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CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

March 6, 1980

CITY HALL
915 I STREET - 95814
(916) 449-5704

City Council
Sacramento, California

APPROVED
BY THE CITY COUNCIL

Honorable Members in Session:

MAR 11 1980

SUBJECT: Fire Station #2 - 13th and I Streets

OFFICE OF THE
CITY CLERK

SUMMARY

In mid December it became apparent that cost estimates on this project were escalating rapidly to \$840,000 and beyond, not including land. Various means of cost reduction were surveyed. The most advantageous appears to be joint public-private use of the site by conveying the ground below the fire station, and the air above, to a private developer in exchange for the developer's providing a no-cost or low-cost fire station to the City. This report recommends that the City Council approve distribution of the attached Request for Proposals to developers as the first step toward accomplishing the project.

BACKGROUND

The City has acquired the northwest corner of 13th and I Streets for the new fire station #2 at a cost of \$436,000. Schematic plans have been completed. Construction cost estimates have risen to \$840,000. The increase is due mainly to the size of the structure, the needs of the "Firebird", solar design, and zone 1 building code requirements. With a land cost of \$436,000, the total cost of the station would approximate \$1,276,000.

The mixed use can be accomplished by allowing a private developer to build a medium to high rise office building or other appropriate use on the site above the fire station. The arrangement would have the following elements:

- I. The City would allow use of the land to support a private office building.
- II. The developer would be required to include fire station in the design of the building and provide the facility at little or no cost to the City.

Consultation with the City Engineer, Fire Chief, City Attorney, and potential developers have indicated that technical, legal, and financial factors would allow the arrangement.

Advantages of this development would be:

- A. City procures a fire station with significant savings of construction cost.
- B. Private developer has no land cost.
- C. The property returns to the tax rolls to the extent of its private use and value after development.

Although its impossible to precisely define figures yet, the savings for the City should be at least the equivalent of the land cost (\$436,000) and possibly more.

The main provisions of the R.F.P. include the following:

- City to convey the land to developer.
- Developer to build fire station.
- Developer to build office building above fire station.
- Developer to convey fire station back to City.
- Developer to spend a minimum of \$840,000 on the fire station.
- Developer to build fire station to City specifications and requirements.

The basis of the arrangement lies in the use of the same land for two developments. By this means, the City is able to convert the value of its expenditure for land to construction of the fire house. The developer spends what he would otherwise spend for the land on construction of the fire house and uses the air above the fire house for his development purpose.

FINANCIAL DATA

If the City were to build the fire house on that site, the cost would include both land and construction; \$436,000 and \$840,000 respectively. By allowing the air rights to be used for a private office building, the City should recognize a savings approximately equal to the price of the land (\$436,000) plus whatever part of the construction cost the developer may absorb through subjacent support of his building and savings he produces as an inducement for the City to participate.

RECOMMENDATION

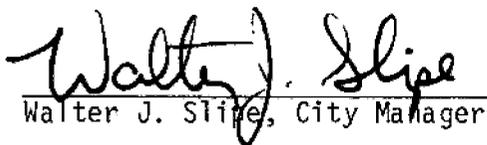
It is recommended that the City authorize distribution of the attached Request for Proposals for joint public/private use of the fire station site on the northwest corner of 13th and I Streets.

Respectfully submitted,



Mac Mailes
Assistant City Manager
for Community Development

Recommendation Approved:


Walter J. Slive, City Manager

March 11, 1980

INVITATION TO SUBMIT PROPOSAL
FOR DEVELOPMENT OF PROPERTY ON
NORTHWEST CORNER OF 13th AND I
STREETS, SACRAMENTO, CALIFORNIA

CITY OF SACRAMENTO invites proposals for the development of property at 13th and I Streets, Sacramento, California, in accordance with the terms and conditions set forth in this invitation to submit proposal. This invitation for proposals may be obtained from the City Clerk, Room 203, City Hall, 915 I Street, Sacramento, California 95814. (Telephone: 916 - 449-5426)

1. Proposals shall be submitted in person or by mail addressed to:

CITY CLERK
Room 203, City Hall
915 I Street
Sacramento, California 95814

Any proposal submitted should be designated:

"Development Proposal 13th and I Streets."

2. This invitation consists of the following:

- a. Invitation to submit Proposal
- b. Desired form of proposal
- c. Developer's Financial Information and Qualification Statement
- d. Proposed form of agreement
 - A. Development Agreement
 - B. Easement, Operating and Restriction Agreement

e. Exhibits

A. Property description

B. Floorplan for firehouse

(The use of these plans shall be restricted to the original site for which they were prepared and publication thereof is expressly limited to such use. Re-use, reproduction or publication by any method, in whole or in part, is prohibited. Title to the plans remains with Madsen and Flatmann without prejudice. Visual contact with these plans and specifications shall constitute prima facie evidence of the acceptance of the restrictions.)

C. Sacramento City Ordinance 4145

D. Sacramento City Ordinance 4146

3. The following general conditions shall apply:

a. Any proposal received after the closing time may be rejected by the City in its sole discretion.

b. More than one proposal may be submitted; however, each such proposal should be complete and separately identified. Proposals should be prepared in a simple and economic manner. Elaborate bindings, colored displays other than those specifically requested, promotional material, etc. are neither required nor desired. The emphasis of the proposal should be on completeness and clarity.

c. Any extension of time shall be in the sole discretion of City. If any extension of time is granted, it shall be granted to all persons who have made it known to City that they intend to submit a proposal. No request for an extension of time shall be considered by City if made less than forty-eight (48) hours before the close of the period for submitting proposals.

d. City shall not pay any compensation for any proposal submitted or for the review or use of any material submitted with any proposal.

e. The proposals submitted shall be reviewed, and any selected, if any be selected, shall be selected on the basis of what, in the sole discretion of City, is in the best interest of City. The economic aspects of

a proposal may not be the sole, or even the predominant, criteria for selection.

f. The City of Sacramento reserves the right to reject any and all proposals received by reason of this invitation, or to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of the City. THE CITY OF SACRAMENTO MAY NOT AWARD A CONTRACT SOLELY ON THE BASIS OF THIS INVITATION AND SHALL NOT PAY FOR THE INFORMATION SOLICITED OR OBTAINED. The information obtained shall be used in determining the suitability of the proposal to satisfy the best interests of the City determined in its sole discretion.

g. Rejection of any proposal will be devoid of any criticism of the proposal and of any implication that the proposal was deficient or that the person which submitted the proposal was in any manner not satisfactory. Non-acceptance of any proposal will mean that another proposal or alternative was deemed to be more advantageous to the City of Sacramento.

h. All material submitted shall be the property of the City of Sacramento and may be returned only in the sole discretion of City.

i. Proposals submitted become the property of the City of Sacramento and may be reviewed and evaluated by any person at the discretion of the City. Any idea contained in any proposal may be used by the City in any manner in which City may desire to use any such

idea, notwithstanding any more restrictive statement concerning the rights of the City which may be contained in this invitation.

j. Each proposal submitted shall contain a statement that no real estate broker's, or other contingent fee of whatever nature is due, or if such a fee is due, or may become due, the nature of the fee and the name, address and telephone number of the person to whom it is due.

k. Each proposal shall contain a statement that the developer making the proposal shall defend, indemnify and hold harmless the City, its officers, employees and agents from any real estate broker's fee or any other contingent fee of whatever nature which may be due, or become due, with regard to such developer's proposal, or the acceptance of such developer's proposal by City.

4. There is attached to this invitation as Exhibit A a description of land on the Northwest corner of 13th and I Streets. This property was or is presently being acquired by the City for the purpose of locating a firehouse.

5. There is attached to this invitation as Exhibit B the floorplan for the firehouse. It should be noted the firehouse is to house the Firebird 150, a large and unique piece of apparatus, which dictates especially appropriate design and construction. Due to these unique requirements, the City has

spent substantial money and time developing the Exhibit B floorplan. The City intends to retain its present architect to complete design of the firestation in cooperation with Developer's architect. Each Developer is requested to budget \$840,000.00 for the firehouse. The firehouse is required to have separate utilities. The Developer is requested to give design consideration to integration of active and passive solar systems in the development.

