
- I. An integral part of the North Natomas Finance Plan is the North Natomas Land Acquisition Program ("NNLAP"), with the associated Land Acquisition Fee ("LAF"). The NNLAP is designed to provide a means for transfer to or acquisition by CITY, or such other public agency as is appropriate, of certain lands within the NNCP area (as those

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

lands are specified in the>NNLAP) which are designated to be held publicly. Such lands are identified under the North Natomas Finance Plan. The purpose of the>NNLAP is to provide a method whereby all of such lands will be transferred or acquired with funds from the private development community without cost to the CITY general fund, or any of its other funds, and at the time when needed. The purpose of the LAF is to provide a means, through the fee program, of equalizing the cost of the>NNLAP among the various landowners within the>NNCP area, inasmuch as certain landowners will be required to relinquish land to public ownership in amounts in excess of their fair share as defined by the North Natomas Financing Plan. The LAF also provides a means for reimbursing landowners who have advanced funds to CITY for the purpose of acquiring land required for Infrastructure, where eminent domain or other procedures are needed, or where it is otherwise required to enable a particular landowner to develop its property. One of the purposes of this Agreement is to provide LANDOWNER's commitment to the provisions of the>NNLAP and the LAF.

- J. This Agreement is voluntarily entered into by LANDOWNER in order to assure the implementation of the General Plan, the>NNCP and the North Natomas Finance Plan, and is made in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by CITY in the exercise of its legislative discretion in order to assure the implementation of the General Plan, the>NNCP, and the North Natomas Finance Plan and in consideration of the agreements and undertakings of LANDOWNER hereunder. But for LANDOWNER's contribution to and participation in programs to mitigate the impacts of the development of the Property and the cumulative impacts of development in the>NNCP area, and to the implementation of the North Natomas Financing Plan, the CITY would not approve development of the Property.
- K. The authority for this Agreement is contained in the City Charter of CITY, the Procedural Ordinance, other applicable CITY ordinances, resolutions and procedures and Government Code section 65864 et seq
- L. CITY and LANDOWNER have taken all actions mandated by and have fulfilled all requirements set forth in the Procedural Ordinance for the adoption of this Agreement by the City Council.
- M. The City Council has reviewed and approved this Agreement. It finds that this Agreement is consistent with the General Plan, the>NNCP, the North Natomas Finance Plan, and all other applicable CITY ordinances, rules and regulations. The implementation of this Agreement is in the best interest of CITY and the health, safety and welfare of its residents. The environmental impacts of the development contemplated herein were adequately considered in the environmental documentation prepared by CITY and adoption of the ordinance and approval of this Agreement complies in all respects with the California Environmental Quality Act.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

AGREEMENT

NOW, THEREFORE, in further consideration of the above recitals, all of which are expressly incorporated into this Agreement, and the mutual promises and covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

I

DEFINITIONS

The terms set forth below, unless the context otherwise requires, shall have the meanings prescribed, for purposes of this Agreement.

- **Adopting Ordinance:** the ordinance pursuant to which the City Council approves this Agreement.
- **Allocation Procedures:** those procedures set forth in section 5 H. of this Agreement, whereunder the various uses and densities are distributed to and among the various parcels, or portions of them, comprising the Property.
- **Annual Review:** the process, and procedures therefor, whereby CITY reviews, pursuant to Government Code section 65865.1, the nature and extent of compliance by LANDOWNER with all of the terms and conditions of this Agreement, which process and procedures are as specified in the Procedural Ordinance, and in section 17 of this Agreement.
- **Assessment:** a special assessment levied on real property within the North Natomas Community Plan area, for the purpose of financing Infrastructure and/or public facilities, or maintenance thereof, in accordance with the California Streets and Highways Code, the California Government Code, and/or the Sacramento City Code.
- **Assessment District Policy Manual:** the document entitled "City of Sacramento Policy and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities," as adopted by the City Council on June 29, 1993 (Resolution 93-381), as said document may be amended from time to time.
- **Assignee:** a third Person executing an Assumption Agreement prepared in accordance with the format prescribed in Exhibit D.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

- **Assignment:** the sale or other transfer by LANDOWNER of all or part of its right, title and interest in the Property and in this Agreement to another Person, in accordance with the terms and conditions of this Agreement.
- **Assumption Agreement:** the agreement prescribed in Exhibit D, whereby an Assignee undertakes to perform all obligations, and other terms and conditions of this Agreement, as a condition of release of the Assignee's predecessor in interest from the responsibility for performance of such obligations and other terms and conditions, with respect to the portion of the Property assigned to the Assignee.
- **CEQA:** the California Environmental Quality Act, set forth at California Public Resources Code section 21000 et seq., as amended from time to time.
- **CITY:** the City of Sacramento.
- **City Agency:** the Redevelopment Agency of the City of Sacramento, and the Housing Agency of the City of Sacramento.
- **City Council:** the Council of the City of Sacramento.
- **Comprehensive Drainage Plan:** the Drainage System for North Natomas, prepared by the City of Sacramento, Borcalli & Associates, Ensign & Buckley, or other consulting firm, and adopted by the City Council, as it may be amended from time to time.
- **Comprehensive Flood Management Plan:** that plan required to be prepared, and to be adopted by the City Council, pursuant to the CITY's floodplain policy adopted by Resolution No. 93-696.
- **Dedication:** the transfer of real property, or a defined interest therein, to CITY or another public agency, free of all encumbrances and other matters affecting the title except as may otherwise be agreed to by CITY or such other public agency, and at no cost to CITY or such other public agency, as specifically set forth in the NNLAP, within the North Natomas Finance Plan, as it may exist from time to time.
- **Deed of Trust:** a real property security device whereby the debtor (trustor) conveys title to real property to a trustee as security for a debt owed to the creditor (beneficiary).
- **Default:** a failure of performance, or unreasonable delay in performance, by either party to this Agreement, of any of its terms, conditions, obligations or covenants. Default shall include, but not be limited to failure to comply with all provisions of the North Natomas Finance Plan and/or failure to pay any fee, tax or assessment enacted pursuant to that Plan.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

- **Development:** the use(s) to which the Property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements.
- **Development Agreement:** this Agreement.
- **Development Plan:** LANDOWNER's plan for development of the Property, as set forth in Exhibit B. Where LANDOWNER, at the time of execution of this Agreement, does not propose a specific development project, the Development Plan shall be deemed to be development consistent with the Land Use and Development Regulations.
- **Drainage Phasing Plan:** that portion of the Comprehensive Drainage Plan which identifies the sequence of construction of the Drainage System.
- **Drainage System:** that drainage system set forth in the Comprehensive Drainage Plan, as that plan may exist from time to time.
- **Drainage Sub-basin:** the individual drainage sub-areas identified in the Comprehensive Drainage Plan.
- **Effective Date:** the date on which this Agreement has been approved by the City Council.
- **General Plan:** the General Plan of the City of Sacramento, as adopted by the City Council on January 19, 1988, as said plan may be amended from time to time.
- **Habitat Conservation Plan:** that plan, which must be adopted and implemented by the City Council, pursuant to which measures are taken to implement the provisions of the federal and state Endangered Species Acts, and pursuant to which incidental take permits will be issued to the City of Sacramento, to Landowner, or to others under said Acts.
- **Infrastructure:** all public facilities and improvements needed to serve urban development, as identified in the NNCP and the North Natomas Finance Plan, or in subdivision maps, parcel maps, or as may otherwise be constructed and conveyed to CITY or another public agency, including but not limited to street and freeway improvements, drainage improvements, sanitary sewer improvements and water storage and transmission facilities.
- **Interim Drainage:** temporary surface water drainage to be provided to the North Natomas area by RD-1000, and/or any phase of the Drainage System, and/or any drainage project resulting in the removal of land within the North Natomas Finance Plan Area from a 100-year floodplain, pursuant to a plan approved by that agency and the City Council for the

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

initial phase of development within North Natomas, until such time as the Drainage System is constructed and operational, all pursuant to the RD-1000 Agreement.

- **Irrevocable Offer of Dedication:** an unconditional and irrevocable offer by LANDOWNER to transfer real property to CITY in accordance with the provisions of the NNLAP and/or any condition of any land use entitlement applicable to the Property, in the form specified in Exhibit G.
- **Land Acquisition Program (NNLAP):** the plan, also called the North Natomas Land Acquisition Program, which as an integral part of the North Natomas Finance Plan, is designed to provide a means for transfer to or acquisition by CITY, or such other public agency as is appropriate, of all lands within the North Natomas Community Plan area which are designated to be held publicly, at no cost to CITY. A copy of the plan is attached hereto as Exhibit E and incorporated herein by this reference.
- **Land Acquisition Fee (LAF):** the fee/reimbursement program, which is an integral part of the North Natomas Finance Plan, and which is designed to equalize the cost of the NNLAP among the various landowners within the North Natomas Finance Plan area.
- **Land Use and Development Regulations:** the General Plan, the North Natomas Community Plan, the CITY's Subdivision Map Act Ordinance, and Zoning Ordinances, together with any other CITY ordinance, or resolutions, rules, regulations and official policies as they exist on the Effective Date, which govern or regulate land use and/or development in the North Natomas Community Plan area.
- **Lender:** a Person (or a successor in interest to such person) who has advanced funds to, or who is otherwise owed money by a debtor, where the obligation is embodied in a promissory note or other evidence of indebtedness, and where such note or other evidence of indebtedness is secured by a Mortgage or Deed of Trust.
- **Mortgage:** a contract by which the mortgagor (debtor) as owner hypothecates or pledges real property, or otherwise grants a security interest therein to a Lender (mortgagee), to secure performance under a promissory note or other evidence of indebtedness, and where the holder of the mortgage is granted a power of sale.
- **North Natomas Community Plan (NNCP):** the Community Plan for development of the North Natomas area, as adopted by the City Council on May 3, 1994, as said plan exists on the Effective Date. The NNCP includes, without limitation, a Land Use Diagram and Policy Statements.
- **North Natomas Finance Plan:** the plan, as it may be amended from time to time, which establishes methods for financing required Infrastructure and public facilities through a

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

combination of land transfers, dedications, contributions, fees, assessment districts, community facilities districts, and other measures.

- **North Natomas Finance Plan Area:** the lands within the area covered by the North Natomas Finance Plan, and which are obligated thereby, as that area may exist from time to time.
- **Parties:** the City of Sacramento and LANDOWNER.
- **Person:** any person, firm, association, organization, partnership, business trust, corporation or company.
- **Procedural Ordinance:** Ordinance No. 95-012, adopted by the City Council on March 7, 1995, and which sets forth procedures for execution, approval, implementation, amendment, and related matters, with respect to development agreements for lands within the NNCP area.
- **Project:** part or all of the elements set forth in LANDOWNER's Development Plan.
- **Project Review:** CITY's actions in reviewing any project proposed by LANDOWNER with respect to the Property, including but not limited to review of all required land use entitlement applications.
- **Property:** the real property owned by LANDOWNER, as set forth in Exhibit A.
- **Protest Waiver:** the agreement set forth in Exhibit F, executed by LANDOWNER pursuant to this Agreement, or in connection with the conditions of any required entitlement.
- **Purchaser:** an assignee.
- **Reconfiguration:** the reconfiguration, adjustment or alteration of property lines through parcel or subdivision mapping, or lot line adjustment.
- **RD-1000 Agreement:** any agreement which governs the terms and conditions under which Interim Drainage, if applicable, will be provided to the Property.
- **Reimbursement:** the reimbursement of monies to a Person who has advanced funds for Infrastructure required for development of the Property, or who has advanced funding for Infrastructure or other improvements which are required by the NNCP, the North Natomas Finance Plan, or other document, and which have benefit to land beyond the Property, in accordance with a reimbursement agreement approved by CITY. Any such agreement will

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

be limited to the portion of the funding advanced which is in excess of the allocable share of the cost of the Infrastructure or improvement attributable to the Property.

- **Reimbursable Infrastructure Costs:** those costs paid by LANDOWNER, and which are identified as reimbursable pursuant to CITY's Assessment District Policy Manual (as defined in section 8.D.(1) of this Agreement).
- **Special Conditions:** those conditions, terms and requirements specified in Exhibit C.
- **Special Permit:** any discretionary permit required pursuant to the Land Use and Development Regulations, and issued by CITY for development of the Property, upon proper application therefor by LANDOWNER.
- **Term:** the length of this Agreement in terms of time, as specified in section 3, or as that time may be extended pursuant to any applicable provision of this Agreement.
- **Transfer:** an assignment.
- **Transferee:** an assignee.
- **Zoning:** the division of the City of Sacramento into districts, and the application of zoning regulations thereto, which include (without limitation) regulation of the height or bulk of buildings (structural and architectural design) and the use to which the land and buildings within prescribed districts may be put, all as specified in the Zoning Ordinance.
- **Zoning Ordinance:** the Comprehensive Zoning Ordinance of the City of Sacramento, as that ordinance exists on the Effective Date.

II

TERMS AND CONDITIONS OF AGREEMENT

1. **Property Description and Binding Covenants.** The Property is that certain real property owned by LANDOWNER and described in Exhibit "A." The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to the benefit of, the parties and, subject to section 4 below, to their successors-in-interest.
2. **Interests of Landowner.** LANDOWNER represents that LANDOWNER owns a legal or equitable interest in the Property and that all other Persons holding legal or equitable interests in the Property, including NONE (the Lender), have executed and are bound by this Agreement.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

3. **Term.**

- A. Initial Term.** The term of this Agreement shall commence on the Effective Date and shall extend for a period of fifteen (15) years thereafter, unless it is sooner terminated or modified by the mutual consent of the parties.
- B. Renewal Options.** Subject to the provisions of this subsection, LANDOWNER shall have the right to renew this Agreement on its same terms and conditions, taking into account any amendments hereto mutually agreed upon after the Effective Date. The term of this Agreement shall mean and include the initial term, plus any renewal periods. The specific conditions for exercise of the renewal options are as follows:

- (1) On the Exercise Date, LANDOWNER shall not be in default in any material respect under this Agreement, including any amendments hereto. For purposes of this subsection, "Exercise Date" shall mean the date that LANDOWNER or LANDOWNER's successor in interest gives written notice of intention to exercise the option to renew this Agreement, in accordance with the provisions of section 20 hereof.
- (2) The option to renew shall be exercisable by giving CITY written notice of LANDOWNER's intention to exercise the option on or before the Exercise Date, which notice shall be given not later than one hundred eighty (180) days prior to expiration of the initial term or any renewal term.
- (3) LANDOWNER shall be limited to three (3) renewal periods of five (5) years each; the parties specifically intend that under no circumstances shall the term of this Agreement extend beyond thirty (30) years, unless this Agreement is amended in accordance with the procedures set forth herein for Agreement amendments.

4. **Assignment.** LANDOWNER shall have the right to sell, assign, or transfer its interests under this Agreement as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided, however, that LANDOWNER shall notify CITY of such sale, assignment or transfer by providing written notice thereof to CITY in the manner provided in this Agreement. LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement, unless such purchaser, assignee or transferee, to the satisfaction of and in a form acceptable to the City Attorney, executes and delivers to CITY an express agreement to assume all of the obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. The execution of such an assumption agreement shall relieve

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

LANDOWNER of the obligations expressly assumed only if (a) LANDOWNER is not in default under this Agreement at the time of the assignment or transfer; and (b) LANDOWNER has provided CITY with notice of said assignment or transfer in the manner provided hereunder. Any such assumption agreement with respect to LANDOWNER's obligations under this Agreement shall be deemed to be to the satisfaction of the City Attorney if executed in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment.

Any purchaser, assignee, or transferee shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred.

5. Development of the Property.

A. Permitted Uses and Development Standards. Subject to the Special Conditions set forth in Exhibit C, attached hereto and incorporated herein by this reference (herein the "Special Conditions"), any reserved discretionary approvals specified in this Agreement, and all other terms and conditions of this Agreement, LANDOWNER may develop the Property in accordance with and subject to the terms and conditions specified in the Land Use and Development Regulations in effect on the Effective Date, or, where applicable, the Development Plan, as set forth in Exhibit B, attached hereto and incorporated herein by this reference. Specifically, the permitted uses, density or intensity of use, height or size of buildings and provisions for reservation and dedication of land for public purposes shall be as set forth in the Development Plan.

B. Discretionary Approvals.

- (1) Project Review.** Development of the Property is subject to all required discretionary approvals. In reviewing and approving applications for special permits and other discretionary approvals, CITY may exercise Project Review and may attach such conditions and requirements as are consistent with the policies, goals, standards and objectives of the General Plan, the NNCP and the North Natomas Finance Plan, and as may be necessary to comply with all applicable legal requirements and policies of CITY pertaining to such reserved discretionary approvals.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

- (2) **Rezoning of the Property.** Upon proper and complete application by LANDOWNER, CITY agrees to rezone the Property in accordance with the provisions of the NNCP in effect on the Effective Date.

C. Development Timing. This Agreement contains no requirement that LANDOWNER must initiate or complete development of any phase of the development of the Property or any portion thereof within any period of time set by CITY. It is the intention of this provision that LANDOWNER be able to develop the Property in accordance with LANDOWNER's own schedule; provided, however, that to the extent that phasing is required by the NNCP, or by the Special Conditions, such provisions shall govern. No future modification of the Sacramento City Code or any ordinance or regulation which limits the rate of development over time shall be applicable to the Property. However, nothing herein shall be construed to relieve LANDOWNER from any time conditions in any permit or subdivision map approval or to excuse the timely completion of any act which is required to be completed within a time period set by any applicable code or permit provisions.

D. Special Conditions. Development of the Property shall be subject to the Special Conditions, as specified in Exhibit C.

E. Land Use and Development Regulations.

- (1) Subject to the Special Conditions specified in Exhibit C, development of the Property shall be subject to the Land Use and Development Regulations applicable to such development on the Effective Date.
- (2) Except as otherwise provided in this Agreement, to the extent any future changes in Land Use and Development Regulations adopted by CITY purport to be applicable to the Property but are inconsistent with the terms and conditions of this Agreement, including subsection 5E(1) above, the terms and conditions of this Agreement shall prevail, unless the parties or their successors in interest mutually agree to amend or modify this Agreement in accordance with the provisions for modification hereinafter set forth.
- (3) To the extent that any future changes in the Land Use and Development Regulations adopted by CITY are applicable to the Property and are not inconsistent with the terms and conditions of this Agreement or are otherwise made applicable by other provisions of this Agreement, such future changes shall be applicable to the Property.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

- (4) Nothing in this Agreement shall preclude the application to development of the Property of changes in the Land Use and Development Regulations, the terms of which are specifically mandated by changes in state or federal laws or regulations. In the event state or federal laws or regulations enacted after the effective date of this Agreement or action by any governmental jurisdiction other than CITY prevent or preclude compliance with one or more provisions of this Agreement or require changes in permits, maps or plans approved hereunder by CITY, this Agreement shall be modified, extended or suspended as may be necessary to comply with such state or federal laws or regulations or the regulations of such other governmental jurisdiction.
- (5) To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including CITY, required by federal or state agencies or actions of CITY taken in good faith in order to prevent adverse impacts upon CITY by state or federal actions) have the effect of preventing, delaying or modifying development of the NNCP area or any area therein, CITY shall not in any manner be liable for such prevention, delay or modification of said development. Such actions may include, but are not limited to, flood plain or wetlands designations and actions of CITY or regional agencies as a result thereof and the imposition of air quality measures or sanctions and actions of CITY or regional and local agencies as a result thereof. In such a situation, CITY's actions shall not be arbitrary or capricious, and the parties shall meet and endeavor to achieve solutions which preserve the integrity of the NNCP, while to the extent feasible allow development of the Property in the manner contemplated by this Agreement.
- (6) Nothing herein shall be construed to limit the authority of CITY to enact amendments to the Land Use and Development Regulations, or enact other ordinances or resolutions, which have the legal effect of protecting persons or property from conditions which create a health, safety or physical risk.
- (7) Building codes, ordinances and regulations relating to construction standards or permits shall apply as of the time of grant of each applicable construction permit.
- (8) No modification of CITY's ordinances, resolutions, policies, rules or regulations adopted after the Effective Date, which purport to limit the rate of development over time or to govern the sequence of development of land within the NNCP area, shall apply to the Property. The provisions of this subsection apply to modifications adopted or imposed by the City Council, or through the initiative or referendum process; provided, however, nothing in this subsection shall limit the ability of CITY to act in accordance with the provisions of subsections 5E(4), 5E(5) and 5E(6) of this Agreement.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

- F. CITY Review of Applications.** Consistent with the standards set forth in section 15 of this Agreement, nothing contained in this Agreement shall preclude CITY from its right and responsibility to review applications for entitlements submitted by LANDOWNER in accordance with its normal and usual procedures and practices, as they may exist at the time the application is accepted as complete, or is otherwise deemed complete by operation of law.
- G. Extension of Entitlements.** Pursuant to Government Code section 66452.6 all vesting tentative subdivision maps, master parcel tentative maps, parcel maps, subdivision tentative maps, planned unit development permits, special permits, or any other maps, rezonings or land use entitlements of potentially limited duration previously, contemporaneously or subsequently approved for the Property subject to this Development Agreement, shall be valid for a minimum term equal to the full term of this Agreement (including the initial term, and any renewal period resulting from exercise by LANDOWNER of the options provided for in section 3 hereof), or for a period of thirty-six (36) months, whichever is longer, but in no event for a shorter period than the maximum period of time permitted by the Subdivision Map Act or Government Code for such land use entitlements. The provisions of section 25 of this Agreement relating to estoppel certificates shall apply to any request made by LANDOWNER to CITY with respect to the life of any entitlement covered by this subsection. Nothing in this section shall be construed to, or operate to extend the term of this Agreement.
- H. Allocation Procedures for Building Square Footage.** Procedures for allocating the uses or densities approved for the Property among the various parcels and/or portions thereof, and for resolution of any disputes regarding such allocations, shall be as follows:
- (1) Allocation.** Unless otherwise identified in the Development Plan, which is attached as Exhibit B to this Agreement, the allocation of building square footage shall be as identified in subsequent entitlements for the Property, including but not limited to parcel maps, subdivision maps, PUD schematic plans and development guidelines. The appropriate entitlement to address the allocation of building square footage shall be determined by City. Allocations for residential development shall be determined in the subdivision mapping process, unless CITY determines that some other method is appropriate under the circumstances.
 - (2) Dispute Resolution.** Where a dispute exists between LANDOWNER, and/or any successor or successors in interest, with respect to any matter involving allocation of building square footage for or on the Property, such dispute shall be resolved by arbitration, utilizing the commercial arbitration procedures of the American Arbitration Association, or some other alternative dispute resolution procedure mutually agreed upon by the parties involved in the dispute. In no case shall CITY

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

be a party to such dispute, or to the dispute resolution procedures. All of the provisions of this Agreement relating to indemnification and defense of CITY, and payment of CITY costs, shall apply to all disputes relating directly or indirectly to allocation.

6. Fees, Charges, Assessments and Taxes.

A. City Fees. All applications for CITY approvals, permits and entitlements shall be subject to the application fees, processing fees, mitigation fees and other development fees within the control of the CITY that are in force and effect as of the date that the application or other request for approval is filed.

B. Levies Imposed by Other Jurisdictions. LANDOWNER shall be responsible for:

- (1) all fees, charges, assessments, special taxes or levies of any sort imposed by any other state or local agency, including but not limited to the Sacramento Area Flood Control Agency, in the future as a charge for mitigation measures imposed for the purpose of mitigation of environmental impacts associated with the provision of flood control improvements and measures for the NNCP area;
- (2) all fees, charges, assessments, special taxes or levies of any sort associated with the financing of the construction and implementation of said flood control improvements and measures;
- (3) all special benefit assessments, special taxes or levies of any sort associated with construction of or maintenance of public improvements, where the Property is located within a district formed for that purpose by any agency other than CITY;
- (4) any fees or other charges required by RD-1000 to be paid to it in implementation of the RD-1000 Agreement; and
- (5) ad valorem real estate taxes, and utility fees.

In the event that any of the fees, charges, assessments, special taxes or levies covered by this subsection B are imposed by or with the assistance of CITY, LANDOWNER shall nevertheless be responsible therefor. Nothing in this Agreement shall be construed to limit LANDOWNER's right to protest, in accordance with applicable provisions of law; the formation of any district included within the provisions of this subsection or to protest the amount of any

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

assessment levied by or on behalf of such district on the Property or any portion thereof; or to protest the nature and amount of any tax, fee, assessment or charge imposed pursuant to this subsection.

C. Implementation of the North Natomas Finance Plan. The North Natomas Finance Plan establishes a method for financing of required Infrastructure and public facilities through a combination of land transfers, dedications and contributions, fees, assessment districts, community facilities districts and other sources, so that the land within the North Natomas Finance Plan Area pays for its share of the cost of such Infrastructure and facilities. The plan also recognizes that there is a regional cost associated with certain portions of Infrastructure and facilities, and that that share will ultimately have to be paid from other sources, even though developers within the area, including LANDOWNER, acknowledge that they may have to participate in funding regional costs on a fair share basis. LANDOWNER shall participate in the North Natomas Finance Plan, as made applicable to the development of the Property, and shall faithfully and timely comply with each and every provision thereof, including but not limited to the>NNLAP, the Land Acquisition Fee, assessments, special taxes, and other development fees and exactions set forth therein. Without limiting the foregoing, applications for special permits, subdivision maps or other land use entitlements and building permits may be made subject to LANDOWNER's participation in and compliance with the plan. Failure to so participate shall be an event of default to which the default provisions of this Agreement and the Procedural Ordinance shall apply. For purposes of this Agreement "participate" and "participation" shall mean payment of all monies required by virtue of the North Natomas Finance Plan, and performance of all obligations imposed thereby.

D. LANDOWNER's Waivers. LANDOWNER hereby agrees to the provisions of Exhibit F, which (without limitation) contains a comprehensive waiver of protest rights with respect to CITY's establishment and implementation of development and impact fees; CITY's actions in forming assessment districts and community facilities districts, and in levying assessments and taxes pursuant thereto; and CITY's actions in implementing any provision of the North Natomas Finance Plan. As set forth in Exhibit F, LANDOWNER reserves the right to protest the actual amount of the fee, assessment or tax levy, or other CITY charge imposed on or allocated to the Property pursuant to the Finance Plan.

7. Reconfiguration of Parcels. LANDOWNER shall have the right to file applications with CITY for subdivision, lot line adjustment, or for master parcelization of all or part of the Property, for the purpose of reconfiguration of the Property. Such applications shall be processed and determined in accordance with the provisions of section 5, and all other applicable provisions of this Agreement. Where reconfiguration requires a Special Permit, or a P.U.D. designation, or other entitlement applicable to the Property

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

or portion thereof which is subject to the application, CITY reserves the right to require such entitlements as a condition of granting the application.

8. Infrastructure.

- A. Construction by CITY.** To the extent that funds are available to CITY pursuant to the North Natomas Finance Plan, and to the extent that any required real property has been transferred to CITY pursuant to the NNLAP, or has been obtained by CITY through its power of eminent domain, which CITY agrees to utilize, where required, and subject to LANDOWNER's compliance with the terms of this Agreement and all of the terms and conditions of any entitlement applicable to the Property, CITY agrees to use its best efforts to bring about the construction of the Infrastructure required to implement the Development Plan (Exhibit B). Provided, however, that CITY's obligations hereunder shall be limited to those items of Infrastructure which, under the North Natomas Finance Plan, are to be constructed by CITY or under CITY's direction and control; where Infrastructure is to be constructed by LANDOWNER, either pursuant to conditions of approval or otherwise, the provisions of this subsection shall not apply.
- B. Construction by LANDOWNER.** When required by conditions of approval, and in accordance with CITY specifications and standards in effect as of the date of construction, LANDOWNER shall diligently construct Infrastructure required for implementation of the Development Plan (Exhibit B). LANDOWNER shall further comply with all required funding requirements specified in the North Natomas Finance Plan, and the real property transfer provisions of the NNLAP.
- C. Drainage Infrastructure.** As of the Effective Date, it is contemplated that permanent drainage for the Property, and the entire North Natomas Finance Plan Area, will be provided by the Drainage System. It is further contemplated that Interim Drainage for the Property and the NNCP area will be provided pursuant to the RD-1000 Agreement or some other arrangement which has been implemented by CITY. Construction of the Drainage System will require land transfers to CITY pursuant to the NNLAP, or acquisition of required land by CITY through the use of eminent domain procedures, and funding for the required improvements, all on a timely basis and in accordance with the North Natomas Finance Plan, and subject to the provisions of the RD-1000 Agreement (or such other arrangement which has been implemented by CITY), together with the Drainage Sub-basin agreement, or substitute therefore, as specified in the Special Conditions. In recognition of the need for retention of flexibility and CITY discretion with respect to decisions relating to the ultimate solution to drainage for the NNCP area, and the need for unconditional provision of financing by LANDOWNER and other owners of land in the North Natomas Finance Plan Area

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

through the mechanisms specified in the North Natomas Finance Plan, the parties agree as follows:

- (1) **Establishment of Financing Mechanisms.** CITY shall, as soon as feasible following the adoption of the North Natomas Finance Plan by the City Council, establish public financing mechanisms as identified in the North Natomas Finance Plan, applicable to lands within the NNCP area which will benefit from the Drainage System.
- (2) **Issuance of Bonds.** Decisions as to whether to issue bonds pursuant to such financing mechanisms, and the timing and manner of issuance thereof, shall be within the sole and exclusive discretion of CITY; provided, however, that CITY shall exercise its discretion in a good faith manner, so as to provide for timely construction of Infrastructure in order not to stop or slow development.
- (3) **Linkage of Development to Completion of Drainage System.** CITY has established a performance standard that requires (inter alia) that the Drainage System be completed and in operation no later than the point in time when building permits have been issued for fifty percent (50%) buildout of the North Natomas Finance Plan Area, as measured by developable acreage as defined in the North Natomas Finance Plan. In the event that a different phasing plan is adopted and implemented by CITY, LANDOWNER shall comply with all provisions of such a plan, and shall execute any agreement or other document, or participate in any mechanism as is required by CITY to implement such a plan.

D. Infrastructure Financing Proceedings.

- (1) **LANDOWNER-Initiated Proceedings.** In the event that LANDOWNER desires to initiate proceedings for the formation of an assessment district, community facilities district, or other similar form of improvement financing mechanism to fund the construction of Infrastructure required by conditions of approval or otherwise, LANDOWNER shall file an application with CITY for that purpose in accordance with CITY's Assessment District Policy Manual, as same may be amended from time to time, or such other policy document as may after the Effective Date be adopted by the City Council as a substitute therefor. CITY agrees to diligently process any such application, provided that such application:
 - (a) is complete and is accompanied by payment of CITY fees applicable on the date of filing of the application;

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

- (b) otherwise complies with the Land Use and Development Regulations and applicable law, as it exists on the date of the application, including but not limited to the Assessment District Policy Manual;
- (c) is consistent with CITY's policies and procedures; (iv) provides for a value to lien ratio and other financial terms that are reasonably acceptable to CITY;
- (d) provides for all funding requirements established by CITY for the purpose of payment of the costs of outside consultants needed, in CITY's sole discretion; and
- (e) provides that the specific consultants (e.g., bond counsel, financial advisors, underwriters, or other consultants as may be necessary under the circumstances) shall be selected by CITY in its sole discretion.

Notwithstanding any other provision of this Agreement, CITY agrees that upon request made by LANDOWNER, CITY will consider making exceptions to the Assessment District Policy Manual, to allow for alternative methods of financing in-tract improvements, including but not limited to formation of assessment districts or similar financing mechanisms, where such alternatives are contemplated by the North Natomas Finance Plan, including any amendments thereto. Provided, however, that CITY reserves its discretion to condition use of any such alternatives on satisfaction of performance preconditions (including but not limited to drainage capacity), and to consider underwriting considerations and criteria, together with the manner in which such alternatives further the overall implementation of the North Natomas Finance Plan. Further, CITY may in its reasonable discretion deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent.

- (2) **Proceedings Initiated by CITY.** In the event that pursuant to the North Natomas Finance Plan, CITY in its discretion determines that a particular financing mechanism, including but not limited to an assessment district, a community facilities district, a fee district, a development fees procedure, or any similar mechanism, is required in order to implement the North Natomas Finance Plan, LANDOWNER's participation obligations set forth hereunder (including but not limited to Exhibit C), in the North Natomas Finance Plan, or in any condition of approval, shall apply.
- (3) **Maintenance Districts.** LANDOWNER may, following the procedures specified in subsection 8D(1) above, request that CITY establish one or

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

more maintenance districts for the purpose of financing the maintenance of landscaping or other public improvements, whereunder lands benefitting from the improvements and their maintenance are assessed for a proportionate share of the maintenance cost.

E. Reimbursement to LANDOWNER.

- (1) From Financing Proceeds.** Subject to Chapter X of the North Natomas Finance Plan, where LANDOWNER has provided advance funding for public Infrastructure required by the North Natomas Finance Plan or has constructed such Infrastructure under the direction and control of CITY, LANDOWNER shall be reimbursed for Reimbursable Infrastructure Costs at such time as CITY has established a permanent financing mechanism in the form of an assessment district, community facilities district, or other similar mechanism through which permanent public financing for such improvements is established. Those items qualifying as Reimbursable Infrastructure Costs shall be determined pursuant to CITY policies in existence at the time of establishment of the permanent financing mechanism. CITY agrees to entertain reasonable requests from LANDOWNER for exceptions to such policies; provided, however, that CITY may, in its reasonable discretion, deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent. Nothing in this Agreement shall authorize reimbursement of any cost which, in the opinion of CITY's bond counsel, is not permissible for purposes of establishing or retaining tax free status of any bonds issued, or contemplated to be issued by CITY.
- (2) Reimbursement From Others Benefitted.** In any case where CITY requires or permits LANDOWNER to plan, design, construct, or fund the planning, design or construction of improvements required for development by the North Natomas Finance Plan, in excess of or beyond those required for development of the Property, or, where required by the North Natomas Finance Plan, to make dedications, provide mitigation or incur costs in connection with public improvements or the planning of the North Natomas area in excess of or beyond those required for development of the Property, and the provisions of the preceding subsection do not apply, CITY shall utilize its best efforts to require that all other Persons benefitted by the improvements shall reimburse (through fee districts, agreements, conditions of approval, or otherwise) LANDOWNER for such Person's proportionate share of such costs as determined in accordance with the North Natomas Finance Plan, or by CITY. For purposes of this Agreement, the term "in excess of or beyond those required for development of the Property" shall mean requirements which exceed LANDOWNER's fair proportionate share,

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

as determined in accordance with the provisions of the North Natomas Finance Plan and any associated documents or studies.

Such reimbursement shall be subject to the limitations specified in the preceding paragraph (including those provisions relating to consideration by CITY of exceptions to its policies), relating to CITY policy and Reimbursable Infrastructure Costs. Reimbursement shall be limited to that amount which exceeds LANDOWNER's appropriate share of the cost, determined in accordance with principles established in the North Natomas Finance Plan, and any associated documents or studies.

- (3) **Reimbursement of Planning, Engineering and Staff Costs.** In accordance with the provisions of the North Natomas Finance Plan, and as soon as feasible following City Council adoption of the said Plan, CITY shall enact a fee ordinance which imposes a fee upon NNCP area landowners, including LANDOWNER, to pay the planning, engineering, staff and related costs (including but not limited to CITY staff and related costs), as specified in the North Natomas Finance Plan, and which relate to development of the NNCP, the Finance Plan, the general form of the Development Agreement, the Comprehensive Drainage Plan, and all related documents. The fee shall be spread across lands within the NNCP area in the same fashion as the public facilities fees. Credits shall be given to those landowners who have paid some or all of their share of the said costs, for the amounts so paid. The fee shall be payable prior to issuance of the first discretionary entitlement for the land as to which an application has been filed with CITY.

9. LANDOWNER Obligations.

- A. **Transfer of Land to CITY.** As set forth elsewhere in this Agreement, LANDOWNER has agreed to transfer lands needed for Infrastructure or public facilities to CITY, or to such other public agency as is appropriate, pursuant to the provisions of the NNLAP. Set forth in Exhibit H, attached hereto and incorporated herein by this reference, is a map depicting the currently contemplated approximate location and amount of land which LANDOWNER will be required to transfer to CITY, together with a categorical listing of the types of Infrastructure and public facilities which are covered by the terms of this subsection. LANDOWNER shall transfer the said required lands to CITY, utilizing the Irrevocable Offer of Dedication form set forth in Exhibit G, attached hereto and incorporated herein by this reference, at such time as is:

- (1) required pursuant to a condition or term of any entitlement for use or development of the Property; or

FOR CITY CLERK USE ONLY

ORDINANCE NO. 2006-0015

CITY AGREEMENT NO. 2006-0210

DATE ADOPTED: FEB 28 2006

- (2) requested by CITY, where LANDOWNER has not applied for an entitlement for use or development of the Property, but the land is needed, in CITY's sole discretion, for purposes of construction of Infrastructure or public facilities.

In the event that, at the time of the required transfer to CITY, the location of, or the quantity of land required for the Infrastructure or public facilities has changed from that depicted on Exhibit H, to such a significant degree or extent that the location or quantity is inconsistent with both the NNCP as it exists on the effective date of this Agreement, and the North Natomas Finance Plan, the parties shall meet and negotiate, and in good faith endeavor to reach agreement on any amendments to this Agreement needed to allow development of the Property in a reasonable manner, taking into account the changes in Infrastructure and public facilities. If agreement is reached between the parties, the procedures specified herein and in the Procedural Ordinance shall apply to amendments to this Agreement. If agreement is not reached, either party shall have the right to terminate this Agreement by providing the other party sixty (60) days notice.

- B. Development Timing.** LANDOWNER shall have no obligation to initiate or commence development of any particular phase of the Property within any period of time.

10. Litigation/Indemnification.

A. Challenge to Agreement or Entitlements.

- (1) In the event of any action instituted by a third party challenging the validity of any portion of this Agreement, including but not limited to, the proceedings taken for its approval (including the requirements of the California Environmental Quality Act – "CEQA") or any other act undertaken by the parties hereto in furtherance of this Agreement or its terms, or any action instituted by a third party challenging the validity of any of the entitlements specified herein (including CEQA challenges), the parties agree to cooperate in the defense of the action. In all such litigation brought to contest the validity of this Agreement or such entitlements, the following shall apply:
- (a) City may, in its sole discretion, either defend such litigation or tender its defense to LANDOWNER.
- (b) In the event that CITY determines to defend the action itself, LANDOWNER shall be entitled, subject to court approval, to join in or intervene in the action on its own behalf, or to advocate in favor of

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

validity of this Agreement or any challenged entitlement. In such a case, each party shall bear its own attorney fees and costs.

- (c) In the event that CITY determines to tender the defense of the action to LANDOWNER, LANDOWNER shall defend the action on its behalf and on behalf of CITY, and shall bear all attorney fees and costs associated with such defense from and after the date of the tender. Provided, however, that CITY may at any time after the tender elect to assume representation of itself; in that event, from and after the date CITY gives notice of its election to do so, CITY shall be responsible for its own attorney fees and costs incurred thereafter.
- (2) If, in such litigation, a final judgment or other final order is issued by the court which has the effect of invalidating or rendering ineffective, in whole or in part, any provision of this Agreement or the Agreement itself, or any entitlement issued during the term of this Agreement and pursuant to its terms, the following shall apply:
- (a) if the judgment or order includes a provision for attorney fees and/or costs of the successful party or parties, LANDOWNER shall pay the entire cost thereof, without right of offset, contribution or indemnity from CITY, irrespective of anything to the contrary in the judgment or order. Provided, however, that if the litigation relates entirely, solely and exclusively to a challenge to the NNCP in general, or to the North Natomas Finance Plan in general, separate and apart from this Agreement or any entitlement relating to the Property, and if LANDOWNER is named or becomes a party in such litigation, LANDOWNER and CITY shall bear the cost of the successful party's attorney fees and/or costs in the manner specified in the court's judgment.
 - (b) CITY and LANDOWNER shall meet and endeavor, in good faith, to attempt to reach agreement on any amendments needed to allow development of the Property to proceed in a reasonable manner, taking into account the terms and conditions of the court's judgment or order. If agreement is reached, the procedures for amending this Agreement as specified herein, and in the Procedural Ordinance, shall apply. If agreement is not reached, either party shall have the right to terminate this Agreement by giving the other party sixty days' notice of termination.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015
DATE ADOPTED: FEB 28 2006

- (c) In the event that amendment is not required, and the court's judgment or order requires CITY to engage in other or further proceedings, CITY agrees to comply with the terms of the judgment or order expeditiously.

B. Indemnification. LANDOWNER agrees to defend and indemnify CITY, its elective and appointive boards, commissions, officers, agents and employees against any liability for damage or claims for damage for personal injury, including death, or property damage, arising out of or relating in any way to actions or activities to develop the Property, undertaken by LANDOWNER or LANDOWNER's contractors, subcontractors, agents or employees.

11. Effect of Subsequent Laws.

A. Laws of Other Agencies.

- (1) If any public agency, other than CITY, adopts any new law, regulation, ordinance or imposes any new condition (herein referred to collectively as "the New Law") after the date of this Agreement, which prevents or precludes either the CITY or LANDOWNER, or both, from complying with one or more provisions of this Agreement, then immediately following the enactment of the New Law the parties shall meet and confer in good faith to determine whether the New Law applies to the Property, and whether suitable amendments to this Agreement can be made, in order to maintain LANDOWNER's right to develop the Property in a reasonable manner pursuant to Exhibit B.
- (2) In the event that the parties, after having engaged in good faith negotiations, are unable to agree on such amendments, the parties shall consider whether suspension of the term of this Agreement is appropriate, and if so, what the terms and conditions of any such suspension should be. In the event that the parties, after having engaged in good faith negotiations are unable to agree on the suspension issues, either party shall have the right to terminate this Agreement by giving the other party sixty (60) days' written notice of termination.
- (3) LANDOWNER or CITY shall have the right to institute litigation relating to the New Law, and raise any issues relating to its validity. If such litigation is filed, this Agreement shall remain in full force and effect until final judgment is issued. Provided, however, that if any action that CITY would take in furtherance of this Agreement would be rendered invalid, facially or otherwise, by the New Law, CITY shall not be required to undertake such

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

action until the litigation is resolved, or the New Law is otherwise determined invalid, inapplicable, or is repealed. In the event that such judgment invalidates the New Law, or determines that it does not affect the validity of this Agreement, this Agreement shall remain in full force and effect, and its term shall be extended by the amount of time between the effective date of the New Law, and the effective date of the judgment. In the event that such judgment determines that the validity of this Agreement is, directly or indirectly affected by the New Law, the provisions of subsections 11A(1) and 11A(2) above shall apply.

- B. Laws Passed by CITY.** Subject to the provisions of section 5 of this Agreement, neither the CITY nor any CITY Agency shall enact any initiative, ordinance, policy, resolution, general plan amendment or other measure that relates to the density or intensity of development on the Property, or the rate, timing or sequencing of the development or the construction on the Property on all or any part thereof, or that is otherwise in conflict, either directly or indirectly, with this Agreement.

- 12. Enforced Delay; Extension of Times of Performance.** In addition to other specific provisions of this Agreement, performance by either party hereunder shall not be deemed in default where delay or inability to perform is due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, enactment of conflicting state or federal laws or regulations, new or supplementary environmental laws or regulations, litigation instituted by third parties challenging the validity of this Agreement or any of the vested entitlements described in section 5 of this Agreement. Upon request of either party to the other, a written extension of time for such cause shall be granted for the period of the enforced delay, or longer as may be mutually agreed upon.

13. Legal Actions; Applicable Law; Attorney's Fees.

- A. Legal Actions.** In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default by any other party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder. Notwithstanding any other provision of law, or of this Agreement, in no event shall LANDOWNER or CITY, its officers, agents or employees be liable in damages for any breach, default or violation of this Agreement, it being specifically understood and agreed that the parties' sole legal remedy for a breach, default or violation of this Agreement shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

- B. Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. LANDOWNER agrees and acknowledges

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

that CITY has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity and meaning of this Agreement shall be that accorded legislative acts of CITY.

C. Attorney Fees. In any arbitration, quasi-judicial, administrative or judicial proceeding (including appeals), brought by either party hereto to enforce or interpret any covenant or any of such party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys' fees and all costs, expenses and disbursements in connection with such action, including the costs of reasonable investigation, preparation and professional or expert consultation, which sums may be included in any judgment or decree entered in such action in favor of the prevailing party. For purposes of this section, and any other portion of this Agreement relating to attorney fees, reasonable attorneys fees of the City Attorney's Office shall be based on comparable fees of private attorneys practicing in Sacramento County.

14. Amendment of Agreement. This Agreement may be amended from time to time only by the mutual written consent of the parties, in accordance with the provisions of Government Code sections 65867 and 65868. In addition, all of the provisions of the Procedural Ordinance relating to the need for amendment, and the manner thereof, shall apply. Upon request of a party, this Agreement shall be amended to include the terms and conditions of any discretionary entitlement granted with respect to the Property after the Effective Date.

15. CITY's Good Faith in Processing. Subject to the provisions of section 5B hereof, and LANDOWNER's compliance with each and every term and condition of this Agreement and all of its exhibits, CITY agrees that it will accept in good faith for processing, review, and action, all complete applications for master parcel maps, zoning, planned unit development designation, planned unit development guidelines, schematic plans, special permits, building permits, parcel maps, subdivision maps, or other entitlements for use of the Property in accordance with the General Plan, the NNCP and this Agreement.

CITY shall inform the LANDOWNER, upon request, of the necessary submission requirements for each application for a permit or other entitlement for use in advance, and shall review said application and shall schedule the application for expeditious review by the appropriate authority.

16. Default, Remedies, Termination.

A. General Provisions. Subject to any extensions of time by mutual consent of the parties, and subject to the cure provisions set forth herein, any failure or

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

unreasonable delay by either party to perform any material term or provision of this Agreement shall constitute a default.

- (1) **LANDOWNER Default.** In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with this section, wherein a default by LANDOWNER is alleged, CITY shall not be obligated to issue any building permit, or grant any entitlement as to which an application has been filed.
- (2) **CITY Default.** In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with this section, wherein a default by CITY is alleged, any resulting delays in LANDOWNER's performance caused by CITY's default shall not constitute a LANDOWNER default, or be grounds for termination or cancellation of this Agreement.
- (3) **Successors in Interest.** Where the Property, following the Effective Date, has been lawfully conveyed in whole or in part to one or more successors in interest, in such a manner as to invoke the provisions of section 4 of this Agreement, and one or more of such successors in interest is in default with respect to the portion of the Property owned by it, neither LANDOWNER nor any other non-defaulting successor in interest shall be liable for the default, if the provisions of section 4 have been complied with, and in accordance with the terms and conditions of that section.

B. Cure of Default. In the event of an alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured and a reasonable period of time in which to cure, that shall in no event be less than thirty (30) days. During any such period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

C. Remedies After Expiration of Cure Period. After notice and expiration of the thirty (30) day period, if the alleged default has not been cured in the manner set forth in the notice, the other party may at its option:

- (1) institute legal proceedings to obtain appropriate judicial relief, including but not limited to mandamus, specific performance, injunctive relief, or termination of this Agreement; or
- (2) give the other party notice of intent to terminate this Agreement pursuant to Government Code section 65868 and the Procedural Ordinance. In the

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

event that such notice is given, CITY shall schedule the matter for public hearing before the City Council to review the matter and make specific written findings regarding the alleged default. Where LANDOWNER is the party alleged to be in default, LANDOWNER shall be afforded a reasonable opportunity to respond to all allegations of default at such public hearing. CITY shall provide LANDOWNER at least thirty (30) days prior written notice of such public hearing, as well as provide LANDOWNER copies of all CITY staff reports prepared in connection therewith at least five (5) days prior to the hearing.

17. Annual Review.

- A. General Provisions.** In accordance with Government Code section 65865.1, and the Procedural Ordinance, CITY shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith compliance by LANDOWNER with the terms of this Agreement. Failure of CITY to conduct an annual review shall not constitute a waiver by CITY or LANDOWNER of the right to conduct future annual review or to otherwise enforce the provisions of this Agreement, nor shall a party have or assert any defense to such enforcement by reason of any such failure. The failure of CITY to undertake such review, shall not, in itself, invalidate the terms of this Agreement or excuse any party hereto from performing its obligations under this Agreement.
- B. Scope of Review.** The annual review shall be limited in scope to compliance with the terms and conditions of this Agreement.
- C. Proceedings.** The procedures specified in the Procedural Ordinance for conduct of the annual review by the City Manager, and by the City Council, shall apply to each annual review of this Agreement. At least ten (10) days prior to the commencement of any annual review, CITY shall deliver to LANDOWNER a copy of any public staff reports and other documents to be used or relied upon in conducting the review. LANDOWNER shall be permitted an opportunity to respond to CITY's evaluation of LANDOWNER's performance by written and oral testimony at the public hearing to be held before the City Council, if LANDOWNER so elects.

At the conclusion of the annual review, CITY shall make written findings and determinations on the basis of substantial evidence, as to whether or not LANDOWNER or its successors have complied in good faith with the terms and conditions of this Agreement.