6. The City now invites proposals by developers based on the following concept:

a. Each Developer shall budget \$840,000 for the firehouse. The actual design of the firehouse shall be accomplished by contract with the City architect in coordination with the Developer's architect. The floorplan of the firestation shall be according to Exhibit A.

b. After satisfaction of conditions precedent, City shall convey the land to the Developer reserving the surface, airspace and easements which will be occupied by the firehouse.

c. Developer shall construct the firehouse either substantially or completely at its cost as part of development of the land.

d. City shall convey such easements as may be required, including without limitation, easements of support, to Developer.

spent substantial money and time developing the Exhibit B floorplan. The City intends to retain its present architect to complete design of the firehouse in cooperation with Developer's architect. Each Developer is requested to budget \$840,000.00 for the firehouse construction. The firehouse is required to have separate utilities. The Developer is requested to give design consideration to integration of active and passive solar systems in the development.

6. The City now invites proposals by developers based on the following concept:

a. Each Developer shall budget \$840,000 for the firehouse construction. The actual design of the firehouse shall be accomplished by contract with the City architect in coordination with the Developer's architect. The floorplan of the firehouse shall be according to Exhibit B.

b. After satisfaction of conditions precedent, City shall convey the land to the Developer reserving the surface, airspace and easements which will be occupied by the firehouse.

c. Developer shall construct the firehouse either substantially or completely at its cost as part of development of the land.

d. City shall convey such easements as may be required, including without limitation, easements of support, to Developer.

e. Developer shall convey to City the airspace in which the firehouse is actually located along with such easements for support, parking, service, utilities, and related items as may be necessary.

f. Developer shall acknowledge that the support easements are sufficient and constructed according to the agreements.

g. City shall convey to Developer such easements as may be required for operation of Developer's project. The firehouse shall be delivered to City on a turn-key basis ready for occupancy and use.

h. The foregoing is to be generally according to the proposed form of agreement attached to this invitation.

7. The total cost of the firehouse, the cost to City of the firehouse, and the date the firehouse shall be available are of particular, but not of sole, importance and concern to the City.

8. The period for submitting proposals as a result of this invitation shall close as of _____.

EXHIBIT A

The East seventy (70) feet of Lot 7 and Lot 6,
in the block bounded by and between 12th and 13th and
H and I Streets of the City of Sacramento, according to
the official plat thereof.

ORDINANCE NO. 4145, FOURTH SERIES

AN ORDINANCE AMENDING THE COMPREHENSIVE ZONING ORDINANCE,
ORDINANCE NO. 2550, FOURTH SERIES, RELATING TO HEIGHT
LIMITS IN THE OLD CITY

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

SECTION 1.

Section 3-B of the Comprehensive Zoning Ordinance, Ordinance No. 2550, Fourth Series, is hereby amended. Said amendment shall be set forth in the same manner as shown on the existing chart and shall read as follows:

BASIC HEIGHT AND AREA REGULATIONS

	ZONE	LOCATION	MAXIMUM HEIGHT	MINIMUM YARD REQUIREMENTS				MAXIMUM LOT COVERAGE	MINIMUM LOT AREA PER D.U. IN SQ. FT.
				FRONT	REAR	INTERIOR SIDE	STREET SIDE		
1	R-1 Zone	All	35 ft.	1	15 ft.	5 ft.	12-1/2 ft.	40%	5200 I 6200 C
1a	R-1A Zone	General Old City	35 ft. 8	11	11	11	11	40%	11
2	R-2 Zone	All	35 ft.	1	15 ft.	5 ft.	12-1/2 ft.	40%	2600 I 3100 C
3	R-2A Zone	General Old City	35 ft. 8	1	2	5 ft.	25 ft.	50%	2500
3a	R-2B Zone	General Old City	35 ft. 8	1	2	5 ft.	25 ft.	50%	2000
4	R-3 Zone	General Old City	35 ft. 8	1	2	5 ft.	25 ft.	50%	1500
5	R-4 Zone	General Old City	35 ft. 8	1	2	3	3	60%	750
5a	R-4A Zone	General Old City	35 ft. 8	1	2	3	3	60%	750
6	R-5 Zone	General Old City	35 ft. 8	1	2	3	3	4	4
6a	R-5 Zone	General Old City	35 ft. 18	10 ft.	2	3	12-1/2 ft. 3	12	750
7	D-3 Zone	General Old City	35 ft. 8-1	1 5 ft.	2	3	12-1/2 ft. 3	No Req.	No req.
8	SC Zone	General Old City	35 ft. 8	50 ft.	5	5	50 ft.	No req.	2500
8a	MC Zone	General Old City	35 ft. 8	50 ft.	15 ft.	15 ft.	50 ft.	40%	2500
9	C-1 Zone	General Old City	35 ft. 8	7	5	6	No req.	No req.	1500
10	C-2 Zone	General Old City	45 ft. 8	7 No req.	5	6	No req.	No req.	1500 4
11	C-3 Zone	General Old City	No req.	No req.	5	6	No req.	No req.	No req.
12	C-6 Zone	General Old City	75 ft. 8	7 No req.	5	6	No req.	No req.	Not Allowed
13	M-1 Zone	General Old City	75 ft. 8	7 No req.	5	6	No req.	No req.	Not Allowed
14	M-1S Zone	General Old City	No req.	25 ft.	No req.	No req.	25 ft.	No req.	Not Allowed
15	M-2 Zone	General Old City	75 ft. 8	7 No req.	5	6	No req.	No req.	Not Allowed
16	M-2S Zone	General Old City	No req.	25 ft.	No req.	No req.	25 ft.	No req.	Not Allowed
17	A Zone	All	50 ft.	1	15 ft.	10 ft.	12-1/2 ft.	No req.	5 acres
18	F Zone	All	9	9	9	9	9	9	9
19	A-OS	All	50 ft.	50 ft.	50 ft.	25 ft.	50 ft.	No req.	20 acres

I - Interior lot C - Corner lot No req. - No requirement * Unless otherwise noted

SECTION 2.

Section 3-C-8 of the Comprehensive Zoning Ordinance, Ordinance No. 2550, Fourth Series, is hereby amended to read as follows:

8. Within the Old City the height limits shall be the same as the height limit specified outside the Old City, provided, however, that a special permit may be granted to permit buildings of additional height. However, there shall be no height limit and no special permit shall be required for any building for which the Redevelopment Agency has entered into a contract with a developer which contract governs the requirements for development of the building and the parcel or parcels upon which it is located.

SECTION 3.

This ordinance is to be published in full within 10 days after passage in the official newspaper of the City of Sacramento.

PASSED: October 17, 1978

EFFECTIVE: November 16, 1978

PHILLIP L. ISENBERG
MAYOR

ATTEST:

LORRAINE MAGANA
CITY CLERK

ORDINANCE NO. 4146,

FOURTH SERIES

AN ORDINANCE AMENDING THE COMPREHENSIVE ZONING ORDINANCE,
ORDINANCE NO. 2550, FOURTH SERIES, RELATING TO SPECIAL
PERMITS FOR MAJOR PROJECTS IN THE OLD CITY

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

SECTION 1.