- D. Failure of Compliance.** Any determination of failure of compliance shall be subject to the notice requirements and cure periods set forth in section 16 of this

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015
DATE ADOPTED: FEB 28 2006

Agreement. If termination is proposed, it shall apply solely with respect to that portion of the Property (if less than all) affected by the failure to show good faith compliance. If modification of the Development Agreement is proposed, the modification shall pertain solely to the provisions hereof as applicable to that portion of the Property (if less than all) affected by the condition that has prompted the proposed modification.

18. Termination Upon Completion of Development.

- A. General Provisions.** This Agreement shall terminate as to each parcel of property contained within the Property when that parcel of property has been fully developed and all of LANDOWNER'S obligations in connection therewith are satisfied, as reasonably determined by CITY. CITY shall, upon written request made by LANDOWNER to CITY's Department of Planning and Development, determine if the Agreement has terminated, with respect to any parcel, and shall not unreasonably withhold termination as to that parcel if LANDOWNER'S obligations therewith are satisfied. CITY shall be entitled to receive payment of a fee commensurate with the cost of processing the request and making such a determination, including but not limited to CITY's administrative and legal expenses. Upon termination of this Agreement, CITY shall upon LANDOWNER's request record a notice of such termination in a form satisfactory to the City Attorney that the Agreement has been terminated. The aforesaid notice may specify, and LANDOWNER agrees, that termination shall not affect in any manner any continuing obligation to pay any item specified by this Agreement, by the North Natomas Financing Plan or any of the measures implementing said plan, and shall have the effect as set forth in section 18C.
- B. Multi-family and Single Family Residential Projects.** This Agreement shall automatically terminate and be of no further force and effect as to any single family residence or multi-family building, and the lot or parcel upon which said residence or building is located, when it has been approved by CITY for occupancy.
- C. Effect Of Termination On Landowner Obligations.** Termination of this Agreement as to the Property or any portion thereof shall not affect any of the LANDOWNER's obligations to comply with CITY's General Plan, the NNCP, and all entitlements issued for the Property, nor shall it affect any other covenants of this Agreement specified in this Agreement to continue after the termination of this Agreement, including but not limited to those specified in sections 6 and 10 and subsection 13C.

- 19. No Joint Venture, Partnership, or Other Relationship.** Nothing contained in this Agreement or in any other document executed in connection with this Agreement shall

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

be construed as creating a joint venture or partnership between CITY and LANDOWNER. No relationship exists as between LANDOWNER and CITY other than that of a governmental entity regulating the development of private property, and the owners of such private property.

- 20. Notices.** All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the CITY and LANDOWNER or LANDOWNER's assigns and successors, and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other party as indicated below:

Notice to the CITY: City of Sacramento
915 I Street, Fifth Floor
Sacramento, California, 95814
ATTN: City Manager

Notice to the LANDOWNER: Acacia Credit Fund 10-A LLC
One Arizona Center
400 East Van Buren, Suite 650
Phoenix, Arizona 85004

with copies to:

Beazer Homes North California
3721 Douglas Boulevard, Suite 100
Roseville, CA 95661
ATTN: Carol Hill

Any party may change the address to which notices are to be mailed by giving written notice of such changed address to each other party in the manner provided herein.

- 21. Severability.** If any provision of this Agreement is held invalid, void or unenforceable but the remainder of the Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the parties, utilizing the procedures specified herein and the Procedural Ordinance. Provided, however, that if such holding affects a material provision of this Agreement, LANDOWNER shall have the right in its sole discretion to terminate this Agreement upon providing written notice of such termination to CITY; provided further, however, that in the event LANDOWNER so elects to terminate, such election shall not affect in any manner the terms and conditions of any entitlement theretofore granted by CITY with respect to the Property, or any portion thereof.

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

22. **Recording.** The City Clerk shall cause a copy of this Agreement to be recorded with the Sacramento County Recorder no later than ten (10) days following execution of this Agreement by CITY, which execution will take place no sooner than the effective date of the ordinance approving this Agreement.

23. **Reimbursement to CITY.** LANDOWNER agrees to reimburse the CITY for reasonable and actual expenses incurred by CITY that relate directly to CITY'S review, consideration and execution of this Agreement. Such expenses include but are not limited to recording fees, publishing fees and any special meeting costs, staff time (including review by the City Attorney), and notice costs. Such expenses shall be paid by LANDOWNER within thirty (30) days of receipt of a detailed written statement of such expenses.

24. **Provisions Relating to Lenders.**

A. **Lender Rights and Obligations.**

(1) **Prior to Lender Possession.** No Lender shall have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of LANDOWNER or LANDOWNER's successors in interest, but shall otherwise be bound by all of the terms and conditions of this Agreement, which pertains to the Property or such portion thereof in which it holds an interest. Nothing in this section shall be construed to grant to a Lender rights beyond those of LANDOWNER hereunder, or to limit any remedy CITY has hereunder in the event of default by LANDOWNER, including but not limited to termination and/or refusal to grant entitlements with respect to the Property.

(2) **Lender in Possession.** A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of LANDOWNER, and which remain unpaid as of the date such Lender takes possession of the Property or portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive entitlements with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

LANDOWNER hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the LANDOWNER hereunder or entitled to enforce the provisions of this Agreement against CITY unless and until such Lender or successor thereof qualifies as a recognized assignee under the provisions of section 4 of this Agreement.

- B. Notice of LANDOWNER's Default Hereunder.** If CITY receives notice from a Lender requesting a copy of any notice of default given LANDOWNER hereunder and specifying the address for service thereof, then CITY shall deliver to such Lender, concurrently with service thereon to LANDOWNER, any notice given to LANDOWNER with respect to any claim by CITY that LANDOWNER has committed a default, and if CITY makes a determination of non-compliance, CITY shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on LANDOWNER.
- C. Lender's Right to Cure.** Each Lender shall have the right (but not the obligation) during the same period of time available to LANDOWNER to cure or remedy, on behalf of LANDOWNER, the default claimed or the areas of non-compliance set forth in CITY's notice. Such action shall not entitle a Lender to develop the property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of LANDOWNER hereunder.
- D. Other Notices Given By City.** A copy of all notices given by CITY pursuant to the terms of this Agreement shall be sent to Lender at the address provided in section 20 hereof.

25. Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such other party to certify in writing that, to the knowledge of the certifying party, (i) this Development Agreement is in full force and effect and a binding obligation of the parties, (ii) this Development Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Development Agreement, or if in default, describing therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within thirty (30) days following the receipt of each such request. Each party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by CITY establishing the status of this Agreement with respect to the Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording party.

26. Construction. All parties have had the opportunity to be represented by legal counsel of their own choice in the preparation of this Development Agreement and no

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

presumption or rule that "an ambiguity shall be construed against a drafting party" shall apply to the interpretation or enforcement of any provision hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend or affect the meaning of the provision to which they pertain.

27. **Counterparts.** This Agreement may be executed in any number of counterparts and shall be deemed duly executed when each of the parties has executed such a counterpart.
28. **Time.** Time is of the essence of each and every provision hereof.
29. **Limitation of Actions.** No court action shall be filed by a party to this Agreement on the ground of default or breach of its terms unless such action is filed within one hundred eighty (180) days from the date of discovery by the aggrieved party of the facts underlying the claim of breach or default.
30. **No Third Parties Benefitted.** No Person who is not a qualified successor or assign of a party hereto pursuant to section 4 of this Agreement, or who has not become a party by duly adopted amendment hereof may claim the benefit of any provision of this Agreement.
31. **Effect of Agreement Upon Title to Property.** In accordance with the provisions of Government Code section 65868.5, from and after the time of recordation of this Agreement, the Agreement shall impart such notice thereof to all persons as is afforded by the recording laws of the State of California. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement.
32. **Covenant of Good Faith.** CITY and LANDOWNER agree that each of them shall at all times act in good faith in order to carry out the terms of this Agreement.
33. **Exhibits:** The following are the exhibits to this Agreement:
- A Legal Description of the Property
 - B Landowner's Development Plan
 - C Special Conditions
 - D Assignment and Assumption Agreement
 - E North Natomas Land Acquisition Program
 - F Protest Waiver Form
 - G Irrevocable Offer of Dedication Form
 - H Map and Categorical Listing of Land and Infrastructure

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

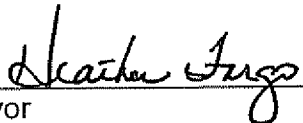
ORDINANCE NO. 2006-0015
DATE ADOPTED: FEB 28 2006

34. **Entire Agreement.** This Agreement, together with its Exhibits A to H, inclusive, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. This Agreement is specifically intended by the parties hereto to supersede all prior development agreements, if any, for the Property which may exist between CITY and LANDOWNER. The provisions of subsection 10B of this Agreement, relating to indemnification and defense of CITY, its officers, employees and agents, shall be applicable to any claim whatsoever against CITY, its officers, employees and agents, arising out of or in any way relating to any prior development agreement relating to the Property.

35. **City Attorney Costs.** Landowner shall pay to the City of Sacramento the sum of \$1,500.00 as and for reimbursement of the costs of the City Attorney in preparation and processing of this Agreement.

IN WITNESS WHEREOF, the CITY and LANDOWNER have executed this Development Agreement as of the date first set forth above.

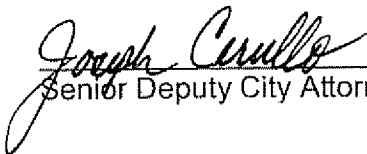
CITY OF SACRAMENTO

By: 
Mayor

ATTEST:


City Clerk


APPROVED FOR LEGAL FORM:


Senior Deputy City Attorney

ACACIA CREDIT FUND 10-A LLC

By: Fund 10-A Management Company LLC,
a Delaware limited-liability company,
its managing member

By: Acacia Capital Corporation,
a California corporation,
its managing member

By: 
Steven S. Benson
Executive Vice President

CITY
AGREEMENT NO. 2006-0210

(ATTACH APPROPRIATE ACKNOWLEDGMENT)

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2006-0210

ORDINANCE NO. 2006-0015

DATE ADOPTED: FEB 28 2006

Notary
North Natomas Development Agreement
Natomas Field

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On February 24, 2006, before me, Teresa G. Hall, Notary Public, personally appeared Steven S. Benson, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed this instrument.

WITNESS my hand and official seal.



Teresa G. Hall
Notary Public

Commission Expires: January 9, 2009

CITY
AGREEMENT NO. 2006-0210



**OFFICE OF THE
CITY CLERK**

CITY CLERK
Shirley Concolino

**CITY OF SACRAMENTO
CALIFORNIA**

CITY HALL
Historic Building – 1st Floor
915 I STREET
SACRAMENTO, CA
95814-2671

PH (916) 808-7200
FAX (916) 808-7672

www.cityofsacramento.org

CITY CLERK'S ACKNOWLEDGEMENT

State of California)
County of Sacramento)
City of Sacramento)

On March 28, 2006, before me, Shirley Concolino, City Clerk, personally appeared, Heather Fargo, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Dated this 28th day of March, 2006.



WITNESS my hand and official seal.

Shirley Concolino

Shirley Concolino, City Clerk
City of Sacramento, California

EXHIBIT A

**DESCRIPTION OF LANDOWNER'S
PROPERTY**

SEE ATTACHED

NOTE: UPON RECORDATION OF FINAL MASTER PARCEL MAP, THIS EXHIBIT A WILL
BE REPLACED BY THE SAID MAP, WITHOUT NEED FOR AMENDMENT OF THIS
AGREEMENT.

LEGAL DESCRIPTION

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

PARCEL 1

ALL THAT PORTION OF LOTS 21 AND 27, AS SHOWN ON "NATOMAS CENTRAL SUBDIVISION" THE OFFICIAL PLAT OF WHICH IS RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 16 OF MAPS, MAP NO. 3, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 21, THENCE, ALONG THE SOUTH LINE THEREOF, SOUTH 89° 51' WEST 1,107.50 FEET TO THE SOUTHWEST CORNER; THENCE, ALONG THE WEST LOT LINE, NORTH 0° 26' WEST 1,730.00 FEET TO A POINT FROM WHICH THE NORTHWEST CORNER OF SAID LOT BEARS NORTH 0° 25' WEST 477.34 FEET; THENCE NORTH 89° 51' EAST 558.30 FEET TO A POINT WITHIN LOT 27; THENCE SOUTH 31° 27' EAST 737.40 FEET TO A POINT WITHIN SAID LOT 21; THENCE NORTH 89° 51' EAST 169.00 FEET TO A CORNER COMMON TO LOTS 21 AND 27; THENCE, ALONG THE EAST LINE OF LOT 21, SOUTH 0° 26' EAST 1,100 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE EAST 475.83 FEET MEASURED ALONG THE SOUTH LINE OF THE ABOVE DESCRIPTION.

ALSO EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN THE GRANT OF RIGHT OF WAY RECORDED APRIL 28, 1989, IN BOOK 8904-28, PAGE 783, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM ALL OIL, MINERALS, GAS AND OTHER HYDROCARBON SUBSTANCES BELOW A DEPTH OF 500 FEET UNDER THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THE DEED FROM RICHARD N. MOSEMAN, ET AL, TO SACRAMENTO SPORTS ASSOCIATION, A PARTNERSHIP, DATED JUNE 28, 1979, RECORDED JULY 10, 1979, IN BOOK 7907-10 OF OFFICIAL RECORDS, PAGE 1243.

APN: 225-0150-014

PARCEL 2

THAT PORTION OF LOT 20, AS SHOWN ON "NATOMAS CENTRAL SUBDIVISION" THE OFFICIAL PLAT OF WHICH IS RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 16 OF MAPS, MAP NO. 3, LYING EASTERLY OF THE CENTERLINE OF EAST COMMERCE WAY.

EXCEPTING THEREFROM ALL THAT PORTION DEEDED TO THE CITY OF SACRAMENTO FOR RIGHT OF WAY.

ALSO EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN THE GRANT OF RIGHT OF WAY RECORDED APRIL 28, 1989, IN BOOK 8904-28, PAGE 783, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM, ALL OIL, MINERAL, GAS AND OTHER HYDROCARBON SUBSTANCES BELOW A DEPTH OF 500 FEET UNDER THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THE DEED FROM RICHARD N. MOSEMAN, ET AL, TO SACRAMENTO SPORTS

First American Title Insurance Company

CITY
AGREEMENT NO. 2006-0210

ASSOCIATION, A PARTNERSHIP, DATED JUNE 28, 1979, RECORDED JULY 10, 1979 IN BOOK 7907-13 OF OFFICIAL RECORDS PAGE 1243

APN: 225-0150-025

PARCEL 3

ALL THAT PORTION OF LOT 12 AS SHOWN ON THE MAP OF "NATOMAS CENTRAL SUBDIVISION" FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA IN BOOK 16 OF MAPS, AT PAGE 3, LYING EASTERLY OF THE CENTERLINE OF EAST COMMERCE WAY.

EXCEPTING THEREFROM THAT PORTION OF PARCEL 13 AS SHOWN IN CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 13, 1987 IN BOOK 871013, PAGE 2162, OFFICIAL RECORDS

APN: 225-0150-027

PARCEL 4

THE WEST 631.67 FEET OF LOT 11 AS SHOWN ON THE MAP OF "NATOMAS CENTRAL SUBDIVISION", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA IN BOOK 16 OF MAPS, AT PAGE 3.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING SOUTHERLY OF A LINE BEGINNING AT A POINT LOCATED NORTH 529.17 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 11 AND RUNS SOUTH 85° 04' 16" WEST 1162.25 FEET TO A POINT OF ENDING.

APN: 225-0150-028

PARCEL 5

THE EAST 310.83 FEET OF THE WEST 942.50 FEET OF LOT 11 AS SHOWN ON THE MAP OF "NATOMAS CENTRAL SUBDIVISION" FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA IN BOOK 16 OF MAPS, AT PAGE 3.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING SOUTHERLY OF A LINE BEGINNING AT A POINT LOCATED NORTH 529.17 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 11 AND RUNS SOUTH 85° 04' 16" WEST 1162.25 FEET TO A POINT OF ENDING.

APN: 225-0150-030

PARCEL 6

ALL THAT PORTION OF LOTS 20, 21 AND 27, AS SHOWN ON "NATOMAS CENTRAL SUBDIVISION", THE OFFICIAL PLAT OF WHICH IS RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 16 OF MAPS, MAP NO 3, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF PARCEL NO. 7, AS DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED IN BOOK 8710-13 OF OFFICIAL RECORDS, AT PAGE

First American Title Insurance Company

CITY
AGREEMENT NO. 2006-0210

2162; THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY OF SAID PARCEL NO. 7 THE FOLLOWING THREE (3) COURSES: (1) SOUTH 89° 09' 47" WEST, 169.00 FEET, (2) NORTH 31° 43' 23" WEST, 737.66 FEET AND (3) SOUTH 89° 34' 45" WEST, 811.66 FEET; THENCE CURVING TO THE LEFT ON AN ARC OF 1575.83 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 63° 34' 43" EAST, 1292.30 FEET; THENCE NORTH 39° 22' 17" EAST, 305.59 FEET; THENCE SOUTH 00° 41' 38" EAST, 1430.41 FEET TO THE POINT OF BEGINNING, SHOWN AS PARCEL 9 OF CERTIFICATE OF COMPLIANCE RECORDED MARCH 7, 1989, IN BOOK 8903-07, PAGE 1400, OFFICIAL RECORDS

EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN THE GRANT OF RIGHT OF WAY RECORDED APRIL 28, 1989, IN BOOK 890428, PAGE 783, OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL OIL, MINERAL, GAS AND OTHER HYDROCARBON SUBSTANCES BELOW A DEPTH OF 500 FEET UNDER THE ABOVE DESCRIBED REAL PROPERTY, AS RESERVED IN THE DEED FROM RICHARD N. MOSEMAN, ET AL, TO SACRAMENTO SPORTS ASSOCIATION, A PARTNERSHIP, DATED JUNE 28, 1979, RECORDED JULY 10, 1979, IN BOOK 7907-10 OF OFFICIAL RECORDS, PAGE 1243

APN: 225--0150-036

First American Title Insurance Company

CITY
AGREEMENT NO. 2006-0210

EXHIBIT B

LANDOWNER'S DEVELOPMENT PLAN

SEE ATTACHED

GENERAL PLAN AMENDMENT for

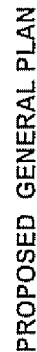
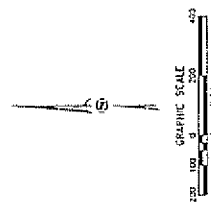


.....

PROJECT BOUNTY INCORPORATED
NOTICE

Summary Table of General Plan Areas

W&O ENGINEERS, INC.
2700 Plaza Drive
Rochester, CA 95763
Phone (916) 763-3033
Fax (916) 763-3093
www.wandoe.com



EXISTING GENERAL PLAN

RECEIVED 05/17/05

CITY
AGREEMENT NO. 2006-0210

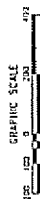
NATOMAS FIELD



Paving/Transposed Community Plan Commission



WIND ENGINEERS, INC.
2202 MIDLAND DRIVE
PACIFIC, CA 94755
PHONE (415) 753-3525
FAX (415) 753-5527
WWW.WINDENGINEERS.COM



PROPOSED COMMUNITY PLAN

EXISTING COMMUNITY PLAN

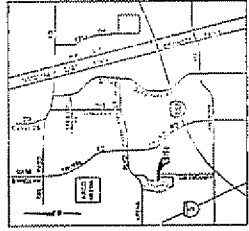
P04-236

CITY

AGREEMENT NO. 2006-0210

RECEIVED 05/17/05

NATOMAS FIELD
CITY OF SACRAMENTO, CALIFORNIA



SITE INFORMATION

[illegible][illegible]

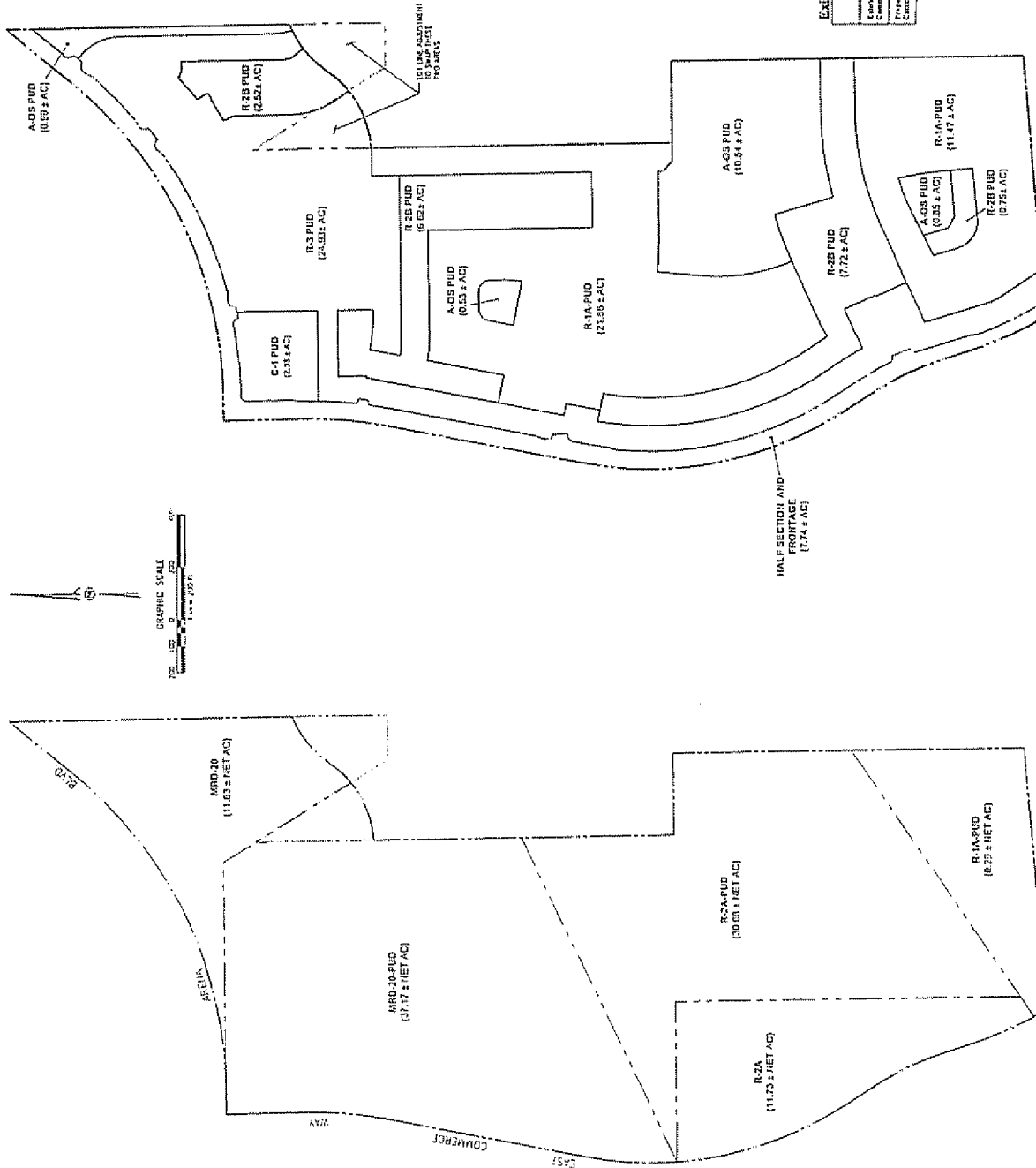
May 2005

404 P.O.
ENGINEERS

MRG ENGINEERS, INC.
2208 First Drive
Riverside, CA 92503
Phone (951) 783-3238
Fax (951) 783-5523
www.mrgengineers.com

ENGINEERING PLANNING SURVEYS

2005



PROPOSED ZONING

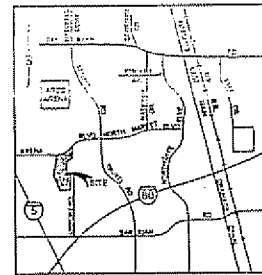
EXISTING ZONING

P04-236
RECEIVED 05/17/05

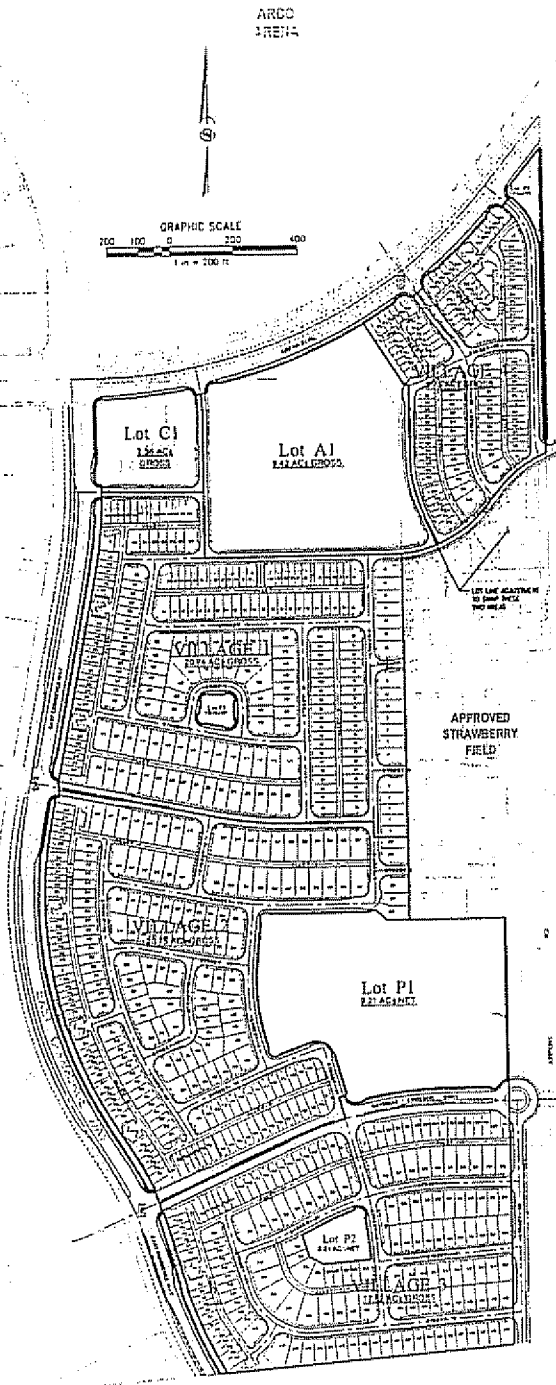
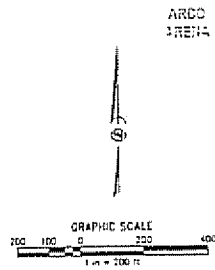
CITY
AGREEMENT NO. 2006-0210

Beazer-NATOMAS FIELD

PUD SCHEMATIC PLAN
CITY OF SACRAMENTO, CALIFORNIA



VICINITY MAP



Land Use Summary

Land Use	Dwelling Units	Gross Acreage	Net Net Acreage	Net Density
THD	216 du	18,509 ac.	10,478 ac.	20.6293
THD	217 du	18,647 ac.	11,352 ac.	19.1154
THD	179 du	18,632 ac.	11,647 ac.	14.1586
THD	95 du	13,647 ac.	8,805 ac.	10.7887
THD	268 du	9,475 ac.	8,737 ac.	23.5937
Lot P1, P2 & P3 (Partial)	11,915 ac.	12,911 ac.		
Lot P4, Q1, Q2, Q3	0.953 ac.	0.474 ac.		
Commercial	2,385 ac.	2,017 ac.		
Arts & Bld.	2,917 ac.	2,817 ac.		
P. Comm.	4,935 ac.	4,935 ac.		
Public Roads	1,704 ac.	1,704 ac.		
Total	967 du	95,593 ac.	58,931 ac.	