Section 3-B of the Comprehensive Zoning Ordinance, Ordinance No. 2550, Fourth Series, is hereby amended. Said amendment shall be set forth in the same manner as shown on the existing chart and shall read as follows:

3. BASIC HEIGHT AND AREA REGULATIONS

NO.	ZONE	LOCATION	MAXIMUM HEIGHT	MINIMUM YARD REQUIREMENTS				MAXIMUM LOT COVERAGE	MINIMUM LOT AREA PER D.U. IN SQ. FT.
				FRONT	REAR	INTERIOR SIDE	STREET SIDE		
1	R-1 Zone	All	35 ft.	1	15 ft.	8 ft.	12-1/2 ft.	40%	5200 I 6200 C
1a	R-1A Zone	General Old City	35 ft. 8	11	11	11	11	40% 10	11
2	R-2 Zone	All	35 ft.	1	15 ft.	8 ft.	12-1/2 ft.	40%	2600 I 3100 C
3	R-2A Zone	General Old City	35 ft. 8	1	2	8 ft.	25 ft.	50% 10	2500
3a	R-2A Zone	General Old City	35 ft. 8	1	2	8 ft.	25 ft.	50% 10	2000
4	R-3 Zone	General Old City	35 ft. 8	1	2	8 ft.	25 ft.	50% 10	1500
5	R-4 Zone	General Old City	35 ft. 8	1	2	3	3	10	750
5a	R-4A Zone	General Old City	35 ft. 8	1	2	3	3	10	750
6	R-5 Zone	General Old City	35 ft. 8	1	2	3	3	10	4
6a	R-5 Zone	General Old City	35 ft. 8	1	2	3	3	10	4
7	R-0 Zone	General Old City	35 ft. 10 ft.	1	2	3	12-1/2 ft. 3	10	750
7	D-5 Zone	General Old City	35 ft. R-1	1	2	3	12-1/2 ft. 3	No req. 10	No req.
8	SC Zone	General Old City	35 ft. 8	50 ft.	5	6	50 ft.	No req. 10	2500
8a	HC Zone	General Old City	35 ft. 8	50 ft.	15 ft.	15 ft.	50 ft.	40% 10	2500
9	C-1 Zone	General Old City	35 ft. 8	7	6	6	No req.	No req. 10	1500
10	C-2 Zone	General Old City	45 ft. 8	7 No req.	5	6	No req.	No req. 10	1500 4
11	C-3 Zone	General Old City	No Req.	No req.	5	6	No req.	No req. 10	No req.
12	C-4 Zone	General Old City	75 ft. 8	7 No req.	6	6	No req.	No req. 10	Not Allowed
13	H-1 Zone	General Old City	75 ft. 8	7 No req.	5	6	No req.	No req. 10	Not Allowed
14	H-1S Zone	General Old City	No req.	25 ft.	No req.	No req.	25 ft.	No req. 10	Not Allowed
15	H-2 Zone	General Old City	75 ft. 8	7 No req.	5	6	No req.	No req. 10	Not Allowed
16	H-2S Zone	General Old City	No req.	25 ft.	No req.	No req.	25 ft.	No req. 10	Not Allowed
17	A Zone	All	50 ft.	1	15 ft.	10 ft.	12-1/2 ft.	No req.	*5 acres
18	F Zone	All	9	9	9	9	9	9	9
19	A-05	All	50 ft.	50 ft.	50 ft.	25 ft.	50 ft.	No req.	*20 acres

I - Interior lot C - Corner lot No req. - No requirement * Unless otherwise noted

SECTION 2.

Section 3-C-10 of the Comprehensive Zoning Ordinance, Ordinance No. 2250, Fourth Series, is hereby amended to read as follows:

10. Within the Old City the maximum lot coverage shall be the same as that specified outside the Old City, provided, however, that a special permit shall be required for any building to be constructed or expanded to exceed 75,000 square feet of gross floor area. A special permit shall not be required for any building for which the Redevelopment Agency has entered into a contract with a developer which governs the requirements for development of the building and the parcel or parcels upon which it is to be located.

SECTION 3.

Section 15-G is hereby added to the Comprehensive Zoning Ordinance, Ordinance No. 2550, Fourth Series, to read as follows:

G. MAJOR PROJECTS IN THE OLD CITY

Notwithstanding any other provisions of this section to the contrary, the following procedures shall be applicable to the granting of all special permits for any project for which a special permit is required by §3-C-10:

1. A copy of the staff report provided to the planning commission shall be provided to members of the city council.

2. Within five days after a planning commission decision to grant a special permit, the planning director shall provide a summary of the planning commission's decision to the city council.

3. At its next regularly scheduled meeting, after receipt of the planning director's report pursuant to paragraph 2 of this subsection, the city council, without holding a public hearing, shall review the action of the planning commission. Upon a determination that the application involves significant policy issues, the city council may set aside the planning commission decision. If such action is taken by the city council the decision of the planning commission shall have no force and effect and the application shall be considered by the city council at a public hearing to be noticed and held in accordance with all requirements of this section which govern the planning commission's consideration of special permits.

4. The provisions of paragraphs 2 and 3 of this subsection shall not be applicable to special permits which were denied by the planning commission.

5. The provisions of paragraph 3 of this subsection shall not be applicable to any special permit application for which an appeal of the planning commission decision has been filed in accordance with section 18 of this ordinance.

SECTION 4.

This ordinance is to be published in full within 10 days after passage in the official newspaper of the City of Sacramento.

ENACTED: October 17, 1978

EFFECTIVE: November 16, 1978

PHILLIP L. ISENBERG

MAYOR

ATTEST:

LOPPALINE MAGANA

CITY CLERK

PROPOSAL FORMAT

Proposal shall be submitted substantially according to the following format.

1. Narrative statement describing:

- (a) Scope of Development, proposed uses, theme (if any), and financing program including the share of City for the financing;
- (b) Name, experience, and demonstrated ability of developer's architect;
- (c) Developer's estimated development time, in months, for each phase of development from date of agreement for the following:

Submission of:	Preliminary Plans	_____
	Final Construction Plans	_____
	Evidence of Tenant Leasing	_____
	Evidence of Financing	_____
	Start of Construction	_____
	Completion of Construction	_____
	Occupancy of Firehouse by City	_____
	Total Months	_____

2. Developer's preliminary estimate of development costs:

- (i) Firehouse structure (
- (ii) Fixtures, finishings, furnishings and equipment, including tenant requirements for all aspects of development for firehouse (\$ 840,000.00 (
- (iii) Basic structures and site improvements \$ _____
- (iv) Fixtures, finishings, furnishings and equipment, including tenant requirements for all aspects of development excluding firehouse \$ _____
- (v) Total \$ _____
- (vi) Amount City would contribute for firehouse, if any: \$ _____
- (a) Developer's estimate of required loan commitment: \$ _____
- (b) Developer's estimate of required equity capital: \$ _____
- (c) Developer's proforma statement for economic operation of that portion of the building not used for a firehouse.

DEVELOPER'S FINANCIAL INFORMATION AND QUALIFICATION STATEMENT

- 1. a. Name of developer:
- b. Address and ZIP code of developer:
- c. IRS Number of developer:

2. If the developer is not an individual doing business under his own name; the developer has the status indicated below and is organized or operating under the laws of _____:

- _____ a corporation.
- _____ a nonprofit or charitable institution or corporation.
- _____ a partnership known as:
- _____ a business association or a joint venture known as:
- _____ a Federal, State, or local government or instrumentality thereof.
- _____ other, (explain)

3. If the developer is not an individual, give date of organization:

4. Names, addresses, title of position (if any), and nature and extent of the interest of the officers and principal members, shareholders, and investors of the developer are set forth as follows:

- a. If the developer is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
- b. If the developer is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board

1. If space on this form is inadequate for any requested information, it should be furnished on an attached page which is referred to under the appropriate numbered item on the form.

2. If a corporation is required to file periodic reports with the Federal Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934, so state under this Item 4. In such case, the information referred to in this Item 4 and in Items 5 and 6 is not required to be furnished.

of directors or similar governing body.

c. If the developer is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

d. If the developer is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.

e. If the developer is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

Name, address, and zip code

Position Title (if any) and percent of interest or description of character and extent of interest

7. a. The financial condition of the developer, as of _____, 19____, is as reflected in the attached financial statement. (NOTE: Attach to this statement a certified financial statement showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.)

b. Name and address of auditor or public accountant who performed the audit on which said financial statement is based:

8. If funds for the development are to be obtained for sources other than the developer's own funds, a statement of the developer's plan for financing the developer:

9. Sources and amount of cash available to developer to meet equity requirements of the development:

a. In banks:

<u>Name, address, and zip code of bank</u>	<u>Amount</u>
	\$

5. Name, address, and nature and extent of interest of each person or entity (not named in response to Item 4) who has a beneficial interest in any of the shareholders or investors named in response to Item 4 which gives such person or entity more than a computed 10% interest in the developer (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the developer; or more than 50% of the stock in a corporation which holds 20% of the stock of the developer:

Name, address and zip code

Description of character and extent of interest

6. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 5 or Item 5 above:

- b. By loans with affiliated or associated corporations or firms:

<u>Name, address, and zip code of source</u>	<u>Amount</u>
--	---------------

\$

- c. By sale of readily salable assets:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
--------------------	---------------------	---------------------------

\$

\$

10. Names and addresses of bank references:

11. a. Has the developer or (if any) the parent corporation, or any subsidiary or affiliated corporation of the developer or said parent corporation, or any of the developer's officers or principal members, shareholders or investors, or other interested parties (as listed in the response to Items 4, 5, and 6 above) been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

YES _____

NO _____

If YES, give date, place, and under what name.

b. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 10 years?