Notes:
 1. Density includes the Lot C1 & A1.
 2. Density includes 24,100 ac. (Lot C1 & A1) & 18,841 ac. (Lot P1 & P2) & 1,704 ac. (Public Roads).

NOTES:
 1. LOTTING PLAN DESIGNED INCORPORATES THE CITY'S NEW ROAD STANDARDS.
 2. ALL LINE WORK IS PRELIMINARY NOT FOR CONSTRUCTION AND MUST BE VERIFIED

P04-236
 RECEIVED 03/31/05

CITY
 AGREEMENT NO. 2006-0210



DATE: MARCH, 2005

MRO ENGINEERS, INC.
 2202 Plaza Drive
 Rancho, CA 92765
 Phone (916) 763-2008
 Fax (916) 763-5002
 www.mroengineers.com

ENGINEERING • PLANNING • SURVEYING

EXHIBIT C

SPECIAL CONDITIONS

I. PURPOSE AND INTENT

The definitions applicable to the body of the Agreement shall apply to this Exhibit C.

In order to achieve its objectives, and in order to obtain from each LANDOWNER and developer, all required contributions, fees, land transfers, agreements, and other mechanisms required to implement its terms, the NNCP provides that all rezoning and development shall occur through the planned unit development process. Development agreements should be entered into with LANDOWNERS whenever feasible under the circumstances.

Under no circumstances can development of the Property proceed without satisfaction of the conditions specified in this exhibit. These Special Conditions shall constitute binding and legally enforceable obligations of LANDOWNER and its successors and assigns, and binding and legally enforceable requirements and conditions for the development of the Property, in addition to other obligations, requirements and conditions imposed during the rezoning, special permit, subdivision map and other land use entitlement processes.

II. LANDOWNERS' OBLIGATIONS

A. Mitigation Monitoring; Habitat Conservation Plan.

1. **Mitigation Monitoring.** When required in order to obtain entitlements, LANDOWNER shall execute a mitigation monitoring agreement, and such other agreements as may be necessary in CITY's judgment in order to implement any mitigation measure relating to the NNCP and any mitigation monitoring plans applicable to the Property, and shall fully cooperate with CITY in implementing any mitigation monitoring plan adopted as part of the approval process for development of the Property.
2. **Habitat Conservation Plan.**
 - a. In the event that a Habitat Conservation Plan has been adopted by CITY, LANDOWNER shall be obligated to undertake and exercise one of the following options:
 - (i) participate in that Plan by payment of the fees applicable to LANDOWNER and/or the Property or provide required proportionate land dedications, at the time specified in the Plan

for payment of fees or dedication of required proportionate lands;
or

- (ii) obtain and present to CITY a duly issued, executed and effective incidental take permit issued by federal and state agencies charged with implementation of the provisions of federal and state Endangered Species Acts, which would allow development of the Property; or
- (iii) obtain and present to CITY a duly issued, executed, and effective form of document from said federal and state agencies that development of the Property may proceed without the need for an incidental take permit; or
- (iv) participate in such other plan or program which has been approved by said federal and state agencies; or
- (v) take any other action required by CITY in its sole discretion, relating to satisfaction of all applicable laws, including but not limited to CEQA and the federal and state Endangered Species Acts, where none of the provisions of subsections (i), (ii), (iii) or (iv) are applicable.

- b. The Natomas Basin Habitat Conservation Plan Fee is payable by Landowner at the time of and as a condition of issuance of a grading or building permit. The fee is, at the time of execution of this Agreement, the sum of **\$24,897 per acre** of the Property subject to the grading or building permit. In addition to the payment of that sum, Landowner shall be subject to the provisions of any "catch-up fee" ordinance, resolution, rule or regulation in effect at the time of issuance of the grading or building permit. The requirement specified in this subsection 2b shall be included in each entitlement issued with respect to the Property. Landowner understands and agrees that the provisions of Government Code sections 66000 through 66025, as those sections are amended, renumbered or reconstituted, shall not apply to the fees covered by this subsection 2b.

B. Agreements With Other Agencies. As required by CITY, LANDOWNER shall enter into agreements with other affected agencies, including but not limited to:

- 1. Appropriate sanitation districts, including but not limited to Sacramento County Regional Sanitation District, for provision of facilities, payment of fees and charges, and payment (if applicable) of any proportionate share of penalties imposed by the Environmental Protection Agency; and

2. Reclamation District 1000, if in CITY's sole and exclusive discretion and judgment such an agreement is in fact required, or any other agreement which is required in CITY's sole and exclusive discretion and judgment for the implementation of Interim Drainage or the Drainage Plan.

C. **Drainage Sub-basin Agreement.** LANDOWNER shall enter into an agreement with each of the other landowners within the Drainage Sub-basin within which the Property lies, which provides the manner in which the Infrastructure required for development of all of the lands within said Drainage Sub-basin shall be constructed and financed. As an alternative form of compliance with this provision, LANDOWNER may enter into an agreement with CITY, satisfactory to the City Attorney, which provides that LANDOWNER shall finance all costs associated with the Infrastructure required for development of all of the undeveloped lands within said Drainage Sub-basin. Any such agreement shall additionally provide for reimbursement in accordance with the terms of this Agreement, and the North Natomas Finance Plan, for LANDOWNER's payment of Infrastructure costs in excess of or beyond those required for development of the Property, as that term is defined in Section 8 of this Agreement. As a further alternative, CITY may impose a Drainage Sub-basin assessment district for purposes of financing the required Infrastructure. The provisions of subsection 6D of this Agreement shall apply in such a case.

D. **Inclusionary Housing Requirements.** CITY has enacted a mixed income housing policy ("Policy"), as set forth in title 17, chapter 17.190 of the Sacramento City Code. If and to the extent that the Property is subject to the Policy, certain project entitlements for the Property will contain conditions which implement the Policy, including but not limited to conditions requiring an inclusionary housing plan ("IHP") and an inclusionary housing agreement ("IHA"). The IHP for the property, where the Policy is applicable, is attached to this Exhibit C as **Exhibit C-1**, and incorporated herein by this reference. The requirements specified in the IHP shall be implemented by LANDOWNER, and LANDOWNER shall execute the required IHP.

III. CONDITIONS OF DEVELOPMENT; SPECIAL FINDINGS REQUIRED

A. In addition to other findings and conditions as may be deemed applicable, no special permit, subdivision map or other land use entitlement for the Property shall be approved unless the approving body either: (1) makes the following findings; or (2) expressly waives such findings, in whole or in part, as not applicable to the Property and stating the reasons therefor with such waiver and the reasons therefor appear in the record or document of approval. These findings are:

1. The approval of the proposed project is consistent with the policies, goals, standards and objectives of the NNCP and other relevant factors and circumstances, including but not limited to:

- a. The adequacy of the required interim and permanent Infrastructure needed to support the project planned for the Property;
 - b. The extent of participation required of LANDOWNER under the North Natomas Finance Plan has been secured;
 - c. The extent to which LANDOWNER has complied with the provisions of the>NNLAP.
 - d. The extent to which LANDOWNER has complied with the provisions of the Policy.
2. The North Natomas Finance Plan has been adopted by the City Council.
 3. All transfers of land, owned by or under the control of LANDOWNER, which are specified in the>NNLAP as being necessary for public purposes, have been transferred to CITY or to the appropriate public agency. For this purpose, a transfer will be deemed to occur upon delivery to CITY of an Irrevocable Offer of Dedication in form and manner approved by the City Department of Public Works and the City Attorney. These dedications include, but are not limited to streets, utilities, drainage facilities and public transit.
 4. LANDOWNER has, where applicable, demonstrated that the proposed project as designed meets or exceeds the jobs to housing ratio of the>NNCP, either actually or through the medium of the Housing Trust Fund, or through assisting housing starts in North Sacramento, or a combination thereof.
 5. LANDOWNER has entered into all agreements required pursuant to sections IIA, IIB, and IIC above.
 6. Appropriate environmental review of the proposed project has been completed, and any suggested mitigation measures resulting therefrom have been included in the approval of the project to the extent feasible.
- B. In the event that any of the special findings required herein cannot be made and are not waived, approval may nevertheless be given to the proposed project if all of the following conditions can be satisfied with respect to each such special finding not made:
1. Practicable and feasible requirements or mitigation measures can be imposed upon the project, the implementation of which would allow such special finding to be made;
 2. The applicant has agreed to be bound (through written agreement satisfactory to the City Attorney) by and to implement such requirements or

mitigation measures, and has posted such security for compliance therewith as may be required by the City Manager; and

3. It is in the public interest and consistent with the policies, goals, standards and objectives of the Community Plan for the project to be approved with such requirements and mitigation measures.

INCLUSIONARY HOUSING PLAN
for the
NATOMAS FIELD PROJECT
July 26, 2005

Introduction

JB Management^[1] is the owner of Natomas Field in the City of Sacramento on which it is proposed to construct a mixed-income development including both for-sale and rental residential units ("Residential Project"). Beazer Homes is the developer representing the for-sale portion of this project and USA Properties is the developer representing the rental unit portion of this project. The for-sale portion of this project consists of four housing products totaling 707 lots. The rental portion of this project consists of one 200 unit apartment complex containing one and two bedroom income restricted senior housing units. This Inclusionary Housing Plan shall bind and the benefits shall inure to the Owners, its successors in interest and assignees.

Both the for-sale and rental components will be constructed on-site within the Natomas Field development. The developer will convey a 9+ acre parcel within this project to USA Properties for development of a rental site which blends through both architecture and landscaping with the for-sale component of the site.

The Mixed Income Housing Policy adopted in the City of Sacramento Housing Element and required by the City's Mixed-Income Housing Ordinance ("Ordinance"), City of Sacramento City Code Chapter 17.190, requires that ten percent (10%) of the units in a Residential Project be affordable to very low income households and five percent (5%) to low income households (the "Inclusionary Requirement" and "Inclusionary Units").

Pursuant to the City Code section 17.190.110 (B), an Inclusionary Housing Plan ("Plan") must be approved prior to or concurrent with the approval of legislative entitlements for the Development Project. City Code section 17.190.110 (A) sets forth the number, unit mix, location, structure type, affordability and phasing of the Inclusionary units in the Residential Project. This document constitutes that Plan, and, as supplemented and amended from time to time, is intended to begin implementation of the Inclusionary Requirement. All future approvals for the Development Project, including tentative maps, subsequent tentative maps, planned development permits, special permits, site development plans, and plan review shall be consistent with this Inclusionary Housing Plan.

The Inclusionary Requirement for the Residential Project will be set forth in more detail in the Inclusionary Housing Agreement(s) executed by the Developer and the Sacramento Housing and Redevelopment Agency ("SHRA") and recorded against all the residential land in the Development Project including the rental parcel under development by USA Properties. The Inclusionary Housing Agreement will describe with particularity the site and building schematics

¹ Subsequent to the date this plan was approved, Acacia Credit Fund 10-A LLC, a Delaware limited-liability company, succeeded JB Management as owner of the property. Acacia serves as a "land bank" for Beazer Homes Holding Corp

Exhibit C-1

and the phasing requirements linking the affordable and market rate units, pursuant to Section 17.90.110 C.

Number of Inclusionary Units

The Developer, or its successors and assignees, shall construct or cause to be constructed a number of dwelling units affordable to Low Income Households ("Low Income Units") equal to five percent (5%) and Very Low Income Households ("Very Low Income Units") equal to ten percent (10%), as defined in the Sacramento City Code section 17.190.020, of the total number of housing units approved for the Project. Based upon current project proposals of 907 residential units, the Inclusionary Requirement is ninety-one (91) Very Low Income Units and forty-five (45) Low Income Units, for a total of one hundred thirty-six (136) inclusionary units required for the Residential Project. This obligation will be met through 27 for-sale units on the project and one hundred and nine (109) units in the apartment project currently under development by USA Properties within the Natomas Field site.

If the project approvals are amended to increase the number of units in the Project, this Plan will be amended to reflect a number equal to five percent (5%) Low Income Units and ten percent (10%) Very Low Income Units of the increased total units in the amended entitlements. If the project approvals are amended to decrease the number of units in the Project, this Plan will be amended to reflect a number equal to five percent (5%) of Low Income Units and ten percent (10%) Very Low Income Units of the decreased total residential units in the amended entitlement. However, after a building permit has been issued for a structure or Master Parcel which contains Inclusionary Units, those Units will be constructed and maintained as Inclusionary Units pursuant to the terms of Chapter 17.190 of the City Code, regardless of any subsequent reduction in the number of approved total residential units.

Tenure

The Inclusionary Housing Units shall consist of both for-sale units and rental apartment units on-site within the Natomas Field project. The apartment site will contain an affordable senior complex. The Inclusionary Housing Units will be a mixture of two and three bedroom units throughout the four for sale housing product lines and one and two bedroom rental units in the on-site apartment complex.

Size and Bedroom Count

For-Sale Inclusionary Units

The for-sale Inclusionary Housing units shall be both two and three bedroom units. The Inclusionary Housing Agreement(s) will include the following units at the designated affordability levels for each of the four housing product lines offered at this community. The specific lot designations for the inclusionary units are shown on the project tentative map in Exhibit A to this Plan, the "Affordable For Sale Exhibit"

TABLE 1 – For Sale Inclusionary Housing Units

Model	Total Units in Residential Project	Inclusionary Units			Size (Sq. Ft.)	Number of Bedrooms
		VLI	LI	Total		
Brownstones (detached)	217	0	7	7	1365	3
Cottages (detached)	179	0	6	6	1291	3
Bungalows (detached)	95	0	6	6	1387	3
Town Homes (attached)	216	0	8	8	1151	2
TOTAL	707	0	27	27		

All for-sale inclusionary units will be Elevation “A”.

The balance of the Inclusionary Housing Requirement will be met with one and two bedroom senior rental units in the on-site apartment complex. The Inclusionary Housing Agreement(s) will include the following units at the designated affordability levels in Table 2.

TABLE 2 – Rental Inclusionary Housing Units

Model	Total Units in Residential Project	Inclusionary Units			Size (Sq. Ft.)	Number of Bedrooms
		VLI	LI	Total		
Model A	120	60	12	72	Avg. 582	1
Model B	80	31	6	37	Avg. 750	2
TOTAL	200	91	18	109		

Location of Inclusionary Units

The Inclusionary Units shall be located throughout both the for-sale and rental portions of the Development Project consistent with the units reflected in Tables 1 and 2. Specific lot designations for the for sale portion are identified in the tentative map attached to this plan as Exhibit A, and subject to revisions pursuant to Section 17.190.110 of the Mixed Income Ordinance.

Affordability Requirements

The rental Inclusionary Units shall be restricted for thirty years to occupancy by Low Income senior households and Very Low Income senior households. Low Income Households shall have gross incomes that do not exceed eighty percent (80%) of the Sacramento area median income, adjusted for family size. Very Low Income Households

shall have gross incomes that do not exceed fifty percent (50%) of the Sacramento area median income adjusted for family size.

Monthly Affordable Rents (including utility allowances) of the rental Inclusionary Units shall be restricted to Low Income Households and Very Low Income Households. A unit whose occupancy is restricted to a Low Income Household has a monthly rent that does not exceed one-twelfth of thirty percent (30%) of eighty percent (80%) of the Sacramento area median income, adjusted for family size. A unit whose occupancy is restricted to a Very Low Income Household has a monthly rent that does not exceed one-twelfth of thirty percent (30%) of fifty percent (50%) of the Sacramento area median income, adjusted for family size. Median income figures are those published annually by the United States Department of Housing and Urban Development.

The for-sale Inclusionary Units shall be restricted to occupancy by Low Income Households. Low Income Households shall have gross incomes, at the time of initial occupancy, that do not exceed eighty percent (80%) of the Sacramento area median income, adjusted for family size. The sale price of the units will be set so that low income households can qualify for the purchase of the for-sale units. The sales price will be set such that no more than thirty-five percent (35%) of the gross annual household income of the given income group will be allocated to housing costs. As part of the Inclusionary Housing Agreement, SHRA will provide the Developer with a schedule of maximum sales prices affordable to income ranges.

Sales prices of units will be outlined in the Inclusionary Housing Agreement. The units will be sold initially at an affordable housing price to a low income household with a first time home buyer. An SHRA 30-year note will govern the home's resale, allowing SHRA one hundred twenty days to refer an income-eligible buyer after notification of the owners, intent to sell. If an income-eligible purchaser is not found, the home may be resold, provided that SHRA recaptures the difference between the home's market value and its affordable housing price as well as any other City or SHRA contributions. The owner occupant will receive his or her initial equity in the home and a portion of the home's appreciated value. The terms of this arrangement will be outlined in the Inclusionary Housing Agreement between SHRA and the Developer. The process by which the for-sale units are to be priced, sold and monitored are detailed in the "Guidelines for the Sale of Inclusionary Housing", adopted by the City Council on April 29, 2004.

Phasing of Development of the Inclusionary Units

The Inclusionary Units shall be developed concurrently with the development of the Development Project. The nature of the concurrency is defined by a series of linkages between approvals of the market rate units and the development of the Inclusionary Units.

MARKET RATE HOUSING / INCLUSIONARY HOUSING LINKAGES

Market Rate Activity	Inclusionary Approval Linkage
Approval of legislative entitlements and project-level applications submitted with Legislative entitlements.	Approval of Inclusionary Housing Plan
Approval of first final map for Residential Project.	Execution of Inclusionary Housing Agreement by Beazer Homes
Recordation of first final map for Residential Project.	Recordation of Inclusionary Housing Agreement by Beazer Homes AND transfer of Lot A to affordable housing developer
Issuance of building permits in excess of 65% of single family for sale units in Residential Project.	Issuance of building permits for 100% of the Inclusionary Housing Units

Amendment and Administration of this Housing Plan

This Inclusionary Housing Plan shall be administered by the Planning Director with the advice of the Executive Director of SHRA. The Planning Director may make minor administrative amendments to the text of this Plan as provided in Sacramento City Code section 17.190.110(3)(B)(3)(d).



Beazer-

AFFORDABLE FOR SALE EXHIBIT

NATOMAS FIELD

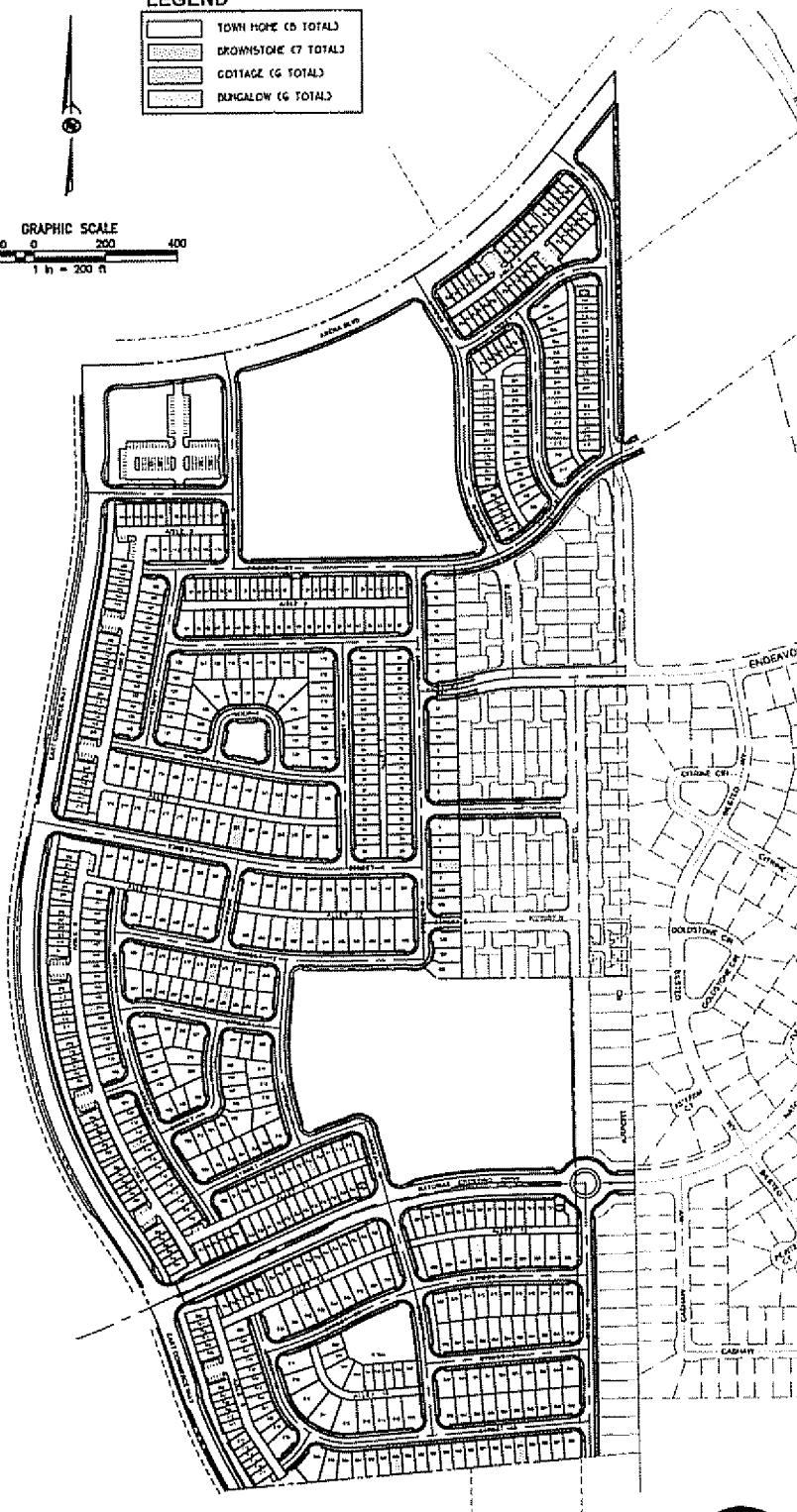
CITY OF SACRAMENTO,

CALIFORNIA

LEGEND

[Pattern]	TOWN HOME (C) TOTAL
[Pattern]	DOWNTOWN (E) TOTAL
[Pattern]	COTTAGE (G) TOTAL
[Pattern]	DUNGEON (G) TOTAL

GRAPHIC SCALE
200 100 0 200 400
1 in = 200 ft



MRO ENGINEERS INC.
2000 Main Drive
Sacramento, CA 95811
Phone (916) 753-8838
Fax (916) 753-8838
www.mroengineers.com
ENGINEERING - PLANNING - SURVEYING

CITY AGREEMENT NO. 2006-0210

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (herein "this Agreement") is entered into this ____ day of _____, 200__, by and between _____ (herein "LANDOWNER") and _____ (herein "ASSIGNEE").