YES _____

NO _____

If YES, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

12. a. Undertakings, comparable to the proposed development work, which have been completed by the developer or any of the principals of the developer, including identification and brief description of each project and date of completion:

b. If the developer or any of the principals of the developer has ever been an employee, in a supervisory capacity, for construction contractor or builder on undertakings comparable to the proposed development work, name of such employee, name and address of employer, title of position, and brief description of work:

13. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development of the land as a construction contractor or builder:

a. Name and address of such contractor or builder:

b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete

a construction or development contract:

YES _____

NO _____

If YES, explain:

c. Total amount of construction or development work performed by such contractor or builder during the last three years:

\$ _____

General description of such work:

d. Construction contracts or developments now being performed by such contractor or builder:

Identification of
Contract or Development

Location

Amount

Date to Be
Completed

\$

e. Outstanding construction-contract bids of such contractor or builder:

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
	\$	

14. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the redevelopment of the land, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

15. Does any member of the governing body of the City of Sacramento to which the accompanying bid or proposal is being made or any officer or employee of the City of Sacramento who exercises any functions or responsibilities in connection with the carrying out of the project under which the land covered by the developer's proposal is being made available, have any direct or indirect personal interest in the

developer or in the redevelopment or rehabilitation of the property upon the basis of such proposal?

YES _____

NO _____

If YES, explain.

16. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 7) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I (We) ³ _____

certify that this Developer's Financial Information and Qualification Statement and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct of the best of my (our) knowledge and belief.

DATED: _____

DATED: _____

Signature

Signature

Title

Title

Address and ZIP Code

Address and ZIP Code

3. If the developer is a corporation, this statement should be signed by the President and Secretary of the corporation; if an individual, by such individual; if a partnership, by one of the partners; if an entity not having a president and secretary, by one of its chief officers having knowledge of the financial status and qualifications of the developer.

DEVELOPMENT AGREEMENT

This agreement is made at Sacramento, California, as of _____, by and between CITY OF SACRAMENTO, a municipal corporation, (hereinafter referred to as "City") and _____

a _____, (hereinafter referred to as "Developer") who agree as follows:

RECITALS

WHEREAS, City is the owner of that certain real property described on Exhibit A hereinafter referred to as "the property" which is attached hereto and is incorporated herein by reference;

WHEREAS, City desires to have constructed on said real property a firehouse in conjunction with other development;

WHEREAS, Developer, in consideration of the terms and conditions of this agreement, desires to construct said firehouse in conjunction with developing said real property;

WHEREAS, Developer has heretofore made a proposal to City for the construction of said firehouse in conjunction with other development of said real property; said proposal is entitled _____, dated _____;

WHEREAS, City and Developer now desire to make an agreement for the development according to the proposal made by Developer and in accordance with the terms and conditions of this agreement.

AGREEMENT

ARTICLE 100. DETAILED DESIGN PHASE

Section 101. Submission of Preliminary Construction Plans

Within _____ () days of the date of this agreement, Developer shall submit to City _____ () copies of preliminary construction plans for development of the property. Said plans shall be based on the above-mentioned proposal and shall be prepared by

and shall consist of _____

Section 102. Review of Preliminary Construction Plans

City shall review the preliminary construction plans submitted by Developer according to its accepted procedures and make written comments to Developer. Such comments shall be submitted to Developer within _____ () days of the date Developer submits the preliminary construction drawings to City.

Section 103. Failure to Reach Agreement

In the event that Developer and City shall not be able to reach agreement concerning the preliminary construction plans within _____ () days of the date City submits written comments to Developer, then, unless this agreement is extended by mutual agreement, this agreement shall terminate. In the event of any such termination, each party shall bear all costs incurred by it to that point in time and neither party shall have any further or other obligation to the other with respect to this agreement or any matter directly or indirectly related thereto.

Section 104. Final Design

In the event this agreement not be terminated as provided above, within _____ () days of the date of resolution of all differences between the parties with respect to the preliminary construction drawings, Developer shall commence and diligently pursue preparation of final construction plans and obtain all approvals precedent to obtaining a building permit for the development of the property substantially according to the preliminary construction plans agreed upon by City and Developer. In the event that all approvals and conditions precedent to the issuance of a building permit have not been obtained on or before a date _____ () days after the approval of the preliminary construction plans by City and Developer, then, unless this agreement is extended by mutual agreement, this agreement shall terminate. In the event of any such termination, each party shall bear all costs incurred by it to that point in time and neither party shall have any further or other obligation to the other with respect to this agreement or any matter directly or indirectly related thereto.

ARTICLE 200. ESCROW

Section 201. Opening Escrow

Within _____ () days after Developer has obtained all approvals precedent to the issuance of a building permit for developing the property according to the foregoing, City shall open an escrow at a title company located in Sacramento, California, satisfactory to both City and Developer.

At the time City opens the escrow, it shall deliver to the escrow holder this agreement, the building permit, an executed grant deed to convey the property to Developer reserving to City the surface, airspace and easements for the firehouse as shown on the final plans, and such instructions as may be agreed upon by both Developer and City.

Section 202. Conditions to be Fulfilled by Developer

Developer shall deliver to escrow the following:

(1) A contract for construction of the development by a contractor acceptable to City both as to the form of the contract and the contractor. Said contract shall require among other things, all appropriate insurance coverage required to protect City and Developer during construction. This contract shall be contingent on close of escrow by the time certain.

(2) Performance and payment bonds in an amount equal to the cost of construction as set forth in the construction contract guaranteeing the performance of the contractor pursuant to said contract substantially in the forms set forth in Exhibits ____ and ____ attached hereto. Said bonds shall be issued by a corporate surety licensed to do business in the State of California and satisfactory to City. Such bonds may be conditioned upon the close of the escrow in which event the bond premiums shall be deposited simultaneously with the bonds subject to payment on close of escrow.

(3) Final financial commitments for construction and permanent financing of the development in form satisfactory to City issued by a financial institution or institutions satisfactory to City.

(4) A sum sufficient to pay the cost of the building permit.

(5) Such other sums as may be required to pay charges to Developer for close of escrow.

Section 203. Condition of Title to the Property

City shall convey the property to Developer subject only to the following:

City shall deposit with reservation as indicated above a sufficient sum in escrow to place the title of the property in the aforementioned condition.

Section 204. Costs of Closing Escrow; Deposit & Payment

Subject only to the exception of the cost of placing title to the property in condition for conveyance as stated in the preceding paragraph, Developer shall pay all costs of escrow, of closing escrow, and for title insurance. The party responsible for depositing money in escrow or for paying fees due shall deliver such funds to the escrow holder in the form of cash or a cashier's check issued in California by a California banking institution within five (5) days after notice by the escrow holder that the only condition precedent to close of escrow is such deposit or payment of funds in escrow.

Section 205. Authorization of Escrow Holder

When all conditions precedent to close of escrow are satisfied, the escrow holder is authorized to:

(1) Pay, and charge City and Developer, respectively, for any fees, charges and costs payable under this Article 200. Before such payments are made, the escrow holder shall notify the City and Developer of the fees, charges and costs necessary to clear title and close the escrow.

(2) Deliver the documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by City

and Developer.

(3) Record any instruments delivered through escrow if necessary or proper to vest title in accordance with the terms and provisions of this agreement.

If escrow is not in condition to close at or after the time for conveyance established herein, either party who then shall have fully performed the acts to be performed by it prior to the conveyance of title to Developer may, by written notice delivered to the escrow holder, terminate escrow and demand the return of its money, papers or documents. Thereupon all obligations and liabilities of the parties under this agreement shall cease and terminate. If neither City nor Developer shall have fully performed the acts to be performed by them prior to the conveyance of title to Developer, no notice of termination and demand for return shall be recognized until ten (10) days after the escrow holder shall have mailed copies of such notice to the other party at the address specified herein. If any objections are raised within such ten-day period, the escrow holder is authorized to hold all money, papers and documents until instructed otherwise by way of "amended escrow instructions," or by a court of competent jurisdiction. The escrow holder may but is not obligated to return any such money, papers or documents until instructed to do so by way of "amended escrow instructions" or by a court of competent jurisdiction. If no notice is given, the escrow shall be closed as soon as possible after all conditions to closing have been satisfied.

Any amendment of these escrow instructions shall be in the form of "amended escrow instructions" which shall be in writing and signed by both City and Developer. At the time of any amendment, the escrow holder shall agree to carry out its duties as escrow holder under such amendment.

All notices, demands and communications from the escrow holder to City and/or Developer shall be given in the manner specified herein for notices, demands and communications between City and Developer. Nothing in this Section 205 shall be construed to impair or affect the rights or obligations of City or Developer to specific performance.

The liability of the escrow holder under this agreement is limited to performance of the obligations imposed upon it under this Article 200.

City shall not be liable for any real estate commissions, brokerage fees, or any fees of similar nature which may arise in connection with this agreement or from any conveyance made pursuant hereto.

ARTICLE 300. DEVELOPMENT OF THE PROPERTY

Section 301. Construction

Upon close of escrow as stated in Article 200, Developer shall cause to be constructed the development on the property according to the final construction plans and the construction contract described in Article 200. Said construction shall be diligently prosecuted to completion within _____ () days of the date of the close of the aforementioned escrow.

Section 302. Critical Path Method Reporting

Within ten (10) days of the date of commencement of construction, Developer shall maintain at the construction site, a Critical Path Method chart showing both anticipated construction progress and actual construction progress by projected dates and by actual completion dates. Such chart shall be available for review by City personnel at any time between 8:00 A.M. and 5:00 P.M. when construction activity is taking place on the property.

At any time or times actual construction progress is not equal to projected construction progress, Developer shall at least once each calendar month, report to City in writing the reasons for not meeting the Critical Path Method projections and of what progress has been made since the last such report in achieving the original or the then-revised Critical Path Method projections.

Section 303. Bodily Injury and Property Damage Insurance

Developer shall furnish or cause to be furnished to City duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least Two Million Five Hundred Thousand Dollars (\$2,500,000) for any person, Five Million Dollars (\$5,000,000) for any occurrence, and Three Hundred Thousand Dollars (\$300,000) property damage, naming the City as co-insured. The obligations set forth in this section shall remain in effect only until the final Certificate of Completion has been furnished as hereinafter provided.

Section 303A. Commencing as of the date of closing of the aforementioned escrow and until City occupies the firehouse, Developer shall defend, indemnify, and hold harmless City, its

property. Developer shall at its own expense secure or cause to be secured any and all permits which may be required by City or any other governmental agency affected by such construction, development or work.

Section 305. Right of Access

Representatives of City shall have reasonable right of access to the property without charge or fee, at reasonable times during the period of construction for the purposes of this agreement, including but not limited to the inspection of the work being performed in constructing the development. Such representatives of City shall be those who are so designated in writing by the City Manager.

Section 306. Local, State and Federal Laws

Developer shall carry out the construction in conformity with all applicable laws, including all applicable Federal and State labor standards.

Section 307. Nondiscrimination During Construction

Developer for itself and its successors and assigns, agrees that in the construction provided for in this agreement, Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin.

Section 308. Taxes, Assessments, Encumbrances and Liens

Developer shall pay when due all real estate taxes and assessments assessed and levied with respect to the property. Developer shall not place or allow to be placed on the property any trust deed, encumbrance or lien not specifically authorized by this

officers, agents and employees from and against all costs, expenses and liabilities (including reasonable attorney's fees) incurred in connection with all claims, including any action or proceeding brought thereon, arising from or as a result of death or any accident, injury, loss or damage to any person or property occurring in the course of construction of the improvements contemplated by this agreement. The foregoing indemnity shall apply notwithstanding the negligence of any indemnitee; provided, the foregoing shall not apply to any loss caused by the sole negligence or willful act of any indemnitee.

Section 304. City and Other Governmental Agency Permits

Before commencement of construction or development of any buildings, structures, or other work of improvement upon the

agreement. Developer shall remove or have removed any levy or attachment made on the property prior to occupation of the firehouse to City. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amounts of any tax assessment, encumbrance or lien, nor to limit the remedies available to Developer in respect thereto.

Section 309. Prohibition Against Transfer of the Site, the Buildings or Structures and Assignment of Agreement

Prior to the recordation by City of a Certificate of Completion of Construction as provided hereinafter, Developer shall not, except as permitted by this agreement, sell, transfer, convey, assign or lease the whole or any part of any property or the buildings or structures thereon without the prior approval of City. This prohibition shall not apply subsequent to the recordation of the Certificate of Completion of Construction for the property. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the property; provided that the granting of such easements or permits is first approved by City.

Section 310. No Encumbrances Except Deed of Trust, Sales and Leases-Back or Other Financing for Development

Notwithstanding Sections 308 and 309, deeds of trust, sales and leases-back or any other form of conveyance required for any method of financing approved by City are permitted before issuance of a Certificate of Completion of Construction, but only for the purpose of securing funds to be used for financing the construction of improvements on the property and any other expenditures necessary

and appropriate to develop the property pursuant to the terms and provisions of this agreement. With respect to the property, Developer shall notify City at least twenty (20) days in advance of any deed of trust, sale and lease-back or other form of conveyance for financing if Developer proposes to enter into the same before issuance of a Certificate of Completion of Construction.

Developer shall not enter into any such conveyance for financing without the prior written approval of the City.

Section 311. Restriction on Uses

Nothing in this agreement shall be deemed to construe, permit, or authorize the holder of any deed of trust or other security interest authorized by this agreement to devote the property to any uses; or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this agreement.

Section 312. Notice of Default to Deed of Trust or Other Security Interest Holders; Right to Cure

Whenever the City shall deliver any notice or demand to Developer with respect to any breach or default by Developer in completion of construction, the City shall at the same time deliver to each holder of record of any deed of trust or other security interest authorized by this agreement a copy of such notice or demand. Each such holder shall (insofar as the rights of the City are concerned) have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default and to add the cost thereof to the security interest debt and the lien on its security interest. Nothing contained in this agreement shall be deemed to permit or

authorize such holder to undertake or continue the construction (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to the City by written agreement satisfactory to the City. The holder in that event must agree to complete, in the manner provided in this agreement, the improvements to which the lien or title of such holder relates, and submit evidence satisfactory to City that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder properly completing such improvements shall be entitled, upon written request made to the City, to a Certificate of Completion of Construction from City.

Section 313. Failure of Holder to Complete Improvements

In any case where six (6) months after default by Developer in completion of construction required under this agreement, the holder of any deed of trust or other security interest creating a lien or encumbrance upon the property has not exercised the option to complete the construction, or if it has exercised the option, but has not proceeded diligently with construction, City may purchase the deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the ownership of the property has vested in the holder, the City, if it so desires, shall be entitled to a conveyance from the holder to the City upon payment to the holder of an amount equal to the sum of the following:

- (a) The unpaid deed of trust or other security interest debt at the time title became vested in the holder (less all

appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings).

(b) All expenses with respect to foreclosure.

(c) The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the property.

(d) The costs of any improvements made by such holder.

(e) An amount equivalent to the interest that would have accrued to the aggregate of such amounts had all such amounts become part of the deed of trust debt and such debt had continued in existence to the date of payment by the City.