RECITALS

- A. LANDOWNER has entered into a Development Agreement (herein "the Development Agreement") dated _____, with the City of Sacramento, pursuant to which LANDOWNER agreed to develop certain property more particularly described in the Development Agreement (herein "the Property") in the North Natomas Community Plan Area subject to certain conditions and obligations set forth in the Development Agreement.
- B. LANDOWNER has assigned its interests under the Development Agreement to ASSIGNEE under a written agreement dated _____, as to that portion of the Property identified and incorporated herein by this reference (herein the "Assigned Parcel(s)").
- C. ASSIGNEE desires to assume all of LANDOWNER's rights and obligations and other terms and conditions under the Development Agreement with respect to the Assigned Parcel(s).

AGREEMENTS

NOW, THEREFORE, LANDOWNER AND ASSIGNEE HEREBY AGREE AS FOLLOWS:

- 1. ASSIGNEE hereby assumes all of the burdens and obligations of LANDOWNER under the Development Agreement, and agrees to observe and fully perform all of the duties and obligations of LANDOWNER under the Development Agreement, and to be subject to all of the terms and conditions thereof, with respect to the Assigned Parcel(s), it being the express intention of both LANDOWNER and ASSIGNEE that, upon the execution of this Agreement, ASSIGNEE shall become substituted for LANDOWNER as the "LANDOWNER" under the Development Agreement with respect to the Assigned Parcel(s).
- 2. ASSIGNEE understands and agrees that this Agreement is subject to section 4 of the Development Agreement. Section 4 reads as follows:

Assignment. LANDOWNER shall have the right to sell, assign, or transfer its interests under this Agreement as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or

any portion thereof, without the consent of CITY; provided, however, that LANDOWNER shall notify CITY of such sale, assignment or transfer by providing written notice thereof to CITY in the manner provided in this Agreement. LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement, unless such purchaser, assignee or transferee, to the satisfaction of and in a form acceptable to the City Attorney, executes and delivers to CITY an express agreement to assume all of the obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. The execution of such an assumption agreement shall relieve LANDOWNER of the obligations expressly assumed only if (a) LANDOWNER is not in default under this Agreement at the time of the assignment or transfer; and (b) LANDOWNER has provided CITY with notice of said assignment or transfer in the manner provided hereunder. Any such assumption agreement with respect to LANDOWNER's obligations under this Agreement shall be deemed to be to the satisfaction of the City Attorney if executed in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment.

Any purchaser, assignee, or transferee shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred.

4. At the request of the City, ASSIGNEE agrees to enter into a separate development agreement with respect to the Assigned Parcel(s).
5. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, successors and assigns.
6. ASSIGNEE agrees that it has read, and has sought and received all required legal and other expert consultation with regard to the Development Agreement, and fully understands all of its terms and conditions. ASSIGNEE further agrees that: (i) LANDOWNER has furnished ASSIGNEE with a copy of the North Natomas Community Plan, the Comprehensive Drainage Plan, the North Natomas Finance Plan, the RD-1000 Agreement (where applicable), the Habitat Conservation Plan, and all other documents and materials containing or relating to terms and conditions of development in the NNCP area; (ii) ASSIGNEE has read and understands all of the terms and

conditions of said documents and materials; and (iii) with such knowledge and understanding, which includes the nature and extent of the fees, taxes, assessments and other financial mechanisms and obligations inherent in such documents and materials, nevertheless has voluntarily, freely and knowingly assumed and agreed to perform all of obligations and requirements, and be bound by all of the provisions of such documents and materials.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

By: _____
"ASSIGNEE"

EXHIBIT E

**NORTH NATOMAS LAND
ACQUISITION PROGRAM
(NNLAP)**

SEE ATTACHED



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

HEARING REPORT

NORTH NATOMAS PUBLIC FACILITIES LAND ACQUISITION FEE UPDATE 2005

Prepared for:

City of Sacramento

Prepared by:

Economic & Planning Systems, Inc.

May 9, 2005

EPS #14567

SACRAMENTO

1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833-3627
www.epsys.com

phone: (916) 441-1211
fax: (916) 441-1212

BERKELEY

phone: (415) 841-3130
fax: (415) 841-0205

DENVER

phone: (303) 733-3300
fax: (303) 733-3300

CITY
AGREEMENT NO. 2006-0210

TABLE OF CONTENTS

I.	NORTH NATOMAS PUBLIC FACILITIES LAND ACQUISITION FEE	3
	Purpose of the PFLAF	3
	Public Land Acquired through the PFLAF and Land Acquisition Cost	4
	Land Use Assumptions.....	6
	Nexus Findings.....	9
	Fee Calculation.....	9

LIST OF MAP AND TABLES

Map 1	Land to Be Acquired	5
Table 1	Calculation of Public Land Acquisition Value North Natomas Public Facilities Land Acquisition Fee 2005	6
Table 2	Estimated Public Land Acquisition Cost	7
Table 3	Estimated Land Acquisition Fees	8
Table 4	Land Acquisition Fees	10

I. NORTH NATOMAS PUBLIC FACILITIES LAND ACQUISITION FEE

This report presents the information necessary to update the Public Facilities Land Acquisition Fee (PFLAF) for 2005, which is a part of the North Natomas Land Acquisition Program (NNLAP). This update represents the normal annual PFLAF update for 2005. This report will be incorporated into **Chapter VI** of the North Natomas Nexus Study 2005 Update when it is completed.

The PFLAF 2005 update is based on the updated Public Land Acquisition Value (PLAV) as determined by the North Natomas Valuation Study prepared by Clark-Wolcott, Inc. The Valuation Study was completed in March 2005 and established an updated PLAV of \$217,741 effective November 1, 2004.

For a complete description of the NNLAP, please refer to **Chapter V** of the North Natomas Financing Plan 1999 Update (Financing Plan or Finance Plan) and **Chapter VI** of the North Natomas Nexus Study 2002 Update.

PURPOSE OF THE PFLAF

Development of the North Natomas Finance Plan Area will require a significant amount of land for public uses including open space, drainage system, roadways, interchanges, transit facilities, parks, civic facilities, schools, and buffers to other land uses. Much of the land is provided through normal land dedication in the land development process. However, the quantity of land in North Natomas for public use is unusual because of the large area being planned for development and the amount of land required for mitigation of various development impacts.

To ensure that no participating landowners are required to dedicate more than their fair share of land for public use and that public lands are available when needed by the City of Sacramento (City), the City will acquire land through normal dedications and through the PFLAF. Landowners dedicating less than their fair share of public land will be required to pay the PFLAF at building permit. Landowners providing more than their fair share of public land would be reimbursed through PFLAF fees paid.

PUBLIC LAND ACQUIRED THROUGH THE PFLAF AND LAND ACQUISITION COST

PUBLIC LAND ACQUIRED THROUGH THE PFLAF

Lands included in the>NNLAP are considered to be of general benefit to all developable land uses in the Finance Plan area. **Map 1** shows the public land to be acquired through the>NNLAP:

- Freeway, Habitat, and Agricultural Buffers
- Open Space
- Civic Lands including two fire stations, a library, a police substation, three community centers, other cultural and entertainment uses, and civic utilities such as water facility sites
- Light Rail Right-of-Way
- Off-Street Bikeways
- RD-1000 Easement for drainage
- Street Oversizing Right-of-Way
- A.D. 88-03 Land Reimbursements

PUBLIC LAND NOT ACQUIRED THROUGH THE PFLAF

The>NNLAP excludes "normal" dedications including these:

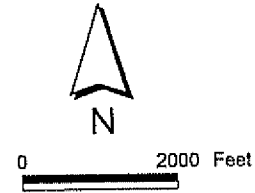
- neighborhood and community parks dedicated under the Quimby Act
- roadway right-of-way dedications through standard requirements
- landscaping easements dedicated under the Subdivision Map Act

These dedications are handled through standard City processing of development applications.

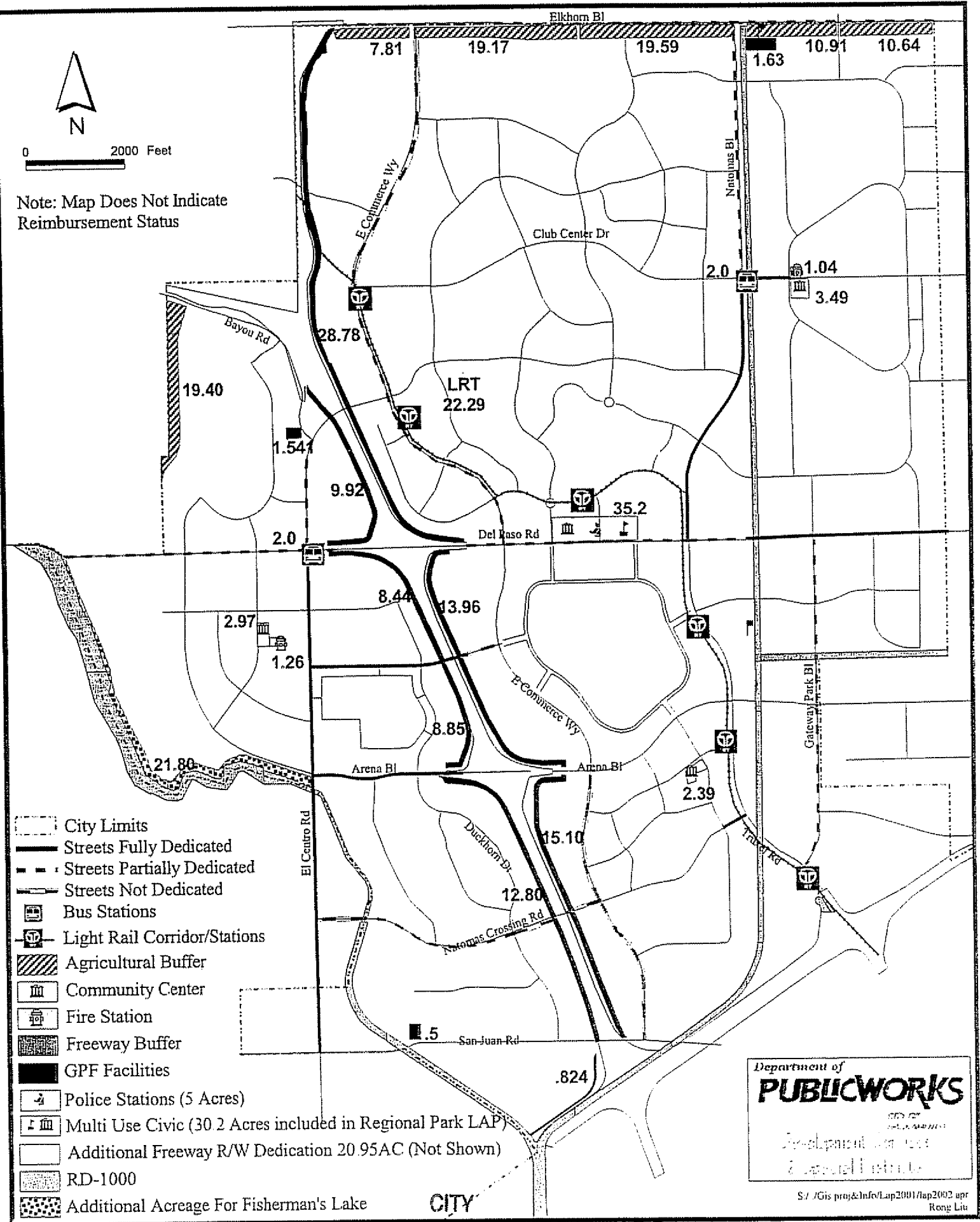
The>NNLAP also excludes land required for drainage including detention basins, pump stations, and trunk lines. This land will be purchased from the drainage fees or other drainage financing mechanisms. School sites are not included as public land because they are acquired directly by the school districts.

LAP Reimbursement Areas

Revised: August 2002



Note: Map Does Not Indicate Reimbursement Status



Department of
PUBLICWORKS
Development Services
2000 1st Avenue

S:\GIS\proj\Info\Lap2001\lap2002.apr
Rong Liu

CITY
AGREEMENT NO. 2006-0210

PUBLIC FACILITIES LAND ACQUISITION COST

The acquisition cost per acre is based on the 2005 update of the North Natomas Valuation Study completed by Clark-Wolcott, Inc. This study determined the PLAV, which is based on a 3-year weighted average. Table 1 summarizes the updated PLAV.

Table 1
Calculation of Public Land Acquisition Value
North Natomas Public Facilities Land Acquisition Fee 2005

Value	Value
Weighted Average Unit Value	
November 1, 2004	\$362,993
November 1, 2003	\$157,999
November 1, 2002	\$132,232
Weighted Average	\$217,741
Weighted Average with Admin. & Contingency	\$236,745
<hr/>	
"PLAV"	

Source: Summary Appraisal Report for North Natomas
Financing Plan Area prepared by Clark-Wolcott, Inc.

Acreage for the public land listed in the previous section, the acquisition cost per acre, and the total acquisition cost are shown in Table 2.

The cost of land acquired by the PFLAF equals the acquisition-cost per acre (PLAV) multiplied by all of the public land subject to acquisition by the>NNLAP (excluding the regional park) divided by the total net acres in the Finance Plan Area. As shown in Table 3, the total estimated acquisition cost for public land is approximately \$97.8 million including administration and contingency.

LAND USE ASSUMPTIONS

The PFLAF will be levied on a per-unit basis for residential development and on a per-net acre basis for nonresidential development for all land uses in the Finance Plan Area. As was the>NNLAP when created, this PFLAF update will retain the methodology of allocating total>NNLAP costs to all participating land uses

Table 2
North Natomas Public Facilities Land Acquisition Fee 2005
Estimated Public Land Acquisition Cost

Public Facilities Land Acquisition Category	Acreage Calculations [1]	Acreage	Acquisition Cost/Acre [2]	Total Acquisition Cost [3]
Public Lands	Appendices B and E		\$217,741	
Freeway Interchange and Overcrossings	Figure B-4	39.4	\$217,741	\$8,583,581
Freeway Buffer	Figure E-2	100.3	\$217,741	\$21,831,624
Agricultural Buffer	Figure E-2	109.3	\$217,741	\$23,803,483
Open Space	Figure E-2	1.6	\$217,741	\$344,031
Community Centers [4]	Figure E-2	8.9	\$217,741	\$1,937,898
Police Substation	Figure E-2	5.0	\$217,741	\$1,088,707
Fire Stations	Figure E-2	2.3	\$217,741	\$500,805
General Public Facilities - Utilities	Figure E-2	5.8	\$217,741	\$1,254,408
Bus Transit Centers	Figure E-3	4.0	\$217,741	\$870,965
LRT Right-of-Way	Figure E-3	22.3	\$217,741	\$4,854,012
Off-Street Bikeways	Figure E-3	2.9	\$217,741	\$629,878
RD-1000 Easement [5]	Figure E-4	35.9	\$217,741	\$7,811,850
Overwidth Street Right-of-Way	Figure E-5	78.1	\$217,741	\$17,008,967
Subtotal Public Lands		415.7		\$90,520,209
TOTAL Finance Plan Area Developable Acres	Table 3	4,230.8		

"land value"

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works, City of Sacramento Neighborhoods, Planning and Development Services Department GIS, Clark-Wolcott, Inc., and EPS.

- [1] Source from the North Natomas Nexus Study 2002 Update, Appendices B and E.
- [2] Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per-acre cost is based on the North Natomas Valuation Study (dated March 2005) appraisal completed by Clark-Wolcott Inc. and does not necessarily reflect each individual's fair market value.
- [3] Acquisition cost does not include contingency or administration costs.
- [4] Does not include the community center in the Regional Park.
- [5] North Natomas Comprehensive Drainage property dedications calculated in February 1999 and updated in June 2002.

Table 3

North Natomas Public Facilities Land Acquisition Fee 2005
Estimated Land Acquisition Fees

Land Acquisition	Estimated Acquisition Cost	Plus Administration 3.0%	Plus Land Value Contingency 5.0%	Total Cost Basis for Fee	Land Acquisition Fees per net acre
Public Facilities Land Acquisition [1]	\$90,520,209	\$2,715,606	\$4,526,010	\$97,761,826	\$23,107
"NNLAF_units"					

[1] Public Facilities Land acquisition fee per net acre before credits.

Assumptions for Table 3:	Estimated Net Dev. Acres
Total Developable Acres	
Single-Family Acres (Low Density)	1,355.9
Single-Family Acres (Medium Density)	797.2
Multifamily Acres (High Density)	319.9
Age-Restricted Single-Family	168.7
Age-Restricted Apartments	20.0
Age-Restricted Congregate Care/Assisted Living	10.0
Total Residential	2,671.7
Nonresidential Developable Acres (commercial, office, & lt. industrial)	1,559.1
Total Developable Acres	4,230.8

Retaining the existing methodology will preserve the overall Finance Plan Area ratio of public land to be dedicated to developed land. If the methodology were to be changed to remaining public land and remaining development, the average ratio of public land to developed land may be significantly different from that established when the program began. Figure III-4 in Chapter III of the North Natomas Nexus Study 2002 Update details the Finance Plan Area land use assumptions.

NEXUS FINDINGS

As discussed previously, the>NNLAP was originally contained in the North Natomas Financing Plan 1999 Update. The developers in North Natomas have agreed, through a development agreement, that they will adhere to policies included in the Financing Plan. Therefore, the developers have agreed to the>NNLAP and both fees included in the program—the>PFLAF and the Regional Park Land Acquisition Fee (RPLAF), which was updated by the City in March 2003 and again for 2004. As a result, this report does not include nexus findings for the>PFLAF.

FEE CALCULATION

The>PFLAF is based on the average cost per acre to acquire land for public facilities. As shown in Table 3, the average cost to acquire land for public facilities is \$23,107 per acre. Table 4 shows the>PFLAF and for each land-use type. The fees are shown per unit for all residential land uses and per net acre for all nonresidential land uses.

Table 4
North Natomas Public Facilities Land Acquisition Fee 2005
Land Acquisition Fees [1]

Land Use	2005
	Public Facilities Land Acquisition Fee
	[2]
RESIDENTIAL	Fee per Unit
<i>Single-Family Attached/Detached</i>	
Rural Estates	\$0
Lot Size > 5,000 sq. ft.	\$3,446
Lot Size 3,250 - 5,000 sq. ft.	\$2,836
Lot Size < 3,250 sq. ft.	\$2,226
Age-Restricted Single-Family	\$4,096
<i>Multifamily (>2 attached units)</i>	
8-12 units per net acre	\$2,226
> 12-18 units per net acre	\$1,622
> 18 units per net acre	\$1,018
Age-Restricted Apartments	\$1,022
Age-Restricted Congregate Care	\$535
NONRESIDENTIAL	Fee per Net Acre
Convenience Commercial	\$23,107
Community Commercial	\$23,107
Village Commercial	\$23,107
Transit Commercial	\$23,107
Highway Commercial	\$23,107
Regional Commercial	\$23,107
EC Commercial	\$23,107
EC 30 - Office	\$23,107
EC 40 - Office	\$23,107
EC 50 - Office/Hospital	\$23,107
EC 65 - Office	\$23,107
EC 80 - Office	\$23,107
Light Industrial with <20% Office	\$23,107
Light Industrial with 20%-50% Office	\$23,107
Arena	\$23,107
Stadium	\$23,107

[1] Land Acquisition Fees are before credits for land dedicated

[2] Based on the North Natomas Valuation Study (dated March 2005)
 prepared by Clark-Wolcott, Inc.

VI. NORTH NATOMAS LAND ACQUISITION FEES

This section of the report presents the information necessary to update the Public Facilities Land Acquisition Fee (PFLAF) and the Regional Park Land Acquisition Fee (RPLAF), each of which are part of the North Natomas Land Acquisition Program (NNLAP). The Nexus Study 2002 Update marks the first time the NNLAP fees have been included in the Nexus Study Report. Previously the NNLAP fees were part of the North Natomas Financing Plan 1999 Update; however, as the North Natomas Financing Plan is not currently being updated, the NNLAP fees have been included in this report. For a complete description of the NNLAP, see Chapter V of the North Natomas Financing Plan 1999 Update. (Exhibit E-1)

METHODOLOGY

FACILITIES BENEFIT AREA

Development of the North Natomas Finance Plan Area will require a significant amount of land for public uses including: open space, drainage system, roadways, interchanges, transit facilities, parks, civic facilities, schools and buffers to other land uses. These facilities benefit all land uses within the Finance Plan Area regardless of location. Consequently, the Facilities Benefit Area equals the Finance Plan Area. Since the NNLAP facilities benefit the entire Finance Plan Area, the total costs are allocated to all land uses within the Finance Plan Area.

COST ALLOCATION

Lands included in the NNLAP are considered to be of general benefit to all developable land uses within North Natomas. As such, the cost of acquiring these lands is allocated to all private developable land uses.

LAND USE ASSUMPTIONS

The PFLAF and the RPLAF will be levied on a per unit basis for residential development and on a per net acre basis for non-residential development to each land use within the Finance Plan Area. The NNLAP will retain the methodology of allocating total NNLAP costs to all participating land uses.

Retaining the existing methodology will preserve the overall Finance Plan Area ratio of public land to be dedicated to developed land. If the methodology were to be changed to remaining public land and remaining development, the average ratio of public land to developed land may be significantly different than established when the program

began. Figure III-4 of Chapter III details the North Natomas Finance Plan Area land use assumptions.

FACILITY COST ESTIMATES

Figure VI-1 shows a map of the public land to be acquired through the>NNLAP with the exception of off-street bike trails and drainage easements. Acreage for the public land, acquisition cost per acre, and the total acquisition cost are shown in Figure VI-2. The acquisition cost per acre is based on the 2001 update of the North Natomas Valuation Study completed by the Clark-Wolcott Company, Inc.

PUBLIC FACILITIES LAND ACQUISITION FEE

The cost of land acquired by the PFLAF equals the acquisition cost per acre multiplied by all of the public land subject to acquisition by the>NNLAP (excluding the regional park) divided by the total net acres within the Finance Plan Area. As shown in Figure VI-3, the total estimated acquisition cost for public land is approximately \$39.1 million including administration and contingency. The following paragraphs describe the public land included in the PFLAF.

Freeway and Agricultural Buffers

Open space and land buffers are required throughout the area along the I-5 freeway, as habitat buffers along Fisherman's Lake, as a buffer to agricultural land along the south side of Elkhorn Boulevard and open space along the western City limits. The nature of these buffers and open space are considered beyond "normal" dedications of development setbacks. The acreage estimates for freeway and agricultural buffers are shown in Appendix E, Figure E-1.