Section 314. Right of City to Cure Deed of Trust or Other Security Interest Default

In the event of a default or breach by Developer of a deed of trust or other security instrument with respect to the property prior to the completion of development, and the holder has not exercised its option to complete the development, City may cure the default, prior to completion of any foreclosure. In such event City shall be immediately entitled to reimbursement from Developer of all costs and expenses incurred by City in curing the default. City shall also be entitled to a lien upon property to the extent of such costs and disbursements. Any such lien shall be subject to deeds of trust or other security instruments which are executed for the sole purpose of obtaining funds to develop the property as authorized herein and which are recorded prior to the date City commences to cure said default.

Section 315. Right of the City to Satisfy Other Liens on the Property

Prior to the recordation of a Certificate of Completion of Construction, and after Developer has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the property, City shall have the right to satisfy any such liens or encumbrances, provided, however, that nothing in this agreement shall require Developer to pay or make provision for the payment of any tax assessment, lien or charge so long as Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the property to forfeiture or sale.

Section 316. Certificate of Completion of Construction

After completion of all construction and development to be completed by Developer upon the property, the City shall furnish Developer with a Certificate of Completion of Construction upon written request therefor by Developer. Such Certificate of Completion of Construction shall be, and shall so state, conclusive determination of satisfactory completion of the construction required by Developer pursuant to this agreement upon the property and of full compliance with the terms hereof with respect to the property as of the date of the Certificate of Completion of Construction. After issuance of such Certificate of Completion of Construction, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest therein shall not (because of such ownership, purchase, lease or acquisition), incur any obligation or liability under this agreement.

A Certificate of Completion of Construction shall be in such form as to permit it to be recorded in the Recorder's Office of Sacramento County.

If City refuses or fails to furnish the Certificate of Completion of Construction after written request from Developer, City shall, within ten (10) days of the written request, provide Developer with a written statement of the reasons City refuses or fails to furnish the Certificate of Completion of Construction. The statement shall also contain City's opinion of the action Developer must take to obtain the Certificate of Completion of Construction. If the reason for such refusal is confined to the immediate availability of specific items of materials for landscaping or fine arts, the Agency shall issue its Certificate of Completion of Construction upon the posting of a bond by Developer with City in an amount representing a fair value of the work not yet completed. If City fails to provide such written statement within said ten-day period, Developer shall be deemed entitled to the Certificate of Completion of Construction.

Such Certificate of Completion of Construction is not notice of completion as referred to in the California Civil Code, Section 3093.

ARTICLE 400. DEFAULTS, REMEDIES AND TERMINATION

Section 401. Defaults - General

Subject to the extensions of time set forth in Section 504, failure or delay by either party to perform any term or provision of this agreement constitutes a default under this agreement. The party who so fails or delays must immediately commence to cure,

correct, or remedy such failure or delay, and shall complete such cure, correction or remedy with reasonable diligence.

The nondefaulting party shall give written notice of default to the party in default, specifying the default complained of by the nondefaulting party. Except as required to protect against further damages, and except as otherwise expressly provided in Section 406 of this agreement, the nondefaulting party may not institute proceedings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

Except as otherwise expressly provided in this agreement, any failure or delay by either party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 402. Institution of Judicial Actions

In addition to any other rights or remedies, either party may institute judicial action to cure, correct or remedy any default to recover damages for any default, or to obtain any other remedy consistent with the purposes of this agreement. Such judicial actions must be instituted in the Superior Court of the County of Sacramento, State of California, in an appropriate municipal court in that county, or in the Federal District Court in the Eastern District of California.

Section 403. Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this agreement.

Section 404. Acceptance of Service of Process

In the event that any judicial action is commenced by Developer against City, service of process on City shall be made by personal service upon the City Clerk of City.

In the event that any judicial action is commenced by City against Developer, service of process on Developer shall be made by personal service upon a corporate officer of Developer or in such other manner as may be provided by law, whether made within or without the State of California.

Section 405. Rights and Remedies are Cumulative

Except as otherwise expressly stated in this agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise of it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 406. Specific Performance

The provisions of this section shall apply only after the escrow mentioned in Article 200 closes. If either Developer or City defaults under any of the provisions of this agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party within ten (10) days of service of notice of default, the nondefaulting party at its option may institute an action for specific performance of the terms of this agreement.

ARTICLE 500. GENERAL PROVISIONS

Section 501. Notices, Demands and Communications
Between the Parties

Formal notices, demands and communications between City and Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of City and Developer. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this section.

Section 502. Conflict of Interest

No member, official or employee of City shall have any personal interest, direct or indirect, in this agreement nor shall any such member, official or employee participate in any decision relating to the agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this agreement which has not been disclosed in writing prior to executing this agreement.

Section 503. Nonliability of City Officials and Employees

No officer or employee of City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Developer or successor or on any obligations under the terms of this agreement. Developer agrees not to bring suit against any such officer or employee of City.

Section 504. Enforced Delay; Extension of Times of Performance

In addition to specific provisions of this agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation where no reasonable substitute is available, governmental restrictions or priority, unusually severe weather, acts of the other party, acts or failure to act of any public or governmental agency or entity (other than that act or failure to act of City shall not excuse performance by City) or any other causes beyond the control or within the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this agreement may also be extended in writing by City and Developer.

Section 505. Inspection of Books and Records

City has the right, upon not less than seventy-two (72) hours notice, at all reasonable times to inspect the books and records of Developer pertaining to property and the construction as pertinent to the purposes of this agreement. Developer agrees within the times set forth above to make copies of all such books

and records available in the State of California. Developer also has the right, upon not less than seventy-two (72) hours notice, at all reasonable times to inspect the books and records of City pertaining to the property or the construction as pertinent to the purposes of this agreement.

Section 506. Plans and Data

After close of escrow described in Article 200, if Developer does not proceed with the development of property and when this agreement is terminated pursuant to Section 313 hereof for any reason, Developer shall deliver to City any and all plans and data concerning the property and the development and City or any other person or entity designated by City is free to use such plans and data without charge or cost.

Section 507. Approval by City

Wherever this agreement requires City to approve any contract, document, plan, specification, drawing or other matter, such approval shall be made in writing by the City Manager of City, or his designee.

Section 508. Cooperative Performance

The parties acknowledge that after the close of escrow mentioned in Article 200 above, the cooperative performance of their respective obligations pursuant to this agreement are essential to the accomplishment of the purposes and anticipated respective benefits from this agreement. Each party represents and warrants to the other that that respective party shall not do any act which shall have the effect of depriving the other party from realizing

the benefit of its timely, regular and good faith performance of its obligations herein contained. Each party acknowledges to the other that the foregoing is a material inducement to it to make this agreement. The foregoing does not express or imply that either must accept less than full, prompt and complete performance of this agreement by the other party.

Section 509. Entire Agreement, Waivers and Amendments

This agreement is executed in () counterparts, each of which is deemed to be an original. This agreement includes pages, and () attachments, which constitute the entire understanding and agreement of the parties.

This agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this agreement must be in writing and signed by the appropriate authorities of City or Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of City and Developer.

CITY:

DEVELOPER:

CITY OF SACRAMENTO, a
municipal corporation

By _____

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Deputy City Attorney

EASEMENT RESTRICTION AND OPERATING AGREEMENT

This Agreement is made as of _____,
at Sacramento, California, by and between City of Sacramento, a
municipal corporation, (hereinafter referred to as "City") and

a _____, (hereinafter referred
to as "Developer") who agree as follows:

Section 1. Effective Date

Simultaneously with this agreement, City and Developer have made another agreement for development of the real property described on Exhibit A (hereinafter referred to as the "Development Agreement"). This agreement shall become effective on the date Developer completes construction under the Development Agreement or at such earlier date as the parties may agree.

Section 2. Definitions

(a) The term "firehouse" or "City property" shall mean the property described on Exhibit along with the improvements thereon and appurtenances thereto.

(b) The term "Developer's property" shall mean the property described on Exhibit along with the improvements thereon and appurtenances thereto.

Section 3. Easements

As soon as practicable after completion of construction, City and Developer respectively grant to the other exclusive easements to encroach into portions of their respective properties by reason of vertical displacement by settlement and similar cases.