Civic Lands

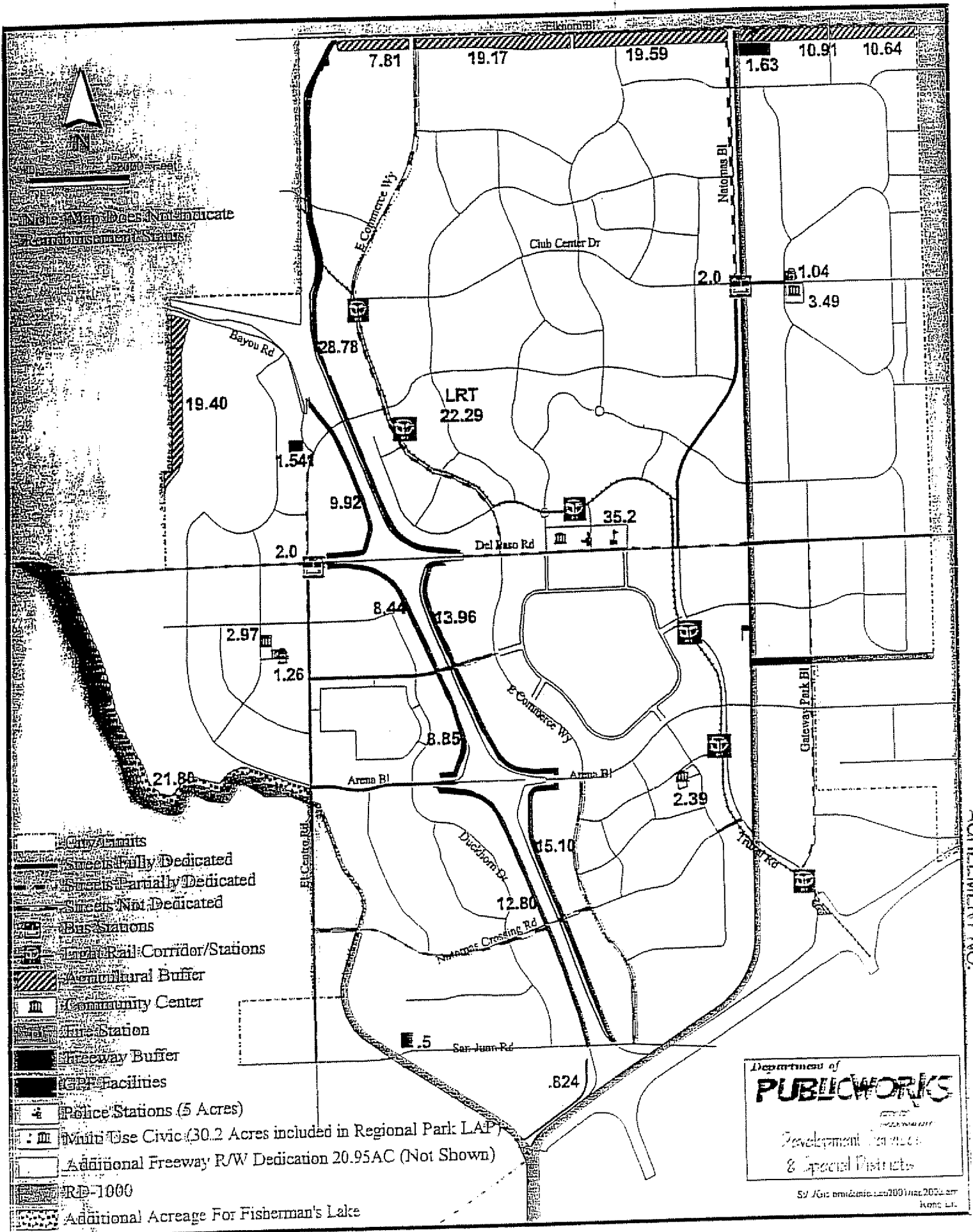
Civic lands include two fire stations, a library, a police substation, three community centers, and other cultural and entertainment uses. Civic lands also include civic utilities such as water facility sites, but do not include private utilities such as SMUD, PG&E, or AT&T Cable which will be purchased by the private user via a negotiated purchase price. The acreage estimates for civic lands are shown in Figures E-1 and E-2.

Light Rail Right-of-Way and Offstreet Bikeways

Approximately 19.4 acres of right-of-way are required for the light rail alignment that is not included as part of the road right-of-way. This total of 19.4 acres to be acquired through the PFLAF excludes approximately 2.9 acres of light rail right-of-way that is within the regional park. Light rail right-of-way acreage within the regional park will be acquired through the RPLAF. In addition to right-of-way for the light rail line, approximately 2.9 acres are required for LRT stations.

LAP Reimbursement Areas

Revised: August 2002



CITY
AGREEMENT NO. 2006-0210

THIS PAGE IS INTENTIONALLY LEFT BLANK

Figure VI-2
North Natomas Nexus Study Update 2002
Estimated Public Land Acquisition Cost

Public Facilities Land Acquisition Category	Acreage Calculations	Acreage	Acquisition Cost / Acre	Total Acquisition Cost
			[1]	[2]
Public Lands	Appendices B and E		\$86,914	
Freeway Interchange and Overcrossings	Figure B-4	39.4	\$86,914	\$3,426,237
Freeway Buffer	Figure E-1	100.3	\$86,914	\$8,714,348
Agricultural Buffer	Figure E-1	109.3	\$86,914	\$9,501,438
Open Space	Figure E-1	1.6	\$86,914	\$137,324
Community Centers [3]	Figure E-1	8.9	\$86,914	\$773,535
Police Substation	Figure E-1	5.0	\$86,914	\$434,570
Fire Stations	Figure E-1	2.3	\$86,914	\$199,902
General Public Facilities - Utilities	Figure E-1	5.8	\$86,914	\$500,712
Bus Transit Centers	Figure E-2	4.0	\$86,914	\$347,656
LRT Right-of-Way	Figure E-2	22.3	\$86,914	\$1,937,536
Off-Street Bikeways	Figure E-2	2.9	\$86,914	\$251,423
RD-1000 Easement [4]	Figure E-3	35.9	\$86,914	\$3,118,191
Overwidth Street Right-of-Way	Figure E-4	78.1	\$86,914	\$6,789,328
Subtotal Public Lands		415.7		\$36,132,200
TOTAL Finance Plan Area Developable Acres	Figure VI-3	4,227.9		

"land_value"

- [1] Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per acre cost is based on the updated 2001 appraisal by The Clark-Wolcott Company, Inc., and does not necessarily reflect each individual's fair market value.
- [2] Acquisition cost does not include contingency or administration costs.
- [3] Does not include the community center in the Regional Park.
- [4] North Natomas Comprehensive Drainage property dedications calculated in February 1999 and updated in June 2002.

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works, City of Sacramento Neighborhoods, Planning and Development Services Department GIS, and EPS.

Only approximately 2.9 acres of offstreet bikeway right-of-way is not included within existing rights-of-way such as roadway, park, or RD-1000 easements. Consequently, the PFLAF includes the approximately 2.9 acres of offstreet bikeway right-of-way in the program. Acreage estimates for light rail and off-street bikeways are shown in Figure E-3.

RD-1000 Easement

The City of Sacramento estimates approximately 35.9 acres of drainage property dedications should be included within the PFLAF. This amount excludes approximately 9.1 acres of drainage property that was acquired through CFD No. 97-01. Drainage property dedications are shown in Figure E-4.

Street Oversizing Right-of-Way

The portion of streets oversized for regional traffic is included in the NNLAP as a community-wide expense. To the extent that water and sewer trunk lines cannot be located under roadways, additional right-of-way for utility easements will be required. No estimate has been made for this acreage as it is anticipated to be insignificant.

The standard street dedication is 25 feet from the face of curb. Excess dedication is counted from the 25-foot point to the center of the road. Figure VI-4 shows the calculation of excess dedication for 4, 6, and 8 lane roads. Total overwidth costs for each section of road is shown in Figure E-4.

A.D. 88-03 Land

Most property owners in Quadrant 1 are included in Assessment District 88-03 (A.D. 88-03) which primarily funded roadway improvements plus some freeway, landscaping, and drainage improvements. In addition, right-of-way and road overwidth right-of-way was acquired by the District for construction of roadway and freeway improvements. Although these lands have already been acquired, the NNLAP will include this acreage to treat A.D. 88-03 lands the same as other public lands.

Reimbursement to the A.D. 88-03 participants for this land will be valued at the current acquisition cost when an eligible property owner's tentative map is processed. The following summarizes the acreage acquired under A.D. 88-03 that is included in the NNLAP.

Oversized street width right-of-way	39.05 acres
Light Rail right-of-way	3.71 acres
Freeway off-ramp right-of-way	0.83 acres
Total	43.59 acres

The Calculation of AD 88-03 reimbursements in 1993 dollars is shown in Figures C-1 and C-2.

Figure VI-3
North Natomas Nexus Study Update 2002
Estimated Land Acquisition Fees

Land Acquisition	Estimated Acquisition Cost	Plus Administration 3.0%	Plus Land Value Contingency 5.0%	Total Cost Basis for Fee	Land Acquisition Fees per net acre
Public Facilities Land Acquisition [1]	\$36,132,200	\$1,178,224	\$1,963,707	\$39,274,131	\$9,289
Regional Park Acquisition [2]	\$16,083,001	\$524,446	\$874,076	\$17,481,523	\$4,135

"NNLAF_units"

- [1] Public Facilities Land acquisition fee per net acre prior to credits.
[2] Estimated acquisition cost is 185.05 acres of regional park multiplied by the public land acquisition cost \$86,914

Assumptions for Figures V-5 and V-6:	Estimated Net Dev. Acres
Total Developable Acres Remaining	1,349.1
Single Family Acres (Low Density)	781.1
Single Family Acres (Medium Density)	325.6
Multi-Family Acres (High Density)	168.7
Age-Restricted Single Family	20.0
Age-Restricted Apartments	10.0
Age-Restricted Congregate Care/Assisted Living	2,654.6
Total Residential	1,573.3
Non-Residential Developable Acres Remaining (commercial, office, & lt. industrial)	4,227.9
Total Developable Acres Remaining	

Figure VI-4
North Natomas Nexus Study Update 2002
Right-of-Ways and Overwidths

Roadway Section	Street Type	Full Section R-O-W	Half Section				Full Section Overwidth $g = f \times 2$
			Total R-O-W Including Sidewalk $b = a/2$	Less Sidewalk c	North Natomas FOC [2] to center of R-O-W [1] $d = b - c$	City's FOC Dedication of R-O-W [3]	Overwidth $f = d - g$
A	4 Lane Divided	100	50	13	37	25	12
B	6 Lane Divided	136	68	14	54	25	29
C	8 Lane Divided	158	79	14	65	25	40
D	Modified 4 Lane West Side East Side	92	50 42	16 8	34 34	25 25	9 9
E	Modified 6 Lane West Side East Side	114	61 53	16 8	45 45	25 25	20 20
							Total Overwidth [4] 43
							Total Overwidth [4] 65

"ROW"

[1] R-O-W = Right of Way

[2] FOC = Face of Curb.

[3] The City's dedication from the face of the curb is 25 feet.

[4] Modified 4 Lane is Truxel Road from Elkhorn Boulevard to North Loop Road.

Modified 6 Lane is Truxel Road from North Loop Road to Street I.

Sidewalk depends on which side of the street you are on. Modified lanes have a bike path on one side not included in the R.O.W.

REGIONAL PARK LAND ACQUISITION FEE

The cost of acquiring the regional park has not been determined at this time. Negotiations between the City and the property owners will ultimately determine the regional park acquisition cost.

For purposes of the Nexus Study 2002 Update, the cost of land funded by the RPLAF equals the acquisition cost per acre multiplied by all of the regional park land subject to acquisition by the RPLAF (excluding land acquired through other sources such as the Natomas Unified School District, drainage fees or CFD No. 4, Quimby dedications, or the PFLAF) divided by the total net acres within the Finance Plan Area.

As shown in Figure VI-3, the total estimated acquisition cost for regional park land is approximately \$17.4 million including administration and contingency. The following describes the regional park land included in the RPLAF.

Regional Park Land

As shown in Figure VI-5, the total regional park area identified in North Natomas includes approximately 224.5 acres. The RPLAF will fund acquisition for a portion of this total not dedicated to the City or funded via other funding sources.

The total regional park area is approximately 224.5 acres. The RPLAF will acquire 185.1 acres, which equals the total 224.5 acres adjusted by the following:

- Less 32.8 acres for a portion of a high school site that will be acquired by the Natomas Unified School District;
- Less 6.7 acres of detention basin acquired through CFD No. 4;
- Less 9.4 acres of land dedicated by Lennar Communities;
- Plus an estimated 9.4 acres for the portion of the east-west drainage channel within the regional park. The estimated acreage is for the drainage channel portion that is beyond land required for channel to serve the 10 year storm event, but within channel land required to serve the 100 year event.

Figure VI-6 details the estimated acreage requirements for various components of the 201.2 acre regional park, including conjunctive uses. The regional park is designed to serve not only North Natomas residents but residents throughout the City and County. The regional park could include group competition areas, individual competition areas, picnic areas, an amphitheater, a village green and botanical gardens, a family entertainment area, and other amenities.

Figure VI-5
North Natomas Nexus Study Update 2002
Estimated Regional Park Acres

Item	Regional Park Acreage Funded
Regional Park Land Owned by:	
Lewis Investment Company	
Parcel A-1	9.48
Parcel A-2	3.77
Parcel A-3	2.93
Subtotal	16.19
Lennar Winncrest, LLC	
Parcel B-1	95.02
Parcel B-2	1.00
Parcel B-3	3.29
Subtotal	99.31
Alleghany Properties, Inc.	
Parcel C-1	102.37
Parcel C-2	6.66
Subtotal	109.02
Total Regional Park Land	224.52
	see note [1]
<i>Less High School Site (Portion of Parcel C-1)</i>	<i>(32.82)</i>
<i>Less Portion in Detention Basin (Parcel C-2)</i>	<i>(6.66)</i>
<i>Less Community Park Acres (Dedicated by Lennar)</i>	<i>(9.40)</i>
Net Regional Park Acres	175.65
<i>Plus East-West Drainage Channel Acreage [2]</i>	<i>9.40</i>
Total Acres Funded by the RPLAF	185.05

reg park acres

[1] The total regional park acreage funded by the RPLAF includes the total regional park site adjusted as follows:

- a) less 32.8 acres for the high school which will be funded by the Natomas USD.
- b) less 6.7 acres for a portion of the detention basin funded through CFD No. 4
- c) less 9.4 acres for land dedicated as Community Park acreage by Lennar Communities
- d) plus 9.4 acres (estimated) for a portion of the east-west drainage channel not funded through another funding source. See Footnote [2]

[2] Amount estimated based on acreage in drainage channel that is outside of the 10 year storm event flood protection. This amount will need to be acquired through the RPLAF.

CITY
AGREEMENT NO. 2006-0210

Figure VI-6
North Natomas Regional Park Acquisition Analysis
Detailed Regional Park Acreage Estimates

Item	Acreage
Regional Park Acreage in>NNLAP [1]	151.9
Regional Park	25.0
Regional Civic	2.9
Light Rail	2.1
Library	3.1
Community Center	185.0
Total Regional Park Acreage in>NNLAP	185.0
Conjunctive Use Acreage	10.0
High School Joint Use	7.1
Detention Basin 1 Joint Use	17.1
Total Conjunctive Use Acreage	202.1
Total Regional Park Acres - Including Conjunctive Use	202.1

"reg_prk_dtl"

Source: City of Sacramento and EPS.

[1] Acreages estimated based on City of Sacramento GIS map dated January 2002.

CITY
 AGREEMENT NO. 2006-0210

NEXUS FINDINGS

As discussed previously, the>NNLAP was originally contained in the North Natomas Financing Plan 1999 Update. The developers in North Natomas have agreed, through a development agreement, that they will adhere to policies included in the Financing Plan. Therefore, the developers have agreed to the>NNLAP and both fees included in the program. As a result, this report does not include nexus findings for the>PFLAF and the>RPLAF.

FEE CALCULATION

The>PFLAF and the>RPLAF are based on the average cost per acre to acquire land for public facilities and the regional park. As shown in Figure VI-3, the average cost per acre to acquire public facilities land is \$9,289 per acre and the average cost per acre to acquire regional park land is \$4,135. Figure VI-7 shows the>PFLAF and the>RPLAF for each land uses type. The resulting fees are shown per unit for all residential land uses and per net acre for all non-residential land uses.

Figure VI-7
North Natomas Nexus Study Update 2002
Land Acquisition Fees [1] [2]

Land Use	2002 Public Facilities Land Acquisition Fee	2002 Regional Park Land Acquisition Fee
RESIDENTIAL	<i>Fee per Unit</i>	
<i>Single Family Attached / Detached</i>	\$0	\$0
Rural Estates	\$1,378	\$614
Lot Size > 5,000 sq. ft.	\$1,128	\$502
Lot Size 3,250 - 5,000 sq.ft.	\$877	\$390
Lot Size < 3,250 sq. ft.	\$1,647	\$733
Age-Restricted Single Family		
<i>Multi-Family (>2 attached units)</i>	\$877	\$390
8-12 units per net acre	\$647	\$288
> 12-18 units per net acre	\$417	\$186
> 18 units per net acre	\$411	\$183
Age-Restricted Apartments	\$215	\$96
Age-Restricted Congregate Care		
NON-RESIDENTIAL	<i>Fee per Net Acre</i>	
Convenience Commercial	\$9,289	\$4,135
Community Commercial	\$9,289	\$4,135
Village Commercial	\$9,289	\$4,135
Transit Commercial	\$9,289	\$4,135
Highway Commercial	\$9,289	\$4,135
Regional Commercial	\$9,289	\$4,135
EC Commercial	\$9,289	\$4,135
EC 30 - Office	\$9,289	\$4,135
EC 40 - Office	\$9,289	\$4,135
EC 50 - Office/Hospital	\$9,289	\$4,135
EC 65 - Office	\$9,289	\$4,135
EC 80 - Office	\$9,289	\$4,135
Light Industrial with <20% Office	\$9,289	\$4,135
Light Industrial with 20%-50% Office	\$9,289	\$4,135
Arena	\$9,289	\$4,135
Stadium		

"land_fees"

- [1] Land Acquisition Fees are prior to credits for land dedicated.
[2] Based on final November 2001, North Natomas Valuation Study prepared by Clark-Wolcott, Inc.

PUBLIC LAND ACQUIRED THROUGH THE>NNLAP

Lands included in the>NNLAP are considered to be of general benefit to all developable land uses within North Natomas. As such, the cost of acquiring these lands is allocated to all private developable land uses. Figure V-1 shows a map of the public land to be acquired through the>NNLAP with the exception of off-street bike trails and drainage easements. Acreage for the public land, acquisition cost per acre, and the total acquisition cost are shown in Figure V-2. The acquisition cost per acre is based on the November 1998 update of the North Natomas Valuation Study completed by Tom Clark.

The types of land acquired by the program are described as either Public Land or Regional Park Land, as defined below. As such, the Land Acquisition Fee consists of both the Public Facilities Land Acquisition Fee and the Regional Park Land Acquisition Fee. The City will maintain the map showing all land to be acquired through the>NNLAP.

"Public land" means the property acquired through this program for public facilities for the North Natomas Financing Plan Area, excluding the Regional Park Land, under the North Natomas Land Acquisition Program. All Public Land is required as a condition of allowing development to proceed in the area in order to facilitate the installation of infrastructure and other public facilities required to meet the needs and address the impacts caused by such development. All Public Land is to be dedicated, transferred to, or acquired by the City without cost to the City. The following paragraphs describe the Public Land included in the>NNLAP.

Freeway and Agricultural Buffers

Open space and land buffers are required throughout the area along the I-5 and I-80 freeways, as habitat buffers along Fisherman's Lake, as a buffer to agricultural land along the south side of Elkhorn Boulevard and open space along the western City limits. The nature of these buffers and open space are considered beyond "normal" dedications of development setbacks.

Civic Lands

Civic lands include two fire stations, a library, a police substation, three of the four community centers, and other cultural and entertainment uses. Civic lands also include civic utilities such as pump station sites, but do not include private utilities such as SMUD, PG&E, or Comcast Cable which will be purchased by the private user via a negotiated purchase price. Acreage estimates are shown in Figure F-1.

Light Rail Right-of-Way

Approximately 19.4 acres of right-of-way are required for the light rail alignment that is not included as part of the road right-of-way. Approximately 2.9 acres lie within the regional park. An additional 1.65 acres is required for LRT stations. The acreage estimates for light rail and off-street bikeways are shown in Figure F-2.

THIS PAGE IS INTENTIONALLY LEFT BLANK

Public Land Acquisition



Figure V-2
North Natomas Financing Plan Update 1999
Estimated Public Land Acquisition Cost

Public Facilities Land Acquisition Category	Acreage Calculations	Acreage	Acquisition Cost / Acre (1)	Total Acquisition Cost
Public Lands	Appendices B and F		\$71,845	
Freeway Interchange and Overcrossings	Figure B-4	39.4	\$71,845	\$2,832,202
Freeway Buffer	Figure F-1	122.7	\$71,845	\$8,811,789
Agricultural Buffer	Figure F-1	105.2	\$71,845	\$7,555,939
Open Space	Figure F-1	1.6	\$71,845	\$113,515
Community Centers (2)	Figure F-1	8.9	\$71,845	\$639,421
Police Station	Figure F-1	5.0	\$71,845	\$359,225
Fire Stations	Figure F-1	2.3	\$71,845	\$165,244
General Public Facilities - Utilities	Figure F-1	8.7	\$71,845	\$623,615
LRT Right-of-Way	Figure F-2	21.1	\$71,845	\$1,512,545
Off-Street Bikeways	Figure F-2	2.9	\$71,845	\$207,832
RD-1000 Easement (3)	Figure F-3	43.2	\$71,845	\$3,100,830
Overwidth Street Right-of-Way	Figure F-4	84.2	\$71,845	\$6,047,086
Subtotal Public Lands		445.0		\$31,969,242
TOTAL Finance Plan Area Developable Acres	Figure V-5	4,945.8		

*land_value"

- (1) Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per acre cost is based on the final appraisal November 1998 by Tom Clark, and does not necessarily reflect each individual's fair market value.
- (2) Does not include the community center in the Regional Park.
- (3) North Natomas Comprehensive Drainage property dedications calculated in February 1999.

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works,
City of Sacramento Neighborhoods, Planning and Development Services Department GIS, and EPS

CITY
AGREEMENT NO. 2006-0210

RD-1000 Easement

Approximately 43.2 acres of drainage property dedications was estimated by the City of Sacramento in February 1999. Dedications are shown in Figure F-3.

Street Oversizing Right-of-Way

The portion of streets oversized for regional traffic is included in the NNLAP as a community-wide expense. To the extent that water and sewer trunk lines cannot be located under roadways, additional right-of-way for utility easements will be required. No estimate has been made for this acreage although it is anticipated to be insignificant.

The standard street dedication is 25 feet from the face of curb. Excess dedication is counted from the 25-foot point to the center of the road. Figure V-3 shows the calculation of excess dedication for 4, 6, and 8 lane roads. Total overwidth costs for each section of road is shown in Figure F-4.

If a property owner is required to provide the land for the roadway on the other side of the centerline, that entire section of right-of-way land would be considered excess dedication and would be subject to acquisition through the NNLAP such as the half section of Truxel north of Del Paso alongside the drainage canal.

A.D. 88-03 LAND

Most property owners in Quadrant 1 are included in Assessment District 88-03 (A.D. 88-03) which primarily funded roadway improvements plus some freeway, landscaping and drainage improvements. In addition, right-of-way and road overwidth right-of-way was acquired by the District for construction of roadway and freeway improvements. Although these lands have already been acquired, the NNLAP will include this acreage to treat A.D. 88-03 lands the same as other Public Lands. Reimbursement to the A.D. 88-03 participants for this land will be valued at the current Public Land Acquisition Value when an eligible property owner's tentative map is processed. The following summarizes the acreage acquired under A.D. 88-03 that is included in the NNLAP.

Oversized street width right-of-way	39.05 acres
Light Rail right-of-way	3.71 acres
Freeway off-ramp right-of-way	0.83 acres
Total	43.59 acres

Calculation of AD 88-03 reimbursements in 1993 dollars are shown in Figures F-5 and F-6.

Figure V-3
North Natomas Finance Plan Update 1999
Right-of-Ways and Overwidths

Roadway Section	Street Type	Full Section R-O-W	Half Section					Full Section Overwidth
			Total R-O-W Including Setback	Less Setback	North Natomas FOC (2) to center of R-O-W (1)	City's FOC Dedication of R-O-W (3)	Overwidth	
A	4 Lane Divided	100	$b=a/2$ 50	c 13	$d=b-c$ 37	e 25	$f=d-e$ 12	$g=h/2$ 24
B	6 Lane Divided	136	68	14	54	25	29	58
C	8 Lane Divided	158	79	14	65	25	40	80
D	Modified 4 Lane West Side East Side	92	50 42	16 8	34 34	25 25	9 9	Total Overwidth (4) 43
E	Modified 6 Lane West Side East Side	114	61 53	16 8	45 45	25 25	20 20	Total Overwidth (4) 65

"R-O-W"

- (1) R-O-W = Right of Way
- (2) FOC = Face of Curb.
- (3) The City's dedication from the face of the curb is 25 feet.
- (4) Modified 4 Lane is Truxel Road from Elkhorn Boulevard to North Loop Road.
Modified 6 Lane is Truxel Road from North Loop Road to Street 1.
Setback depends on which side of the street you are on. Modified lanes have a bike path on one side not included in the R.O.W.

REGIONAL PARK

North Natomas includes approximately 184.8 acres of dedicated regional park and conjunctive civic uses. Approximately 10 acres of the 202 acre park is defined as joint use with the high school and will be acquired by Natomas Unified School District through the school fee and 7.1 acres of detention basin will be acquired with proceeds from the drainage fees. Acquisition costs of the regional park land will be spread to all of the developable property in North Natomas. The share of the land acquisition fee necessary to acquire the regional park will not be subject to the reimbursement calculation described below, but will be collected in full from every project.

PUBLIC LANDS NOT INCLUDED IN THE>NNLAP

This program excludes "normal" dedications such as:

- Neighborhood and community parks dedicated under the City's Quimby Act Ordinance
- Road right-of-way required by standard dedication requirements.
- Landscaping easements dedicated under the Subdivision Map Act.

These dedications are handled through standard City processing of development applications.

The>NNLAP also excludes public land required for drainage including detention basins, pump stations, and trunk lines. This land will be purchased from the drainage fees or other drainage financing mechanisms applicable to each drainage basin. School sites are not included as public land because they are acquired directly by the school districts.

PRIVATE DEVELOPABLE LANDS SUBJECT TO THE>NNLAP

The North Natomas Land Acquisition Program is based on the participation of private developable lands towards the acquisition of the necessary public lands identified in the North Natomas Community Plan. For the>NNLAP, private developable lands consist of residential, employment center, commercial, light industrial and sports complex land use categories defined in the Community Plan and identified as land use cells on the Composite Plan Map.

For purposes of the calculating the "fair share" acreage contribution and the calculation of fees and reimbursements for a project, acreage for these private developable land use designations subject to the program are defined as the Net Acres. Net Acres refer to the property within the North Natomas Finance Plan Area that is available after the dedication of all public uses and rights-of-way. For purposes of calculating the Public Facilities Land Acquisition Fee and Estimate of Land Value, Total Net Acres refer to the summation of all of the Net Acres in the Finance Plan Area.

ESTABLISHMENT OF THE PUBLIC LAND ACQUISITION VALUE

Each year, the Public Land Acquisition Value will establish the value of Public Land to be acquired through the North Natomas Land Acquisition Program. It will be established through the following steps.

- Step 1. **Estimate of Land Value.** At the beginning of each year an appraiser will provide the City of Sacramento an "estimate of land value" (not a complete narrative appraisal) as of November 1 of the preceding year for each North Natomas Community Plan land use designation. The "estimate of land value" will assume that the land is readily developable with an approved tentative map. The value of land to be acquired would be based on the value per acre and defined as the fee simple value less estimated Mello-Roos bond debt, assessment fees, and development costs associated with land development. The land value established by the City for a calendar year would be based on an adjusted three-year average of the "estimate of land value." The value established would be based on each individual parcel likely to develop in the next several years, not a discounted cash flow of all developable property in North Natomas.

The initial "estimate of land value" was based upon an appraiser's estimate of value for each land use designation for the North Natomas Community Plan in 1995 excluding the value of improvements assuming North Natomas property is ready for development and all entitlement restrictions have been removed. This study is the North Natomas Valuation Study for the City of Sacramento prepared by Thomas Clark Co., Inc. updated November 1998.

- Step 2. **Public Land Acquisition Value - Three-Year Weighted Average.** Based on the estimate of land value for each land use designation and the amount of acreage in each developable land use designation, a weighted average of estimated land value for the current year would be calculated. This value would be averaged with the two prior year's average of estimated land values to arrive at the three-year weighted average land value. This amount shall be named the Public Land Acquisition Value (PLAV).
- Step 3. **Adjustments to PLAV for Administration and Contingency.** The PLAV must be adjusted to account for the 7.5 percent allowance for administration and contingency. To establish the adjusted PLAV, divide the PLAV by 0.925. Dividing the PLAV by 0.925 accounts for administration and contingency allowances as follows:
- 5 percent of total cost basis for contingency for land acquired through condemnation and other contingencies.
 - 2.5 percent of total cost basis for administration and the cost of the annual land value estimate update.

CALCULATION OF PUBLIC FACILITIES LAND ACQUISITION FEE

The Public Facilities Land Acquisition Fee is a function of the Public Lands included in the>NNLAP, the value assigned to each type of land, and the amount of developable land uses. The types of land included in the Public Facilities Land Acquisition Program were discussed above.

The Public Facilities Land Acquisition Fee charged to development projects would equal the adjusted Public Land Acquisition Value established for the calendar year multiplied by all of the public land subject to acquisition by the>NNLAP (excluding the regional park) divided by the Total Net Acres within the North Natomas Finance Plan Area. The fee would be adjusted annually using the updated Public Land Acquisition Value. The acres of land acquired by the>NNLAP and Total Net Acres used to calculate the fee would not change from year to year unless new public land became subject to acquisition and/or the Community Plan was amended with a change to the amount of Total Net Acres of Public Land.

Figure V-4 shows the calculations used to arrive at the estimated Base Public Facilities Land Acquisition Fee based on an initial weighted average PLAV of \$71,845 per acre. The total cost of Public Lands divided by the estimated Total Net Acres in the Finance Plan Area result in a Public Facilities Land Acquisition Fee of \$8,185 per Net Acre.

Figure V-5 shows the Public Facilities Land Acquisition Fee by residential and non-residential land use. For all residential land uses within the Finance Plan Area, the fee is calculated on a per unit basis based on lot size. For all non-residential land uses, the fee is calculated on a Net Acre basis. As is also shown in Figure V-5, the Regional Park Acquisition Fee is calculated in the same manner.

Below is an example of how the fee will be updated by the three-year weighted average estimate of land value.

Figure V-4

North Natomias Financing Plan Update 1999
Estimated Land Acquisition Fees

Land Acquisition	Estimated Acquisition Cost	Plus Administration 2.5%	Plus Land Value Contingency 5.0%	Total Cost Basis for Fee	Land Acquisition Fees per net acre
Public Facilities Land Acquisition [1]	\$31,969,242	\$864,034	\$1,728,067	\$34,561,342	\$8,106
Regional Park Acquisition [2]	\$13,276,956	\$358,837	\$717,673	\$14,353,466	\$3,399

"NNLAF_units"

[1] Public Facilities Land acquisition fee per net acre prior to credits.

[2] Estimated acquisition cost is 184.8 acres of regional park multiplied by the public land acquisition cost \$71,845

Assumptions for Figures V-5 and V-6:		
	Estimated Gross Dev. Acres	Estimated Net Acres
Total Developable Acres		
Single Family Acres (Low Density)	1,902.3	1,559.9
Single Family Acres (Medium Density)	911.3	774.6
Multi-Family Acres (High Density)	389.4	338.8
Total Residential	3,203.1	2,673.3
Non-Residential (commercial, office, & lt. Industrial)	1,742.7	1,549.4
Total Developable Acres	4,945.8	4,222.7

Figure V-5
North Natomas Financing Plan Update 1999
Land Acquisition Fees [1]

Land Use	1999 Fee Update [2]	
	Public Facilities Land Acquisition Fee	Regional Park Acquisition Fee
RESIDENTIAL	<i>Fee per Unit</i>	
<i>Single Family Attached / Detached</i>		
Rural Estates	\$0	\$0
Lot Size > 5,000 sq. ft.	\$1,218	\$506
Lot Size 3,250 - 5,000 sq.ft.	\$961	\$399
Lot Size < 3,250 sq. ft.	\$749	\$311
<i>Multi-Family (>2 attached units)</i>		
8-12 units per net acre	\$749	\$311
> 12-18 units per net acre	\$516	\$214
> 18 units per net acre	\$328	\$136
NON-RESIDENTIAL	<i>Fee per Net Acre</i>	
Convenience Commercial	\$8,185	\$3,399
Community Commercial	\$8,185	\$3,399
Village Commercial	\$8,185	\$3,399
Transit Commercial	\$8,185	\$3,399
Highway Commercial	\$8,185	\$3,399
Regional Commercial	\$8,185	\$3,399
Office - EC 30	\$8,185	\$3,399
Office - EC 40	\$8,185	\$3,399
Office/Hospital - EC50	\$8,185	\$3,399
Office - EC65	\$8,185	\$3,399
Office - EC80	\$8,185	\$3,399
<i>Light industrial</i>		
Light Industrial with <20% Office	\$8,185	\$3,399
Light Industrial with 20%-50% Office	\$8,185	\$3,399
Arena	\$8,185	\$3,399
Stadium	\$8,185	\$3,399

"land_fees"

[1] Land Acquisition Fees are prior to credits for land dedicated.

[2] Based on final November 1998, North Natomas Valuation Study prepared by Tom Clark.

CITY
AGREEMENT NO. 2006-0210

Example

Note: Only two weighted average land value estimates have been done for North Natomas therefore a midpoint value was used to show a 3-year weighted value.

3-Year Weighted Average PLAV

Weighted Average Values of Land	1995	\$72,873	(Actual figure)
	Midpoint	\$71,845	(Example value)
	1999	\$70,816	(Actual figure)
Sum of Weighted Average Values		\$215,534	
Years PLAV averaged over		/ 3	
1999 3-Year Weighted Average PLAV		\$71,845 per acre	

Public Facilities Land Acquisition Fee

1999 3 Year Weighted Average PLAV		\$71,845
Adjustment for Administration & Contingency		/ 0.925
Adjusted 1999 3-Yr. Weighted Avg. PLAV		\$77,670 per acre
Times Acres to be Acquired	(See Figure V-2)	x 445.0
Subtotal	(See Figure V-4)	\$34,561,342
Divided by Finance Plan Area Net Acres (See Figure V-4)		/ 4,222.7
Public Facilities Land Acquisition Fee		\$8,185 per net acre

The Public Facilities Land Acquisition Fee is charged to all landowners within the North Natomas Finance Plan Area. Landowners receive credit for Public Land dedicated, and may use these credits to reduce the Public Facilities Land Acquisition Fee due at the issuance of building permit, excluding the administrative portion of the fee. If the value of the land dedicated credits exceeds the fees due, landowners may receive reimbursements when Land Acquisition Fee revenues are available from other property owners.

REGIONAL PARK LAND ACQUISITION FEE

A 202 acre regional park site with conjunctive use is planned for the center of the North Natomas development. Acreage calculation from available maps indicates the acreage to be approximately 201.9 acres including the allowance for the conjunctive uses. Excluding acreage funded through other programs (10 acres for the high school and 7.1 acres for drainage basin no. 1); 184.8 acres will be acquired. This is summarized in Figure V-6.

Figure V-6
North Natomas Financing Plan Update 1999
Regional Park Acreage

Land Use	Acreage
Regional Park	149.4
Regional Civic	25.0
Light Rail	2.9
Library	2.5
Community Center	5.0
Total Regional Park Acreage in>NNLAP	184.8
High School Joint Use	10.0
Detention Basin 1 Joint Use	7.1
Total Regional Park - All Uses	201.9

reg_prk_acreage

Source: City of Sacramento.

The park is designed to serve not only North Natomas residents but residents throughout the City and County. The regional park could include group competition areas, individual competition areas, picnic areas, an amphitheater, a village green and botanical gardens, a family entertainment area, and other amenities. Figure V-7 shows the location of the Regional Park.

The City of Sacramento's 1989 Park Master Plan includes a policy of (1) providing five acres of regional park land per thousand population in addition to the five acres required for neighborhood and community parks and (2) having a regional park within a 30 minute drive for all residents. Historically, funds for regional parkland acquisitions are provided by the general fund or from voluntary donations, such as Land Park. The City and North Natomas property owners agreed that if North Natomas landowners would acquire the regional park site and dedicate it to the City, the City would be responsible for funding development of the regional park with City-wide sources.

In 1989, the City adopted the citywide Landscaping and Lighting Assessment District (LLAD) No. 2. The district can provide funds for four types of facilities: (1) common facilities, (2) neighborhood street lighting, (3) tree maintenance, and (4) park maintenance and development. Common facilities are spread citywide while the other facilities are spread to specific neighborhoods or zones. Regional park maintenance is part of common facilities funding by the citywide LLAD.

The Land Acquisition Program includes funding for the acquisition of the regional park. This fee will be charged to all development projects and will not be subject to credit calculation, except for those developers who own regional parkland. However, the strategy for funding the acquisition is complicated by the potential for escalating land values if the site cannot be acquired up-front at a fixed price and the difficulty in funding it up-front when large expenditures for backbone infrastructure are necessary and bond capacity is not available. The City must negotiate an agreement with the property owners of the regional park. The City may need to advance funding for the Regional Park Land Acquisition. The funding advance would be repaid through the collection of the NNLAP fee.

REGIONAL PARK LAND ACQUISITION COST

The cost of acquiring the regional park has not been determined at this time. Negotiations between property owners and the City regarding the acquisition will likely take place following adoption of the financing plan. For purposes of discussing the financing strategy for acquiring the regional park, a cost of \$13.3 million has been assumed using \$71,845 per acre for 184.8 acres (see Figure B-65). The Regional Park Land Acquisition Fee per Net Acre is calculated as shown on the following page:

Total Regional Park Land Acquisition Cost	\$13,276,956
Adjustment for Administration & Contingency	/ 0.925
Adjusted Regional Park Land Acquisition Cost	\$14,353,466
Divided by Finance Plan Area Net Acres	/ 4,222.7
Regional Park Land Acquisition Fee	\$3,399 per net acre

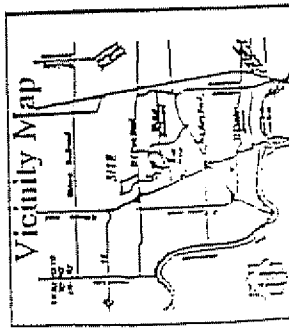
The acquisition cost assumptions are preliminary and subject to change. Once the Regional Park Land Acquisition price is known the Regional Park Land Acquisition fee will be modified.

THIS PAGE IS INTENTIONALLY LEFT BLANK

Preliminary Regional Park Exhibit

North Natomas Community Play

City of Sacramento, California



1. UNITED STATES DEPARTMENT OF JUSTICE
 2. FEDERAL BUREAU OF INVESTIGATION
 3. WASHINGTON, D. C. 20535
 4. RECEIVED
 5. DATE
 6. TIME
 7. BY
 8. FROM
 9. SUBJECT
 10. REFERENCE
 11. NOTES
 12. INITIALS
 13. SIGNATURE
 14. DATE
 15. TIME
 16. BY
 17. FROM
 18. SUBJECT
 19. REFERENCE
 20. NOTES
 21. INITIALS
 22. SIGNATURE
 23. DATE
 24. TIME
 25. BY
 26. FROM
 27. SUBJECT
 28. REFERENCE
 29. NOTES
 30. INITIALS
 31. SIGNATURE
 32. DATE
 33. TIME
 34. BY
 35. FROM
 36. SUBJECT
 37. REFERENCE
 38. NOTES
 39. INITIALS
 40. SIGNATURE
 41. DATE
 42. TIME
 43. BY
 44. FROM
 45. SUBJECT
 46. REFERENCE
 47. NOTES
 48. INITIALS
 49. SIGNATURE
 50. DATE
 51. TIME
 52. BY
 53. FROM
 54. SUBJECT
 55. REFERENCE
 56. NOTES
 57. INITIALS
 58. SIGNATURE
 59. DATE
 60. TIME
 61. BY
 62. FROM
 63. SUBJECT
 64. REFERENCE
 65. NOTES
 66. INITIALS
 67. SIGNATURE
 68. DATE
 69. TIME
 70. BY
 71. FROM
 72. SUBJECT
 73. REFERENCE
 74. NOTES
 75. INITIALS
 76. SIGNATURE
 77. DATE
 78. TIME
 79. BY
 80. FROM
 81. SUBJECT
 82. REFERENCE
 83. NOTES
 84. INITIALS
 85. SIGNATURE
 86. DATE
 87. TIME
 88. BY
 89. FROM
 90. SUBJECT
 91. REFERENCE
 92. NOTES
 93. INITIALS
 94. SIGNATURE
 95. DATE
 96. TIME
 97. BY
 98. FROM
 99. SUBJECT
 100. REFERENCE
 101. NOTES
 102. INITIALS
 103. SIGNATURE
 104. DATE
 105. TIME
 106. BY
 107. FROM
 108. SUBJECT
 109. REFERENCE
 110. NOTES
 111. INITIALS
 112. SIGNATURE
 113. DATE
 114. TIME
 115. BY
 116. FROM
 117. SUBJECT
 118. REFERENCE
 119. NOTES
 120. INITIALS
 121. SIGNATURE
 122. DATE
 123. TIME
 124. BY
 125. FROM
 126. SUBJECT
 127. REFERENCE
 128. NOTES
 129. INITIALS
 130. SIGNATURE
 131. DATE
 132. TIME
 133. BY
 134. FROM
 135. SUBJECT
 136. REFERENCE
 137. NOTES
 138. INITIALS
 139. SIGNATURE
 140. DATE
 141. TIME
 142. BY
 143. FROM
 144. SUBJECT
 145. REFERENCE
 146. NOTES
 147. INITIALS
 148. SIGNATURE
 149. DATE
 150. TIME
 151. BY
 152. FROM
 153. SUBJECT
 154. REFERENCE
 155. NOTES
 156. INITIALS
 157. SIGNATURE
 158. DATE
 159. TIME
 160. BY
 161. FROM
 162. SUBJECT
 163. REFERENCE
 164. NOTES
 165. INITIALS
 166. SIGNATURE
 167. DATE
 168. TIME
 169. BY
 170. FROM
 171. SUBJECT
 172. REFERENCE
 173. NOTES
 174. INITIALS
 175. SIGNATURE
 176. DATE
 177. TIME
 178. BY
 179. FROM
 180. SUBJECT
 181. REFERENCE
 182. NOTES
 183. INITIALS
 184. SIGNATURE
 185. DATE
 186. TIME
 187. BY
 188. FROM
 189. SUBJECT
 190. REFERENCE
 191. NOTES
 192. INITIALS
 193. SIGNATURE
 194. DATE
 195. TIME
 196. BY
 197. FROM
 198. SUBJECT
 199. REFERENCE
 200. NOTES
 201. INITIALS
 202. SIGNATURE
 203. DATE
 204. TIME
 205. BY
 206. FROM
 207. SUBJECT
 208. REFERENCE
 209. NOTES
 210. INITIALS
 211. SIGNATURE
 212. DATE
 213. TIME
 214. BY
 215. FROM
 216. SUBJECT
 217. REFERENCE
 218. NOTES
 219. INITIALS
 220. SIGNATURE
 221. DATE
 222. TIME
 223. BY
 224. FROM
 225. SUBJECT
 226. REFERENCE
 227. NOTES
 228. INITIALS
 229. SIGNATURE
 230. DATE
 231. TIME
 232. BY
 233. FROM
 234. SUBJECT
 235. REFERENCE
 236. NOTES
 237. INITIALS
 238. SIGNATURE
 239. DATE
 240. TIME
 241. BY
 242. FROM
 243. SUBJECT
 244. REFERENCE
 245. NOTES
 246. INITIALS
 247. SIGNATURE
 248. DATE
 249. TIME
 250. BY
 251. FROM
 252. SUBJECT
 253.

THIS PAGE IS INTENTIONALLY LEFT BLANK

EXHIBIT F

Protest Waiver Provisions Agreed to by LANDOWNER

LANDOWNER understands and agrees that financing of the Infrastructure, public improvements and facilities (including the land covered by the NNLP) and other programs required under the NNCP will be accomplished through a variety of financing mechanisms, including but not limited to a combination of special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts) and developer fees, all of which mechanisms are designed to spread the cost of those items in accordance with benefit and other methodologies. LANDOWNER further understands and agrees that an important component of this Agreement is LANDOWNER's advance consent to the formation of, or implementation of any such district or imposition of any such fee, and LANDOWNER's agreement not to protest or contest such formation, implementation or fee imposition.

Accordingly, LANDOWNER agrees for itself, its constituents, successors and assigns that it fully, finally and forever waives and relinquishes any right it may have to protest or contest the formation or implementation of any special assessment or tax district or any similar form of financing mechanism, or any combination thereof, together with any rights it may have to contest the imposition of any developer fee established or imposed pursuant to the North Natomas Finance Plan. Nothing in this Agreement, however, shall prevent LANDOWNER from presenting CITY any information or opinions regarding any financing mechanism CITY may from time to time consider establishing or imposing, which information or opinions relate to the dollar amount of any fees, assessments, taxes or other charges imposed by CITY pursuant to the North Natomas Finance Plan, or which information or opinions relate to the question of consistency of the financing mechanism with the North Natomas Finance Plan. If a financing mechanism is proposed for adoption by CITY, which mechanism both: (i) directly and significantly conflicts with the language and the intent of the North Natomas Finance Plan, as amended; and (ii) directly and significantly conflicts with the North Natomas Nexus Study adopted by the City Council in connection with establishment of development fees for the North Natomas Finance Plan Area, LANDOWNER shall have the right to protest only the actual amount of the directly and significantly conflicting proposed fee, charge, special tax, or assessment proposed to be levied, charged, assessed or taxed against the Property by virtue of the proposed financing mechanism. Provided, however, that LANDOWNER's said right to protest, together with any right to object, shall be waived unless LANDOWNER's protest of objection is made at or before the time of the public hearing wherein the proposed financing mechanism, together with the fee, charge, special tax or assessment is established by the City Council. LANDOWNER's right to judicial challenge of any such mechanism, and the fees, charges, assessments or special taxes imposed or to be imposed in connection therewith, shall be limited to review of the decision of the City Council establishing the said mechanism and the said fees, charges, assessments or special taxes; LANDOWNER shall not have the right, in connection with any land use entitlement proceeding with respect to the Property, to judicially challenge the financing mechanism or the fees, charges, assessments or special taxes as applied to the Property, and waives any statutory or common law right to pay such fees, charges, assessment or special taxes under protest. For purposes of this Agreement, "fees, charges, assessments or special taxes" shall

include any monetary exaction or payment required to be paid by LANDOWNER by virtue of or relating to development of the Property.

Without limiting the generality of the foregoing, LANDOWNER for itself, its constituents, successors and assignees specifically, as to the Property, agrees to the following which are adopted by the City Council pursuant to the North Natomas Finance Plan:

- (1) Waives, and hereby grants advance consent to the formation and implementation of any and all special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts), fee districts or other financing mechanisms of a similar nature recommended or established by CITY for the purpose of financing Infrastructure, public improvements and facilities (including land transfers as set forth in the>NNLAP). Without limiting the generality of the foregoing, LANDOWNER specifically waives:
 - (i) the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (division 4 of the Streets and Highways Code, beginning at section 2800), together with associated provisions of the California Constitution;
 - (ii) the provisions of any other statute designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism; and
 - (iii) the provisions of any procedure embodied in the Sacramento City Code designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism.
- (2) Waives, and hereby grants advance consent to the formation and implementation of any and all special fees, exactions, development fees, assessments, taxes or other charges established by CITY for the purpose of financing Infrastructure, public improvements and facilities (including land transfers as set forth in the>NNLAP). Without limiting the generality of the foregoing, LANDOWNER specifically waives:
 - (i) to the extent applicable, those statutory and constitutional provisions specified in paragraph (1) above; and
 - (ii) the provisions of Government Code section 66000 et seq. or any other provision of law providing a procedure for contest or protest of establishment or imposition of special fees, exactions, development fees, assessments, taxes or other charges of a similar nature.
- (3) Agrees to:
 - (i) affirmatively petition CITY, where applicable, for the formation of all special districts and other financing mechanisms that have been or will be in the

future selected or recommended by CITY in order to implement the North Natomas Finance Plan;

- (ii) execute an irrevocable proxy or proxies when necessary (such as in the formation of, or imposition of taxes relative to, a Mello-Roos Community Facilities District) authorizing a representative designated by CITY, who will vote in favor of establishing the specific financing mechanism in question; and
- (iii) execute immediately upon presentation any document which is required or convenient for the formation of the district or facilitation of the particular financing mechanism.

LANDOWNER agrees and specifically represents to CITY that it is fully aware of all of its legal rights relative to the waivers, advance consents and other agreements set forth herein, having been fully advised by its own independent attorneys. Having such knowledge and understanding of its rights, LANDOWNER has nevertheless voluntarily entered into this Agreement, of which this Exhibit is a material part. LANDOWNER is aware that CITY is relying on the representations contained in this Exhibit in entering into this Agreement.

EXHIBIT G

IRREVOCABLE OFFER OF DEDICATION FORM

SEE ATTACHED

RECORDED FOR THE BENEFIT OF
THE CITY OF SACRAMENTO
(Fee Exempt Under Gov. Code, § 6103)

WHEN RECORDED RETURN TO:

DEVELOPMENT SERVICES DEPARTMENT
ATTN: JERRY LOVATO
1231 "I" STREET, RM. 200
SACRAMENTO CA 95814

IRREVOCABLE OFFER TO DEDICATE

The undersigned hereby certifies that we are the legal owners of, or are parties having an interest in, the hereinafter-described real property; and the undersigned, for themselves and their heirs, successors, and assigns, do hereby irrevocably offer to dedicate to the City of Sacramento, a municipal corporation, [in fee title] [an easement for public road and public utilities on, under, over, and across] the hereinafter-described real property located in the City of Sacramento, County of Sacramento, State of California, described as follows:

SEE EXHIBIT "A," LEGAL DESCRIPTION, AND EXHIBIT "B," PLAT, ATTACHED HERETO AND MADE A PART HEREOF.