Developer shall grant to City an exclusive easement for the subjacent support of the firehouse; provided that, notwithstanding anything to the contrary contained in this agreement, support shall not be required for loads exceeding the design loads of the firehouse as described in Exhibit .

City shall grant to Developer an exclusive easement for the subjacent support of the development located above the firehouse; provided that, notwithstanding anything to the contrary in this agreement, support shall not be required for loads exceeding the design loads of said development as described in Exhibit .

The foregoing easements shall be granted as follows:

(a) Prior to conveyance of the firehouse to City, City shall grant an easement for support of the improvements constructed by Developer above the firehouse.

(b) Developer shall then acknowledge that the firehouse and the support provided by Developer under and within the firehouse as constructed are sufficient as constructed to fulfill the obligation of City for support.

(c) Developer shall convey to City according to survey the actual area occupied by the firehouse and the easement of support for the firehouse.

Each easement granted pursuant to the provisions of this section shall run with the land and is expressly for the benefit of the property of the grantee and shall burden the property of the grantor, and the property so benefited shall be the dominant estate and the property so burdened shall be the servient estate. Any such easement may be abandoned, modified or terminated by an agreement in writing executed by the owners of the dominant and servient estate.

Any physical relocation of any such easement by the grantee thereof shall be done only with the prior approval of the grantor thereof and at the expense of the grantee.

Section 4. Indemnification and Public Liability Insurance

City and Developer respectively hereby covenant to defend, indemnify and hold harmless the other from and against all claims and all costs, expenses, and liabilities (including reasonable attorney's fees) incurred in connection with all claims, including any action or proceeding brought thereon, arising from or as a result of the death or of any accident, injury, loss or damage

to any person or to property occurring upon the property of the indemnifying party, except for claims (i) insured against by the insurance referred to in paragraph following, or, (ii) caused by the negligence or the willful act or omission of the indemnified party, its agents, servants, or employees.

City and Developer shall respectively maintain in full force and effect comprehensive public liability and property damage insurance covering its respective property in the amount of at least \$1,000,000 per occurrence, which insurance shall be written with financially responsible carriers, name the other party as an additional insured, provided that the same may not be cancelled or modified without at least thirty (30) days prior written notice being given by the insurer to the other party and specifically insure the indemnity contained in the preceding paragraph; provided, however, such insurance shall not limit the liability of any party pursuant to said indemnity. The amount of such insurance shall be adjusted each three (3) years to compensate for inflation, using as a measure the percentage increase or decrease for the comparison year in question of Sacramento County Superior Court personal injury jury verdicts as compared to such verdicts in 1980.

The insurance described in the preceding may be carried under a so-called "blanket" policy or policies of insurance or may be carried under a plan of self-insurance from time to time maintained by a party on condition that such party maintains adequate reserves or assets for the risks so self-insured against and

furnishes to the other party evidence of the existence and adequacy of said reserves or assets. Net current assets of \$40,000,000 or more shall in all instances conclusively be deemed adequate.

Developer's annual report furnished to its stockholders shall be deemed sufficient evidence of the reserves and net current assets stated therein.

Section 5. Fire and Extended Coverage Insurance

After all improvements are constructed, City and Developer shall jointly maintain or cause to be maintained in full force and effect fire and extended coverage insurance covering all improvements on the respective properties in an aggregate amount equal to the full replacement cost thereof, and separately stating the dollar amount of coverage on, respectively, the City property and the Developer property, without deduction for depreciation, exclusive of the cost of excavations and (except for the earthquake coverage) of the cost of footings and foundations which policy: (i) shall insure against causes or events which are from time to time included as covered risks under standard insurance industry practices within the classification of fire and extended coverage, and specifically against loss or damage by fire, windstorm, cyclone, tornado, hail, explosion, riot, riot attending a strike, civil commotion, malicious mischief, vandalism, aircraft, vehicle, smoke damage, and sprinkler leakage and earthquake; (ii) shall be written with financially responsible carriers; and (iii) may be carried under a so-called "blanket" policy or policies of insurance provided that such policy or policies

do(es) not reduce the coverage otherwise provided for herein.

The proceeds of insurance shall be held in trust by the parties for the purposes specified in this agreement.

Section 6. Repair, Maintenance, Alterations and Restoration

Subject to the provisions of this section in respect to restoration, City and Developer shall respectively, at its expense, keep and maintain or cause to be kept and maintained the improvements on its property in good order, condition and repair; provided that with respect to any jointly-used facilities the cost of maintenance shall be shared in the same proportion as was shared the cost of initial construction thereof.

Each party may make alterations, additions or further improvement to the improvements on its property which do not impair its ability to perform its obligations under this agreement, including those relating to the easements herein granted or adversely affect the ability of the other party to (i) perform its obligations, (ii) exercise its rights under this agreement, or (iii) enjoy the use of its respective property.

As used hereinafter, the term "Project" refers to the improvements within the City property and the Developer property. Subject as hereinafter provided; in the event of damage to the Project, the parties shall jointly and cooperatively repair, restore and rebuild the Project in accordance with the plans and specifications governing the initial construction thereof, with such modifications thereof as may be approved by the parties. The cost thereof shall be paid from the proceeds of the insurance

referred to in Section 5 hereof and such cost shall be apportioned between the parties on the same basis as the cost of the initial construction of the Project.

All restoration, repair, rebuilding, maintenance, alterations, additions or improvements ("Work") shall be performed in compliance with the following requirements:

1. In accordance with the original plans and specifications, except as otherwise agreed by the parties.

2. In a good and workmanlike manner and in compliance with governmental requirements and then customary standards of the insurance industry.

3. With the cost thereof to be borne in the manner set forth herein and free of mechanics', materialmens' and laborers' liens.

Notwithstanding the foregoing, in the event of such damage or destruction, Developer shall have the right to elect within ninety (90) days of such destruction to remove all improvements above the City property, to clear all debris, to make satisfactory provision for the structural integrity of the City property, and to convey the Developer property to City free and clear of all liens excepting only the encumbrances to which it was subject at the time City conveyed it to Developer.

Section 7. Condemnation

If the City property and/or the Developer property, including the improvements thereon, or any portion thereof, shall be taken by eminent domain or shall be temporarily requisitioned, any award

for damages, whether negotiated by settlement or finally adjudicated shall be distributed between the parties in accordance with such settlement or adjudication and held by them in trust for the purposes of this agreement.

In the event of a taking by eminent domain, Developer and City shall, if and to the extent they agree it is feasible to do so, jointly undertake the repair, restoration and rebuilding of the Project to a complete architectural unit as nearly as possible to that which existed prior to the taking upon the same terms and conditions under which they would be required to reconstruct pursuant to Section 6 hereof and in accordance with the requirements set forth in said Section 6, except that the reference to insurance proceeds therein shall be deemed a reference to the aggregate of the awards paid to City and Developer.

Section 8. Reconveyance of City Tract to Developer

Upon one year's prior notice given by City to Developer, at any time after the thirtieth (30th) anniversary of the date of recordation of this agreement, City may execute and record a grant deed, granting to Developer fee simple title to the City property, provided that such interests shall be free and clear of any title exceptions except those to which the City property was subject at the time of the initial reservation thereof by City and that no consideration shall be payable by Developer to City therefor, except that Developer shall pay for recording the grant deed and the premium for any title insurance Developer may wish to obtain. Upon either party's request the parties shall, concurrent with recordation of the grant deed, execute, deliver and record an agreement terminating this agreement.

Section 9. Excuse for Non-Performance

Each party shall be excused from performing any obligation or undertaking provided in this agreement, except any obligation to pay any sums of money under the provisions hereof, in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, floods, explosion, actions of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action of labor unions, condemnation, requisition, laws, or orders of governmental or civil or military or naval authorities.

Section 10. Attorneys' Fees

In the event at any time during the term of this agreement either party shall institute any action or proceeding against the other relating to the provisions of this agreement or any default hereunder, the unsuccessful litigant in such action or proceeding agrees to reimburse the successful litigant therein for reasonable attorneys' fees and disbursements incurred therein by the successful litigant.

Section 11. Notices

A. Any notice, demand, request, consent, approval, designation, or other communication with either party is required or desires to give or make or communicate to the other shall be in writing and shall be given or made or communicated by United States registered or certified mail, addressed, in the case of Developer, to:

and addressed, in the case of City, to:

City of Sacramento
915 "I" Street
Sacramento, California 95814

subject to the right of a party to designate a different address by notice similarly given. Any notice, demand, request, consent, approval, designation, including any duplicate original, or other communication so sent shall be deemed to have been given, made or communicated, as the case may be, on the date the same was delivered by the United States mail as registered or certified matter, with postage thereon fully prepaid.

B. The beneficiary or trustee under any deed of trust affecting the Property shall be entitled to receive notice of any default by Developer provided that such beneficiary or trustee shall have delivered a copy of such notice in the form herein provided to City. The form of such notice shall be as follows:

The undersigned, whose address is _____

does hereby certify that it is the holder of a first lien upon the real property described on Exhibit A attached hereto and made a part hereof and is the trustee or beneficiary holding the security interest in said property. In the event that any notice shall be given of the Developer's default, a copy thereof shall be delivered to the undersigned who shall have all rights of Developer to cure such default. Failure to deliver a copy of such notice to the undersigned shall affect in no way the validity of the notice of default as it respects Developer, but shall make the same invalid as it respects the interest of the undersigned and its lien upon said property.

Any such notice shall be given in the same manner as provided in paragraph A preceding hereof. Giving of any notice of default or the failure to deliver a copy of such a trustee or beneficiary shall in no event create any liability on the part of the party so declaring a default. In the event that any notice shall be given of the default of a party and such defaulting party has failed to cure or commence to cure such default, then and in that event, such trustee or beneficiary shall be entitled to receive an additional notice given in the manner provided in paragraph A hereof, that the defaulting party has failed to cure such default and such trustee or beneficiary shall have thirty (30) days after the receipt of said additional notice to cure any such default, or, if such default cannot be cured within thirty (30) days, to diligently commence curing within such time and diligently cure within a reasonable time thereafter.

Section 12. Amendment; Consent

The provisions of this agreement may be modified or amended, in whole or in part, only with the consent of both parties, by declaration in writing, executed and acknowledged by both parties, duly recorded in the Office of the County Recorder of the County of Sacramento, State of California.

Section 13. Reserved

Section 14. Miscellaneous

A breach of any of the terms, conditions, covenants, or restrictions of this agreement shall not defeat or render invalid

the lien of any deed of trust hereof made in good faith and for value, but such term, condition, covenant, or restriction shall be binding upon and effective against a party whose title to said property or any portion thereof is acquired by foreclosure, trustee's sale or otherwise.

It is expressly agreed that no breach of this agreement shall entitle a party to cancel, or rescind or otherwise terminate this agreement, but such limitation shall not affect, in any manner, any other right or remedies which either party may have hereunder by reason of any breach hereof.

The captions of the sections of this agreement are for convenience only, and shall not be considered nor referred to in resolving questions of interpretation and construction.

In any instance in which any party shall be requested to consent to or approve of any matter with respect to which such party's consent or approval is required by any of the provisions of this agreement, such consent or approval shall be given in writing, and shall not be unreasonably withheld, unless the provisions of this agreement with respect to a particular consent or approval shall expressly provide that the same shall be given or refused in the sole and absolute judgment of any party.

Each party hereby covenants that upon written request of the other party, it will promptly issue to such other party, or to a beneficiary or trustee, or any other person specified by such requesting party, an estoppel certificate stating: (i) whether the party to whom the request has been directed knows of any default under this agreement and if there are known defaults, specifying the

nature thereof; (ii) whether to its knowledge this agreement has been assigned, modified, or amended in any way (or if it has, then stating the nature thereof); (iii) that to the party's knowledge, this agreement as of that date is in full force and effect.

This agreement shall be construed in accordance with the laws of the State of California.

In the event of any violation or threatened violation by any party of any of the terms, restrictions, covenants and conditions herein provided, the other party shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. Prior to the commencement of any such action, at least five (5) days' written notice of such violation or threatened violation shall be given to the other party.

Neither anything in this agreement contained nor any acts of the parties shall be deemed or construed by any person to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties.

If pursuant to this agreement, either party is compelled or elects to pay any sum of money or do any acts which require the payment of money by reason of the failure or inability by the other party to perform any of the terms and provisions in this agreement to be performed by such other party, the defaulting party shall promptly upon demand, reimburse the paying party for such sums, and all such sums shall bear interest at the rate of one percent (1%) over the then existing prime rate of interest charged by the Bank of America Trust and Savings Association, San Francisco,

California (but in no event exceeding the maximum rates permitted by law) from the date of expenditure until the date of such reimbursement. Any other sums payable by either party to the other pursuant to the terms and provisions of this agreement that shall not be paid when due shall bear interest at the rate of one percent (1%) over the then existing prime rate of interest charged by said banking institution (but in no event exceeding the maximum rate permitted by law) from the due date to the date of payment hereof. The foregoing remedy shall be cumulative and in addition to all other remedies at law or in equity.

If any term, provision or condition contained in this agreement shall, to any extent, be invalid or unenforceable, the remainder of this agreement (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this agreement shall be valid and enforceable to the fullest extent permitted by law.

This agreement shall, except as otherwise provided herein, be binding upon and inure to the benefit of the successors, successors in interest and assigns of the parties.

Wherever in this agreement approval of a party is required, and unless a different time limit is provided in any section of this agreement, such approval or disapproval shall be given within thirty (30) days following the receipt of the time to be so approved or disapproved, or the same shall be conclusively deemed to have been approved by such party. Any disapproval shall specify with

particularity the reasons therefor; provided, however, that wherever in this agreement the right to approve or disapprove in its sole and absolute discretion, is given disapproval may be made without specifying a reason therefor.

Any document submitted for the consent or approval of a party shall contain a cover page prominently listing the date mailed, and if applicable, a statement to the effect that the document or the facts contained within such document shall be deemed approved or consented to by the recipient unless the recipient makes objection thereto within the time specified in such notice, which shall be thirty (30) days unless this agreement shall specify a different period. Failure to specify such time shall not invalidate the notice but simply shall require the action of such party within said thirty (30) day period.

No waiver of any default by a party to this agreement shall be implied from any omission by the other party to take any action in respect to such default if such default continues or is repeated. No express waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more waivers of any default in the performance of any term, provision or covenant contained in this agreement shall not be deemed to be a waiver of any subsequent default in the performance of the same term, provision or covenant or any other term, provision or covenant contained in this agreement. The consent or approval by any party to or of any act or request by the other party requiring consent or approval shall not be deemed to waive or render unnecessary the

consent or approval to or of any subsequent similar acts or requests. The rights and remedies given to any party by this agreement shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity which any such party might otherwise have by virtue of a default under this agreement, and the exercise of one such right or remedy by a party shall not impair such party's standing to exercise any other right or remedy.

The use of the singular herein includes the plural and the use of neuter herein includes the masculine and/or feminine, as the context may require.

Nothing contained in this agreement, including the grant of easements to Developer pursuant to Section 3 hereof, or the purchase rights set forth in Sections 6 and 7, or the provisions of Section 8 hereof, shall be deemed to create a possessory or other taxable interest in Developer, it being acknowledged that the firehouse is a public facility.

Each and every provision of this agreement on the respective parts of City and Developer are covenants running with the land and shall bind each person having any interest in the respective properties at any time and from time to time and shall bind each and every person at any time and from time to time comprising or a part of the terms "City" and "Developer" shall inure to the benefit of the other party. The property benefited by any covenant is the dominant estate and the property burdened by any covenant is the servient estate.

As used in this agreement, the term "person" shall mean an individual, partnership, firm, association, corporation, trust or any other form of business or governmental entity and the use of the singular includes the plural.

"CITY"

"DEVELOPER"

CITY OF SACRAMENTO, a
municipal corporation

By _____

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Deputy City Attorney