Reserving, however, unto the undersigned and their heirs, successors, and assigns any and all present lawful uses of the above-described real property until such time as the City Engineer of the City of Sacramento gives written notice that the above-described real property will be improved for public purposes; and it is also hereby understood and agreed by the undersigned and their heirs, successors, and assigns that any improvements hereinafter placed by them in or upon the above-described real property shall be removed without cost or expense to the City of Sacramento. Until such notice is given by the City Engineer, the undersigned and their heirs, successors, and assigns agree to assume full responsibility or liability for any injury or damage to any person or property on the above-described real property or arising out of its use or occupancy by them. It is also hereby understood that all work to be done in or upon the above-described real property shall be done under permit and done in accordance with plans to be furnished by the principal and approved by the City Engineer of the City of Sacramento, and in accordance with the specifications of the City Engineer of the City of Sacramento.

The dedication offered hereunder shall be complete upon its acceptance by the City Engineer of the City of Sacramento.

Witness_____ hand this _____ day of _____, 200__

By:_____

By:_____

(ATTACH NOTARY ACKNOWLEDGMENT)

CITY
AGREEMENT NO. 2006-0210

EXHIBIT H

MAP AND CATEGORICAL LISTING OF LAND AND INFRASTRUCTURE

SEE ATTACHED

EXHIBIT H

CATEGORICAL LISTING OF LAND AND INFRASTRUCTURE

Certain land and infrastructure within the Natomas Field project area shall be dedicated to the City of Sacramento. As depicted on the attached Exhibit H-1, the subject land and infrastructure includes, but is not limited to:

Streets depicted on the attached Tentative Subdivision Map – Dedicated Easements:

1. Arena Boulevard
2. East Commerce Way
3. Prosper Way
4. Endeavor Way
5. Natomas Crossing Drive
6. Street 'A'
7. Street 'B'
8. Street 'D'
9. Street 'E'
10. Street '1'
11. Street '2'
12. Street '3'
13. Street '4'
14. Street '5'
15. Street '6'
16. Street '7'
17. Street '8'
18. Street '9'
19. Street '10'
20. Street '11'
21. Street '13'
22. Street '14'
23. Street '15'
24. Street '16'
25. Street '17'
26. Street '18'
27. Street '19'
28. Street '20'
29. Street '21'
30. Loop '1'
31. Alley '1'
32. Alley '2'
33. Alley '3'
34. Alley '4'
35. Alley '5'

36. Alley '6'
37. Alley '7'
38. Alley '8'
39. Alley '9'
40. Alley '10'
41. Alley '11'
42. Alley '12'
43. Alley '13'
44. Alley '14'
45. Alley '15'
46. Alley '16'
47. Alley '17'
48. Alley '18'
49. Alley '19'
50. Alley '20'

Minimum 12.5 foot Public Utility Easement along all public rights-of-way, except where building and structures are located.

Parks depicted on the attached Tentative Subdivision Map:

1. Lot P1(a)
2. Lot P1(b)
3. Lot P4

Beazer - NATOMAS FIELD

TENTATIVE SUBDIVISION MAP for
CITY OF SACRAMENTO, CALIFORNIA

DEVELOPER
BEAZER HOMES
ATTN: CAROL HALL
7771 DOUGLAS BLVD, STE. 100
ROSEVILLE, CA 95681
(916) 744-8371 OFFICE
(916) 773-4034 FAX

APPLICANT / ENGINEER
MRO ENGINEERS
ATTN: TONY MEYERS
2202 PLAZA DRIVE
ROCKLIN, CA 95765-4404
(916) 783-3320 OFFICE
(916) 783-3003 FAX

ASSESSOR'S PARCEL NOS.
225-0156-014, 23, 27, 28
(PORTIONS OF 225-0153-038 & 18)
DUE TO LOT LINE ADJUSTMENT

AREA
33.9 AC. (GROSS)

EXISTING ZONING
OS, R-1-PUD, R-25-PUD
C-1-PUD

PROPOSED ZONING
OS, R-1-PUD, R-25-PUD
C-1-PUD

EXISTING GENERAL PLAN
LOW DENSITY RESIDENTIAL
MEDIUM DENSITY RESIDENTIAL
COMMUNITY NEIGHBORHOOD
COMMERCIAL & OFFICE
PARKS/RECREATION
OPEN SPACE

PROPOSED GENERAL PLAN
LOW DENSITY RESIDENTIAL
COMMUNITY NEIGHBORHOOD
COMMERCIAL & OFFICE
PARKS/RECREATION
OPEN SPACE

NORTH NATOMAS COMMUNITY PLAN
LOW DENSITY RESIDENTIAL
MEDIUM DENSITY RESIDENTIAL
HIGH DENSITY RESIDENTIAL
COMMUNITY NEIGHBORHOOD
COMMERCIAL & OFFICE
GENERAL PUBLIC FACILITIES
PARKS/OPEN SPACE

PROPOSED NATOMAS COMMUNITY PLAN
LOW DENSITY RESIDENTIAL
MEDIUM DENSITY RESIDENTIAL
COMMUNITY NEIGHBORHOOD
COMMERCIAL & OFFICE
PARKS/OPEN SPACE

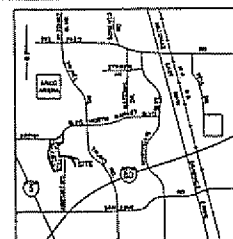
CITY OF SACRAMENTO
WATER
SEWER
DRAINAGE
SCHOOLS
PARK & RECREATION
FIRE PROTECTION
POLICE PROTECTION

SCHOOL DISTRICT
NATOMAS UNIFIED
SCHOOL DISTRICT

ELECTRICITY
SUDS

GAS
P.D. & E.

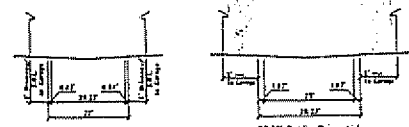
TELEPHONE
S.D.C.



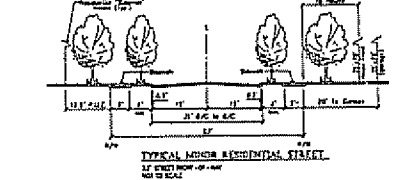
VICINITY MAP



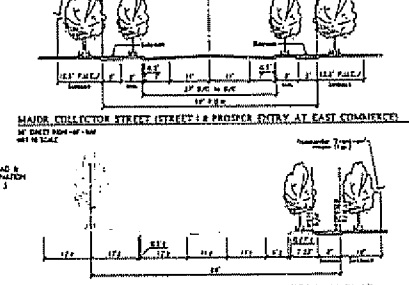
GRAPHIC SCALE
1" = 100'



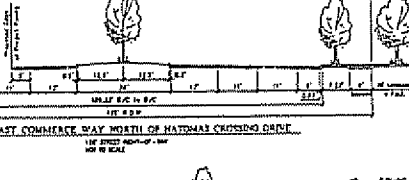
22' Public Alley
28' Public Drive Alley
TYPICAL MINOR RESIDENTIAL STREET



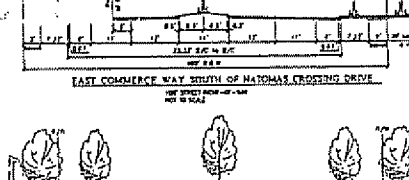
MAJOR COLLECTOR STREET (STREET 1 & PROPOSED ENTRY AT EAST COMMERCE)



EAST COMMERCE WAY NORTH OF NATOMAS CROSSING DRIVE



EAST COMMERCE WAY SOUTH OF NATOMAS CROSSING DRIVE



NATOMAS CROSSING DRIVE

Land Use Summary

Subtotal	Acres	20' x 40' Sublots	20' x 20' Sublots	20' x 10' Sublots	20' x 5' Sublots	Total Units
20' x 40' Sublots	1.00	1	0	0	0	1
20' x 20' Sublots	1.00	0	1	0	0	1
20' x 10' Sublots	1.00	0	0	1	0	1
20' x 5' Sublots	1.00	0	0	0	1	1
TOTAL	4.00	1	1	1	1	4

REVISED APRIL 2001
REVISED MAY 2001
REVISED APRIL 2002
REVISED MARCH 2003
REVISED FEBRUARY 2003
REVISED JANUARY 2004
DATE: NOVEMBER 2004



NOTES:
1. LOTTING PLAN DESIGNED INCORPORATES THE CITY'S NEW ROAD STANDARDS.
2. ALL LINE WORK IS PRELIMINARY NOT FOR CONSTRUCTION AND MUST BE VERIFIED

AGREEMENT NO. 2006-02710

RESOLUTION NO. 2006-151

Adopted by the Sacramento City Council

February 28, 2006

**APPROVING THE PREVIOUSLY ADOPTED NEGATIVE DECLARATION AND
APPROVING THE MITIGATION MONITORING PLAN FOR THE NATOMAS FIELD
PROJECT, LOCATED SOUTHEAST OF THE INTERSECTION OF EAST COMMERCE
WAY AND ARENA BOULEVARD, IN NORTH NATOMAS,
SACRAMENTO, CALIFORNIA
(APN: 225-0150-014, -018, -025, -027, -028, -030, -032 AND -036) (P06-014)**

BACKGROUND

A. The City Council of the City of Sacramento finds as follows:

1. On February 9, 2006, the Planning Commission found that a previous Negative Declaration and mitigation monitoring program was prepared and ratified by the Sacramento City Council on July 26, 2005 for the Natomas Field project (P04-236).

2. The Natomas Field Development Agreement (P06-014) does not propose to modify the previously approved Natomas Field project (P04-236).

3. The City of Sacramento's Environmental Planning Services determined that the Natomas Field Development Agreement (P06-014) does not require the preparation of a subsequent environmental impact report or negative declaration.

B. The City Council has determined that the previously adopted Negative Declaration constitutes an adequate, accurate, objective, and complete review of the Natomas Field Development Agreement (P06-014) and finds that no additional environmental review is required based on the reasons set forth below:

1. No substantial changes are proposed by the Natomas Field Development Agreement (P06-014) that will require major revisions of the previously adopted Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

2. No substantial changes have occurred with respect to the circumstances under which the Natomas Field Development Agreement (P06-014) will be undertaken which will require major revisions to the previously adopted Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

3. No new information of substantial importance has been found that shows any of the following:

a. The Natomas Field Development Agreement (P06-014) will have one or more significant effects not discussed in the previously adopted Negative Declaration;

b. Significant effects previously examined will be substantially more severe than shown in the previously adopted Negative Declaration (P04-236);

c. Mitigation measures previously found to be infeasible would in fact be feasible and would substantially reduce one or more significant effects of the Natomas Field Development Agreement (P06-014); or

d. Mitigation measures which are considerably different from those analyzed in the previously adopted Negative Declaration (P04-236) would substantially reduce one or more significant effects on the environment.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council ratifies the previously adopted Negative Declaration for the Natomas Field project (P04-236) for the Natomas Field Development Agreement project (P06-014).

Section 2. The City Council ratifies the previously adopted Mitigation Monitoring Plan for the Natomas Field project (P04-236) for the Natomas Field Development Agreement (P06-014) based upon the following findings:

1. The mitigation monitoring plan has been adopted and implemented as part of the Project;
2. The previously adopted Negative Declaration does not include any new mitigation measures and has not eliminated or modified any of the mitigation measures included in the mitigation monitoring plan;
3. The mitigation monitoring plan meets the requirements of Public Resources Code.

Table of Contents:

Exhibit A: Mitigation Monitoring Plan – 11 Pages

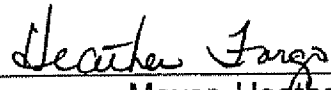
Adopted by the City of Sacramento City Council on February 28, 2006 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

FOR

**TYPE OF ENVIRONMENTAL DOCUMENT:
INITIAL STUDY/ MITIGATED NEGATIVE DECLARATION**

**PREPARED FOR:
CITY OF SACRAMENTO, DEVELOPMENT SERVICES DEPARTMENT**

**DATE:
May 3, 2005**

**ADOPTED BY:
CITY OF SACRAMENTO
PLANNING COMMISSION**

DATE:

ATTEST:

NATOMAS FIELD PROJECT (P04-236) MITIGATION MONITORING PLAN

This Mitigation Monitoring Plan (MMP) has been required by and prepared for the City of Sacramento Development Services Department, Environmental Planning Services, 1231 I Street, Room 300, Sacramento, CA 95814, pursuant to CEQA Guidelines Section 21081.6.

SECTION 1: PROJECT IDENTIFICATION

Project Name / File Number: Natomas Field Project (P04-236)
Owner/Developer- Name: JB Management
Address: 2101 Evergreen Street
Sacramento, CA 95815

Project Location / Legal Description of Property (if recorded):

The proposed project site is located south of Arena Boulevard, east of East Commerce Way, and west of Airport Road on APNs 225-0150-014, -018, -025, -027, -028, -030, -032, and -036 in the North Natomas Community Plan area.

Project Description:

The proposed project consists of the entitlements to allow the development of the project site for commercial, medium- and high-density residential, and park use.

SECTION 2: GENERAL INFORMATION

The Plan includes mitigation for Water, Air Quality, Biological, Hazards, Noise, and Cultural Resources. The intent of the Plan is to prescribe and enforce a means for properly and successfully implementing the mitigation measures as identified within the Initial Study for this project. Unless otherwise noted, the cost of implementing the mitigation measures as prescribed by this Plan shall be funded by the owner/developer identified above. This Mitigation Monitoring Plan (MMP) is designed to aid the City of Sacramento in its implementation and monitoring of mitigation measures adopted for the proposed project.

The mitigation measures have been taken verbatim from the Initial Study and are assigned the same number they have in the document. The MMP describes the actions that must take place to implement each mitigation measure, the timing of those actions, and the entities responsible for implementing and monitoring the actions. The developer will be responsible for fully understanding and effectively implementing the mitigation measures contained within the MMP. The City of Sacramento will be responsible for ensuring compliance.

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure		VERIFICATION OF COMPLIANCE			
		Implementing Responsibility	Monitoring Responsibility	Compliance Standards	Timing Verification of Compliance (Initials/Date)
Water: W-1: A Waste Discharge Requirements Permit shall be obtained. The groundwater beneath the project site shall be tested for contaminants as specified by the California Regional Water Quality Control Board. If the results of the testing indicate the groundwater beneath the site is a threat to human health, then remediation shall be completed.		Developer	City Development Services Department	Submittal of copy of Waste Discharge Requirements Permit. Submittal of groundwater testing results and letter from CRWQCB agreeing to results. Submittal of letter from CRWQCB that groundwater has been remediated (if human health hazard).	Measures shall be implemented in field during grading on APN 225-0150-030 and portions of APNs 225-0150-014 and 225-0150-028.

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure	VERIFICATION OF COMPLIANCE			
	Implementing Responsibility	Monitoring Responsibility	Compliance Standards	Timing Verification of Compliance (Initials/Date)
Air Quality: Mitigation Measures for Operational Emissions AQ-1: The Project Applicant/Developer shall submit an Air Quality Mitigation Plan to the SMAQMD for review and approval. The Project Applicant/Developer shall coordinate with the SMAQMD concerning the details of this Air Quality Mitigation Plan. AQ-2: The Project Applicant/Developer shall implement the following list of items or a list of items as determined through coordination with the SMAQMD: <ul style="list-style-type: none"> • Install only natural gas fireplaces. • Exceed Title 24 Energy standards for cooling energy by 25% or comply with SMUD Advantage (Tier II) energy standards. 	Applicant/Developer	City of Sacramento and SMAQMD	Submission of TMA.	Prior to receipt of building permit for construction.
AQ-3: Category 1: Reducing NOx emissions from off-road diesel powered equipment The project shall provide a plan for approval by the lead agency, in consultation with SMAQMD, demonstrating that the heavy duty (>50 horsepower) off-road vehicles to be used in the construction project, including owned, leased and subcontractor vehicles will achieve a project wide fleet-average 20 percent NOx reduction and 45 percent particulate reduction compared to the most recent CARB fleet average at time of construction; and The project representative shall submit to the lead agency and SMAQMD a comprehensive inventory of all off-road construction equipment, equal to or greater than 50 horsepower, that will be	Developer	City Development Services Department and SMAQMD	Submission of an inventory of construction equipment that reduce NOx emissions.	Prior to receipt of building permit for construction. Measures shall be implemented in field during grading and construction activities.

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure		Implementing Responsibility	Monitoring Responsibility	VERIFICATION OF COMPLIANCE		
				Compliance Standards	Timing	Verification of Compliance (Initials/Date)
<p>used an aggregate of 40 or more hours during any portion of the construction project. The inventory shall include the horsepower rating, engine production year, and projected hours of use or fuel throughput for each piece of equipment. The inventory shall be updated and submitted monthly throughout the duration of the project, except that an inventory shall not be required for any 30-day period in which no construction activity occurs. At least 48 hours prior to the use of subject heavy-duty off-road equipment, the project representative shall provide SMAQMD with the anticipated construction timeline including start date, and name and phone number of the project manager and on-site foreman.</p> <p style="text-align: center;">and:</p> <p>AQ-4: <u>Category 2: Controlling visible emissions from off-road diesel powered equipment</u> The project shall ensure that exhaust emissions from all off-road diesel powered equipment used on the project site do not exceed 40 percent opacity for more than three minutes in any one hour. Any equipment found to exceed 40 percent opacity (or Ringelmann 2.0) shall be repaired immediately, and the lead agency and SMAQMD shall be notified within 48 hours identification of non-compliant equipment. A visual survey of all in-operation equipment shall be made at least weekly, and a monthly summary of the visual survey results shall be submitted throughout the duration of the project, except that the monthly summary shall not be required for any 30-day period in which no construction activity occurs. The monthly summary shall include the quantity and type of vehicles surveyed as well as the dates of each survey. The SMAQMD and/or other officials may conduct periodic site inspections to determine compliance. Nothing in this section shall supercede other SMAQMD or state rules or regulations.</p>		Developer	City Development Services Department and SMAQMD	Monthly summary of the visual survey results.	Measures shall be implemented in field during grading and construction activities.	

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure	Implementing Responsibility	Monitoring Responsibility	VERIFICATION OF COMPLIANCE		
			Compliance Standards	Timing	Verification of Compliance (Initials/Date)
AQ-5: Prior to the approval of improvement plans or the issuance of grading permits, the Applicant will submit proof that the off-site air quality mitigation fee of \$3,082.00 has been paid to SMAQMD (or another fee as estimated by SMAQMD), and that the construction air quality mitigation plan has been approved by SMAQMD and the lead agency.	Developer	City Development Services Dept. and SMAQMD	Submittal of mitigation fee to SMAQMD.	Prior to the issuance of grading permits.	
AQ-6: Mitigation Measures AQ-1 and AQ-2 shall be followed for the construction phases of the project.	Developer	City Development Services Dept. and SMAQMD	Submission of an inventory of construction equipment that reduce NOx emissions. Monthly summary of the visual survey results.	Measures shall be implemented in field during grading and construction activities.	
AQ-7: The Developer shall pay an air quality mitigation fee as determined by SMAQMD or a fee of \$42,307.00 for Phase I of construction, \$26,967.00 Phase II of construction, \$27,420.00 for Phase III of construction, and \$7,540.00 for Phase IV of construction.	Developer	City Development Services Dept. and SMAQMD	Submittal of mitigation fee to SMAQMD.	Prior to the issuance of grading permits.	

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure	Implementing Responsibility	Monitoring Responsibility	VERIFICATION OF COMPLIANCE		
			Compliance Standards	Timing	Verification of Compliance (Initials/Date)
<u>Biological</u> BR-1: The project applicant/developer shall: (i) comply with all requirements of the NBHCP, together with any additional requirements specified in the North Natomas Community Plan EIR; (ii) comply with any additional mitigation measures identified in the Natomas Basin HCP EIR/EIS, and (iii) comply with all conditions in the ITPs that were issued by the USFWS and CDFG.	Developer	City of Sacramento, Development Services Dept., CA Dept. of Fish and Game, USFWS, and US Army Corps of Engineers	Submittal of construction plans with mitigation measures identified. Implementation of mitigation measures prior, during, and after construction.	Prior to the issuance of a grading permit.	
	Developer	City of Sacramento, Development Services Dept., CA Dept. of Fish and Game, USFWS, and US Army Corps of Engineers	Submittal of construction plans with mitigation measures identified. Implementation of mitigation measures prior, during, and	Prior to the issuance of a grading permit.	
BR-2: The Developer shall receive a verification from the U.S. Army Corps of Engineers as to the jurisdictional status of the drainage swale. If the drainage swale is considered Waters of the U.S., then the Developer shall obtain a Section 404 permit, Section 401 Water Quality Certification, and a 1601 Fish and Game Agreement. The Developer shall follow all components of the permits.					

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure	VERIFICATION OF COMPLIANCE			
	Implementing Responsibility	Monitoring Responsibility	Compliance Standards	Timing Verification of Compliance (Initials/Date)
			after construction. Consultation with the appropriate agencies.	

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure	Implementing Responsibility	Monitoring Responsibility	VERIFICATION OF COMPLIANCE		
			Compliance Standards	Timing	Verification of Compliance (Initials/Date)
<p>Hazards:</p> <p>H-1: The Project Developer shall work with the California Regional Water Quality Control Board (CRWQCB) to develop a remediation plan for the project site. The project site's soils on APNs 225-0150-030, and the contaminated portions of -014, and -028 shall be remediated to a level commensurate with residential health standards. If groundwater is encountered and is considered a threat to human health, remediation of the groundwater shall also be completed.</p> <p>Remediation must be completed to the satisfaction of the CRWQCB before issuance of any permits related to any construction activities, excluding grading, on contaminated areas (APNs 225-0150-030 and portions of -014, and -028) begin. Evidence that the remediation on contaminated areas has been completed to the satisfaction of the CRWQCB must be submitted to the City's Development Services Department, Building Division prior to the start of construction activities, excluding grading. The Project Developer may begin construction activities (excluding grading) in areas that are considered clean (APNs 225-0150-025, -027, and -036 and portions of APNs -014 and -028) with the submittal of a map and letter from the CRWQCB indicating which areas are clean enough to conduct project construction activities (excluding grading). The Project Developer shall cordoned off the contaminated areas prior to beginning grading activities on the clean areas.</p>	Developer	City Development Services Dept., CA Regional Water Quality Control Board	<p>Submittal of remediation plan and evidence that remediation has been completed.</p> <p>Submittal of map (with evidence of CRWQCB approval) showing the clean areas.</p>	Prior to issuance of a grading permit.	

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure	Implementing Responsibility	Monitoring Responsibility	VERIFICATION OF COMPLIANCE		
			Compliance Standards	Timing	Verification of Compliance (Initials/Date)
Noise: N-1: A minimum of STC 32 rated windows shall be installed on all second and third floors of residences that face Arena Boulevard. N-2: Air conditioning shall be provided at all residences to allow the ability to close windows.	Developer	City Development Services Department	Note shall be included in building plans.	Measures shall be implemented in field during grading and construction activities.	
	Developer	City Development Services Department	Note shall be included in building plans.	Measures shall be implemented in field during grading and construction activities.	

**NATOMAS FIELD PROJECT (P04-236)
MITIGATION MONITORING PLAN**

Mitigation Measure	Implementing Responsibility	Monitoring Responsibility	VERIFICATION OF COMPLIANCE		
			Compliance Standards	Timing	Verification of Compliance (Initials/Date)
<p>Cultural Resources:</p> <p>CR-1: If subsurface archaeological or historical remains are discovered during construction, work in the area shall stop immediately and a qualified archaeologist and a representative of the Native American Heritage Commission shall be consulted to develop, if necessary, further mitigation measures to reduce any archaeological impact to a less-than-significant level before construction continues.</p> <p>CR-2: If human burials are encountered, all work in the area shall stop immediately and the Sacramento County Coroner's office shall be notified immediately. If the remains are determined to be Native American in origin, both the Native American Heritage Commission and any identified descendants must be notified and recommendations for treatment solicited (CEQA Section 15064.5); Health and Safety Code Section 7050.5; Public Resources Code Section 5097.94 and 5097.98.</p>	Developer	City Development Services Department	Note shall be included on the Map and within the Standard Construction Specifications	Measures shall be implemented in field during grading and construction activities.	